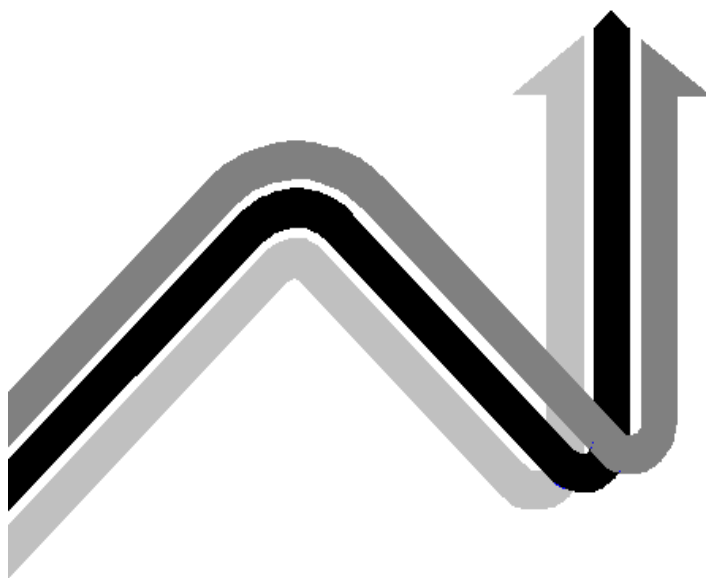


THEMATIC REVIEW OF THE TRANSITION FROM INITIAL EDUCATION TO WORKING LIFE



UNITED KINGDOM

BACKGROUND REPORT

JULY 1998

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SECTION 1: CONTEXTUAL AND INSTITUTIONAL FACTORS

1.1 The economic context

During the last quarter of the 20th Century the UK has encountered significant changes in relative competitiveness. This reflects a variety of economic and social changes in the UK and overseas, and corresponding developments in the structure and performance in the educational and training systems. The transition patterns explored later and issues associated with them are inextricably linked to these trends.¹

The 1990s have represented a period of relative stability for the UK economy, compared to the cyclical fluctuations which characterised the 1970s and 1980s. While the decade began with recession, since 1993 the UK economy has been exhibiting solid and consistent output growth. This has been accompanied by falling unemployment, increasing employment, expanding exports, increased fixed investment, and relatively low inflation. A careful policy of achieving sustainable growth has been successful in controlling the economic cycle.

Following what might be described as a 'mini-boom', the UK economy is now showing signs of slowing down. GDP growth, which stood at 3.1% in 1997 is expected to average 2.2% in 1998 (NIESR 1997), continuing at around 2% in 1999; thus producing a 'softish' landing for the economy.

While the rate of employment growth has been running at less than half that of GDP, it has provided a positive stimulus to the labour market, with approximately 1 million being added to the employment stock in the period 1994-97 (ONS 1998). It is also noticeable that full-time opportunities for males have been growing faster than female, reversing the previous trend. This combination of rising employment and falling unemployment reflects a tightening labour market. As yet, there is little evidence of the attendant effects of significant skill shortages, although wage inflation is now showing signs of creeping above the Treasury targets.

Manufacturing output, stimulated by export growth, grew by 0.3% in 1996 and by 1.5% in 1997. The strength of the pound, however, is now biting hard, with exporters struggling to squeeze their margins further. The effect of this will be an estimated decline in output growth to 0.5% in 1998 (NIESR 1997).

While the UK has been experiencing positive rates of growth, increases in per capita GDP have historically been behind those of most other OECD countries, except for a short period during the 1980s. In the 1990s this trend has continued: in 1996 per capita GDP in the UK was approximately 10% below the OECD average.

A major thrust of Government policy over the past decade has been to improve the competitiveness of the UK economy. Much of this activity has been focused on the supply side to enhance the skills and productive potential of the workforce. There have been concerns that past over-concentration in traditional heavy industries have left certain sectors in geographical locations vulnerable to what has been described as a 'low skills equilibrium' (Finegold and Soskice 1988). This relates to a scenario where employers and

¹ In addition to the sources cited in the text, Section 1 draws on Cambridge Econometrics (1998a, 1998b), CBI (1998), Bayliss (1998) and Payne (1998). References are listed in Annex 1.

individuals lack the incentive to invest in higher level skills or are facing barriers preventing them making the investment. By utilising these higher skill levels, there is the potential for companies to move into the higher value-added segments of the market and/or opportunities to raise their productivity.

While the stock of unfilled vacancies at Jobcentres has been on an increasing trend over the last two years, until very recently there has been little evidence of wide-spread skill shortages. Many of the vacancies recorded fall into what might be regarded as the 'hard-to-fill' category, which owes more to the attractiveness of the opportunity, rather than the skill required to fill it.

A recent programme of Skills Summits across the UK came to the conclusion that skill shortages were far from pervasive across the economy, but were present in specific localities and sectors. The sectors most affected include information technology (IT), engineering, and construction. Skill gaps in the workforce, rather than skill shortages, appear to be a more widespread problem. Skills gaps relate to a situation where the skills of existing employees are a constraint on the development of the businesses where they are employed. This may not be recognised by the employer. Alternatively the employer may be resigned to operating with the constraint. Priority areas of concern include key or generic skills and competencies, IT skills, intermediate vocational skills and management skills (YCL 1998).

More recently, the competitiveness agenda has been complemented by concerns about social cohesion. This policy strand reflects worries about the longer term effects of sustained high levels of unemployment through the 1980s and early 1990s, and the growth of relative poverty levels and income inequality over the same period.

1.2 Demography

The population of the UK is approximately 57 million, of which 3 million are resident in Wales and 5 million in Scotland. (Northern Ireland, with fewer than 2 million, is not covered by this study.) Population growth is fairly steady, with increases of between 1% and 2% per annum.

The British labour force increased slightly to 28 million in 1996, following five years of slow decline. It is anticipated that this increase will continue into the millennium, reaching a total of 29 million by 2001. Over the past decade, the number of women in the workforce has been growing significantly faster than that of males. This trend is set to continue with growth rates double that of males.

The age profile of the UK population is broadly similar to that of the EU states. The outlook is for a continuing rise in the average age of the workforce, and in 10-15 years time, a significant increase in people over retirement age.

In the mid-1980s there were approximately eight million people aged 16-24. The decline in this population since that date occurred first among the 16-19 cohort, reflecting the rapid decline in the birth rate in the late 1970s. Demographic projections show that the population of 16-19 year olds has now progressed beyond its lowest point and will continue to rise slowly over the remainder of the decade.

The population of 20-24 year olds continues to decline and will not reach its lowest point until 1999. The net effect is that the number of 16-24 year-olds will remain constant at around six million for the remainder of the decade. This represents a decline of approximately one-quarter compared to the early 1980s. A combination of demography and increased participation in education and training has reduced the number of young people working or available for work by almost one-third. Changing participation rates in education and training are described in 3.1 below.

It was widely predicted that this significant decline in youth labour supply would significantly distort employer recruitment patterns – the so-called demographic timebomb. It was anticipated that the shortage

of youth labour would drive up earnings in the youth labour market, thus reducing education and training participation. This predicted trend failed to materialise.

The 'greying' of the British population is forecast to continue at an increasing rate. Between 1996 and 2001, the number of people of working age over 35 will increase by 1.8 million or 9%. The 35-44 and 55-59 age groups will increase by 14% and 13% respectively between 1996 and 2001. In stark contrast, the number of 25-34 year olds will fall by 850 000, or approximately 10%. As noted above, the number of 20-24 year olds is expected to fall (by 6%) but the number of 16-19 year olds will rise (by 7%).

1.3 Employment

UK total employment increased by 0.1 million between 1991 and 1996. Over the next five years it is expected to increase by a further 0.9 million (BSL 1997). Like other developed countries the UK has experienced a marked shift away from the manufacturing industries towards services. Over the period 1981 to 1996, the percentage of people employed in Services increased by on average 1.5% per annum, while Primary and Utilities, and Manufacturing have fallen by 3.6% and 2.1% respectively. Table 1.3.1 shows the annual percentage change in employment by sector.

Table 1.3.1: Employment by sector: Annual % change

	1981/96	1996/2001
Primary and Utility	-3.6	-3.2
Manufacturing	-2.1	-1.8
Construction	0.0	0.2
Services ⁽¹⁾	1.5	1.3
All Industries	0.4	0.7

Source: BSL (1997)

(1) Services includes Distribution, Hotels and Catering; Transport and Communication; Financial and Business Services; Mainly Public Services

It is expected that the UK population of working age will remain relatively stable growing at an annual rate of 0.4% between 1998 and 2006 (BSL 1997).

Male employment fell by 0.4 million between 1991 and 1996 while female employment increased by 0.5 million over the same period. During the next five years male employment is expected to increase slightly by 0.3 million, while female employment will increase by 0.6 million (BSL 1997).

The main occupational trend has been towards managerial, technical and administrative jobs, and away from the traditional craft and operative occupations. Clerical occupations, traditionally the main source of work for new female entrants, have also been in decline. Table 1.3.2 shows the annual percentage changes in employment by occupation.

Table 1.3.2: Employment by occupation: Annual % change

	1981/96	1996/2001
Managers and administrators	2.0	1.1
Professional Occupations	1.2	1.0
Assoc Professional/Technical	2.6	2.6
Clerical and Secretarial	0.1	0.3
Craft & Skilled	-1.8	-0.3
Personal/Protective Services	2.5	1.3
Sales Occupations	0.9	1.3
Plant & Machine Operatives	-0.8	-1.0
Other Operatives	-1.3	-0.4
Total	0.4	0.7

Source: BSL (1997)

Young workers entering the labour market for the first time have traditionally been concentrated in the craft and related occupations, clerical occupations, sales, catering and hairdressing. These include occupational areas, notably craft and clerical occupations, which nationally have declined more significantly within the economy. It is therefore evident that the reduced supply of youth labour has declined in line with market trend. There is also evidence to suggest that the significant change in the youth labour market is due more to demand than to supply factors. It is perhaps not the demographics or the increased participation which has forced the change, but more the change in recruitment patterns by employers as they respond to a more competitive market, which requires a more flexible and highly skilled workforce (Elias and McKnight 1998).

ILO employment rates for 16-19 year olds fell by seven percentage points in the period 1989 to 1995, and by 4.5 percentage points for the 20-24 year old age group over the same period. Employment rates for these two groups increased slightly in the period 1995 to 1997, as did employment as a proportion of total population in the age group. This data complements that on participation in education and training which shows a rise in participation followed by a slight fall over similar periods.

There is also evidence of a low wage occupational employment component increasing. Young people entering employment in the last few years are much more likely to be entering low wage employment than was the case 10 years ago (Elias and McKnight 1998).

The net result is that for those who are unable to continue, or do not wish to continue, in further education and training, labour market opportunities are much more limited than they were a decade ago. It is much more likely that these young people will be drawn to low wage occupations, increasing their vulnerability in the market.

Britain has no history of minimum wage legislation to address very low wage thresholds in particular occupations. A minimum wage of £3.60 per hour will however be introduced from April 1999. 16 and 17 year olds and all those on formal apprenticeships, will be exempt. A lower rate of £3.00, rising to £3.20 in June 2000, will apply to 18-20 year olds (and initially to 21 year olds) and to workers starting a new job with an employer and receiving accredited training.

1.4 Unemployment

Unemployment, which has been on a declining trend and is at its lowest level for almost two decades, is showing signs of stabilising. Forecasters expect unemployment to stay at around the 5.5-6% mark in 1998, before rising slightly in 1999. Many commentators believe that unemployment is now close to its natural rate, consistent with stable inflation.

Unemployment fell steadily from a high of 10.4% in 1993 to 6.7% in January 1998 (standardised rates, against EU average of 10.4% and G7 average of 6.4%, January 1998). The ILO unemployment count in March 1998 was 1.86 million, of whom 589 000 were long-term unemployed (over one year).

Long-term unemployment, as a proportion of total unemployment, has fallen from 45% in 1994 to 32% in 1998. Despite this improvement, longer-term social issues, associated with earlier high unemployment levels, remain.

Table 1.4.1 shows that youth unemployment has fallen significantly over the past decade, both in absolute and relative terms. Between 1986 and 1996 youth unemployment has fallen by some 400 000; a reduction in the unemployment rate of 3 percentage points.

Table 1.4.1: UK youth to adult unemployment ratios: 1986 and 1996

Year	16-24		25 plus		Youth/Adult Ratio (Rate a/Rate b) (OECD)
	Number (100s)	Rate (a)	Number (100s)	Rate (b)	
1986	1097	17.7	1899	9.1	1.95 (2.7)
1996	658	14.8	1607	6.8	2.18 (2.5)

Note: rates are numbers employed as a percentage of ILO economically active population in age range.

Source: OECD and DfEE

In 1986 the youth unemployment rate, at 17.7%, was a little less than double the adult rate; a youth adult ratio of 1.95. This ratio was well below the OECD average of 2.7, and indeed only Germany (1.3) and Denmark (1.4) recorded a more favourable score. By 1996 it was apparent that youth unemployment was falling at a slower rate than adult unemployment, with the youth adult ratio increasing to 2.18. While this is still below the OECD average of 2.5, there has been a narrowing of the gap. This shows that most other OECD countries are showing a reverse of the UK trend, with adult unemployment falling faster than youth unemployment.

1.5 Education and training systems

England, Wales and Scotland each has its own education system. Wales was politically incorporated with England throughout the period when its education system developed; as a result the differences from English education are relatively small, and most have emerged recently. Wales has the same qualifications as England; it has a different National Curriculum (but with common features); its institutional structure is similar but with less local variation. The Welsh language (the medium of instruction in more than a fifth of schools in Wales) and the rural character of much of Wales are distinctive features. Scottish education had begun to develop as a national system before the Union with England in 1707, and it has remained more distinct. It has different qualifications, and its schools and colleges have different roles from those in England and Wales. The curriculum tends to be broader and to place more emphasis on general education. However all three systems share 'British' features. Their current differences may be less important than the potential for future divergence (or possibly convergence), especially following the establishment in 1999 of the National Assembly in Wales and the Parliament in Scotland.

For the purposes of this study we describe these systems in terms of three stages. *Compulsory schooling* extends from 5 to 16 years, with a transfer to secondary school usually at 11 years (12 in Scotland). Most secondary schools are all-ability comprehensive schools. *Post-compulsory education and training* is the most diverse of the three stages; it includes programmes of different levels and duration, in a variety of

institutions, subjects and modes of study. Described by the OECD as a ‘mixed model’ in 1985, it is commonly represented as a tripartite system, with an academic pathway, a broad vocational pathway and an occupational pathway. The occupational pathway is typically work-based and includes youth training programmes. These pathways are less clearly delineated in Scotland. *Higher education* has been a formally unified system since 1992, when most of the polytechnics and other ‘public sector’ institutions became universities. A schematic representation of the pathways, based on the OECD’s comparative schema, is given in Annex 4.

The British education and training systems are notoriously difficult to summarise in a simple description or model. One reason for this is their *flexibility*. Especially at the post-compulsory stage, British education and training are flexible, or are developing flexible features, in a number of respects:

- flexible *outcomes*: there is no concept of ‘graduation’ from compulsory schooling or from upper-secondary education; post-compulsory pathways tend to be open-ended, with flexible exit points; academic pathways offer an elective curriculum with a relatively free choice of the content and volume of study;
- flexible *inputs*: qualifications (especially vocational qualifications) are defined in terms of outcomes; the same qualification may be achieved in different types of institution and by different modes or duration of study;
- flexible *pathways*: it is often possible to combine different types of qualification, and to move between academic and vocational pathways;
- *overlap between education/training and the labour market*: learning may continue through work-based training or part-time study after an individual has entered the labour market;
- *markets and choice*: there is an emphasis on student and provider choice rather than on central prescription of content and methods of study.

Flexibility varies across parts of each system and across the different systems; in many respects the Scottish system is the most flexible.

Qualifications (in the British sense of the term, which emphasises the certificate rather than the skill which it certifies) give shape to this flexible system. The end of compulsory education is marked by a comprehensive qualification, the GCSE (Standard grade in Scotland), designed for virtually the full ability range of 16 year olds². At the post-compulsory stage in England and Wales the three ‘pathways’ are usually defined in terms of qualifications (respectively A levels, GNVQs and NVQs, although there are many other vocational qualifications as well). In Scotland the three pathways are represented by Highers, National Certificate (NC) modules and SVQs respectively, but the pathways are less distinct. Higher education offers two main types of qualifications for the first-time entrant: first degrees and ‘sub-degree’ qualifications such as HNCs and HNDs. Qualifications not only define the system; they are also leading policy instruments for reforming it.

The *linkages between education/training and the labour market* vary across the stages of education and the different pathways within them. Hannan *et al.* (1997) classify these linkages in England and Scotland (and by implication in Wales) as ‘decoupled with strong market signals’. This best describes the compulsory stage, the academic pathway within the post-compulsory stage and the less professionally oriented sector of higher education. The broad vocational pathway and professional higher education may reflect what Hannan *et al.* call ‘collinear’ linkages, with employer and professional bodies influencing

² See Annex 3 for a select glossary of acronyms and other terms.

curricula and qualifications, although the strength of these linkages is highly variable. The linkages are strongest in the occupational pathway, where many trainees are employed or otherwise sponsored by employers, and where employers have the leading role in specifying the standards on which occupational qualifications are based.

To summarise this section, the transition from school to work has been affected by economic and educational trends including:

- higher unemployment in the 1970s and 1980s, increasing the barriers to labour-market entry;
- demographic factors in the early 1990s, reducing the number of young people entering the labour market;
- economic restructuring, and the increasing application of new technology, shifting the skills requirement from unskilled and semi-skilled to skilled;
- market globalisation, generating pressure to improve productivity;
- the expansion in participation in full-time post-compulsory and higher education, which has approximately doubled since the mid 1980s (see 3.1);
- the continuous process of policy change and development over the last two decades: an even more rapid rate of policy turnover than in most OECD countries.

SECTION 2: THE TRANSITION FROM INITIAL EDUCATION TO WORKING LIFE: CONCEPTS AND ISSUES

2.1 The concept of transition

In this report we interpret the transition from initial education to working life as a process which affects the whole age cohort. It begins at about 14 years, when young people enter the final stage of compulsory schooling, and extends until they have achieved relatively stable positions in the labour market. In section 3 below we describe transitions through three stages of education and training: compulsory, post-compulsory and higher education. Within the post-compulsory stage we distinguish among the academic, broad vocational and occupational (or work-based) pathways: our main distinction is between the first two pathways, which are mainly followed through full-time education, and the occupational pathway which is mainly followed through work-based learning. The report follows the transition process into the labour market, recognising that the end point of the transition is arbitrary and varies across young people.

The transition from initial education to working life is not a clearly defined concept in terms of policy, practice or research. However to the extent to which there is an agreed concept of transition it has become broader. It now covers a longer sequence of educational and labour-market statuses and a wider range of educational and labour-market processes. It embraces the transition from all levels of education and training, including university. This broader concept reflects the growth in educational participation, the prolongation of the transition, the overlap of learning and the labour market, and the emphasis on lifelong learning.

The changing concept of transition is mirrored in the regular government-funded surveys of young people's transitions. From the mid 1970s young people in Scotland were surveyed about 10 months after leaving school; the concept of transition was a single, short process, mainly applicable to young people who entered the labour market directly from secondary school. In the mid 1980s new surveys in England and Wales (the YCS) and Scotland (the SYPS) covered age cohorts over the three post-compulsory years. The concept of transition was now of a longer process, which embraced transitions within education and training as well as the labour market; there was a particular interest in the factors which influenced participation and the choice of education/training pathway at 16. However the concept of transition, like the surveys, tended to stop at 19 years; continued education beyond 19 was seen as an alternative to the labour market rather than as a longer pathway into it. The current generation of surveys (following a pilot in England and Wales in 1994) will follow age cohorts to about 23/24 years, when the majority of university graduates have entered the labour market.

2.2 Current debates

Below we summarise some of the wider debates which provide the context for the more specific debates about transition discussed in Section 3. Our summary is necessarily tentative. The election of a new Labour government has transformed the debates in many policy fields, but the transformation is not complete. Many of the government's highest priorities for action have concerned the early years of education; its strategies for many aspects of the transition to working life are still emerging. In Wales and

Scotland many policy debates are particularly fluid in anticipation of the Welsh Assembly and Scottish Parliament which will be elected in 1999.

We identify at least five broad themes in current debates.

Skills, competitiveness and employability. Many recent debates have focused on the relation of skills to economic competitiveness, on the UK's relatively low skill levels and on the 'low skills equilibrium' which has inhibited investment in skills. The current government has added a new emphasis on skills for employability, and has sought to balance the needs of economic efficiency and the needs of social inclusion. The desirability of higher skill levels is generally accepted. So far there has been little debate about 'over-education' in the UK, although there is a growing debate over the extent to which future expansion should focus on higher education as opposed to other levels and sectors of the system. Compared to many European countries the UK has seen relatively few debates about the 'match' or 'mismatch' between educational outputs or labour-market needs, partly because in a flexible, market-oriented system the outputs are under less direct policy control. However there are concerns about specific skill shortages and recruitment difficulties; 'matching' may be an emerging British debate, particularly in relation to specific sectors such as micro-electronics and to the new emphasis on regional development planning.

Exclusion and disaffection. A second debate concerns the emergence of a hard core of young people who are disaffected from the institutions of education and the labour market, and who face a high risk of unemployment and social exclusion. One position in the debate links social exclusion with a breakdown in social values and a decline in the institutions such as the family which are claimed to support these values. This view stresses the individual responsibility of young people for their (mis)fortunes; others see the excluded more as victims of circumstance. A strong theme of recent debates is the role of education and training as a means to encourage social inclusion, by promoting individual growth and citizenship and by providing skills for employability. The debate about exclusion is thus linked with the debate about skills, especially by those who see economic competitiveness and social inclusion as complementary, rather than competing, objectives.

Markets and partnership. The Conservative governments between 1979 and 1997 introduced measures to deregulate the labour market, to develop training on 'voluntarist' principles (with minimal regulation or compulsion for employers to train), and to extend market principles to the provision of education and guidance services. Although many of these changes have been accepted by the present government there is still controversy over the extent to which education and training should be governed by free-market principles. There is a related debate over the extent to which even a market-oriented policy should concentrate on the supply side of this market (education and training) or attempt to correct deficiencies on the demand side (the utilisation and demand for skills in employment). The debate has shifted towards the balance between market principles and the current government's new emphasis on partnership, and on how to reconcile these two principles.

Education and training systems. Many debates in education focus on the structure of qualifications. In England and Wales, each of the main post-compulsory qualifications -- A levels, GNVQs and NVQs -- is the subject of heated debate. There are debates about the relationships among the different qualifications and pathways. One position is that academic and vocational education should be kept separate and encouraged to develop a distinctive ethos and tradition; a second position (closer to government policy in England and Wales) is that they should be brought closer together through equivalences, links and common elements; a third position is that they should be integrated within a unified system. In Scotland, where a unified system is being developed at 16-plus, there is more consensus on the need for reform. In addition to qualifications, recent debates have increasingly focused on the institutional level, including the local arrangements for planning and co-ordinating provision, and on funding: the level of funding, funding mechanisms and disparities in funding across sectors. Finally, there are debates on the distribution of

resources across different levels of the educational system, and on the mix of qualification levels to aim for (for example, the balance of higher education and intermediate skills). These debates are increasingly conducted in the context of lifelong learning.

Rights and responsibilities. A final set of debates concerns the rights and responsibilities of young people and other stakeholders. On the one hand, there has been a reaffirmation of the concept of entitlement: to free education up to 18, to guidance, and so on. On the other hand, there has been a shift of emphasis from rights to responsibilities. Current interventions for the unemployed, such as the New Deal (see 4.8), emphasise the responsibility to work, as well as the right to work, of those who are able to do so. Recent policies have sought to give young people more responsibility for (and 'ownership' of) their own career choices. Many debates about rights and responsibilities concern the funding (direct or indirect) of learning, and how responsibilities should be balanced among the state, employers, individuals, and their families. These debates have intensified as the expansion of participation has increased expenditure on education; the current introduction of fees for full-time higher education students is particularly controversial. For many years there has been a debate about the entitlement of young workers to training and the responsibility of their employers to provide it; such an entitlement is now to be made legally enforceable for 16 and 17 year olds (in employment) for level 2 qualifications (see 4.7).

2.3 The views of stakeholders

Employers became a particularly influential stakeholder group under the Conservative governments, and they continue to be important. Employers' organisations have expressed concerns about the low attainments and work-readiness of young people leaving initial education; as claimed by a 1994 survey, one of the biggest gaps between employers' requirements and the quality of job applicants was in 'attitude, motivation and personality' (CBI 1995, p.18). The Confederation of British Industry (CBI) has argued for giving attention to values and attitudes such as regard for others and positive attitude to change, the basic skills of literacy and numeracy and the key or core skills of application of number, communication, information technology, working with others, problem solving and improving one's own performance. The CBI has also advocated a coherent system of national qualifications and enhanced career planning. It has promoted market-oriented policies in education and training and a focus on individual ownership and choice in learning and career planning. It developed the first proposals for Youth Credits (see 3.5) and recommended their extension to other types of learning. Employers have argued for greater flexibility within the education and training system as well as the labour market, and have defended the principle of 'voluntarism' in training, on the grounds that a voluntary commitment to learning is more likely to be effective than prescription, offering flexibility, responsiveness and innovation. The CBI has said that the future lies with employers who embed lifetime learning in their organisations and become learning businesses. This is particularly critical with young people, and the CBI has consistently argued that all 16-18 year olds who have left full-time education should continue to receive structured education and learning, either on- or off-the-job, leading to nationally recognised qualifications. Levels of training have tended to be much lower in small and medium enterprises; nevertheless there is evidence of a greater acceptance among many employers of all sizes of the value of training (CBI 1997).

The role of *trades unions* in policy debates about transition had become marginal by the end of the 1980s, but they have since begun to recover some of this role. Unions have taken a more direct interest in training and skills, and a growing number are working with employers and providers to extend opportunities for training and development at work. They have increasingly sought to include training and youth employment issues within collective bargaining arrangements, and the government recently invited views on whether union recognition should include a right to bargain on training. Unions' interest in the transition is two-fold: on the one hand, to promote the interests of young workers and their future members; on the other hand, to prevent the youth labour market from becoming a wedge which could be

used to undermine the wages and employment conditions of older workers. Like employers' organisations, unions have argued for key skills, a unified qualifications system and enhanced careers guidance; but they have also criticised 'voluntarist' training arrangements and argued for an entitlement to train for 16-18 year-old workers (TUC 1995). They have been supportive of measures to tackle unemployment and the exclusion of young people.

Employers and unions are heterogeneous groups, with differing views and expectations. This is also true of the third group of stakeholders, *education and training providers*. Like the trades unions, their influence on policy was reduced in the 1980s when the government sought to make what it saw as a 'producer-led' system more responsive to its clients or customers. Diversity and competition among institutions have made it harder for providers to speak with a single voice. Nevertheless there are shared interests and concerns. There is a concern about the declining level of resources. There is a concern with 'innovation fatigue', and with the effects of recent changes on the workload and morale of teachers and trainers. Despite the greater formal autonomy which has been accorded to institutions, many feel that this autonomy is in fact limited, by funding constraints on the one hand and the pressures of the market on the other. Providers have sought to influence debates on curriculum and qualifications, and have jointly called for a more unified system of post-compulsory qualifications (AfC *et al.* 1994). *Voluntary organisations*, an equally heterogeneous group, are playing an increasingly important role in supporting the transition, and are actively concerned with enhancing the employability of disadvantaged young people. They are involved in many of the initiatives described in 4.8 and 4.10 below.

2.4 The attitudes and expectations of young people

The attitudes and expectations of young people themselves are overwhelmingly conventional: they want the transition to lead to full-time jobs that are secure, interesting and well-paid (Heath and Park 1997, Wiggins *et al.* 1997). They are strongly committed to the work ethic - more precisely, to the employment ethic - and this commitment has grown even stronger in recent years despite the growth of unemployment and more 'flexible' employment. Unemployed young people themselves remain strongly committed to a norm of employment. There is some evidence that young people have become more selective in the kinds of employment that they will accept, although it is difficult to discern a trend in underlying preferences since the available opportunities have changed. Recent governments have sought to instil values of enterprise, individualism and materialism among young people; such evidence as is available suggests that these efforts have had relatively little impact (Heath and Park 1997).

Expectations have changed concerning gender roles. Young women's educational and career aspirations have become increasingly similar in many respects to those of young men, and there is increasing support for gender equality in work among young people of both sexes. Females now tend to have higher aspirations than males and they are more likely to aspire to continued learning. However occupational aspirations are still highly gender specific. (Furlong and Biggart 1995, MORI 1995).

Young people increasingly express positive attitudes towards compulsory schooling. They are less likely to believe that school has done little to prepare them for working life. However a disaffected minority of around one in ten young people express more negative attitudes, for example that 'school has been a waste of time' (DfEE 1996).

Young people similarly express increasingly positive attitudes towards education and training beyond compulsory schooling. However it is not clear whether this represents a stronger intrinsic motivation to learn. Over the past twenty years young people have had a predominantly instrumental orientation to education and training. Their choices in education and training, including their decisions not to participate, have tended to reflect the different instrumental pay-off to the available options (Brown 1987, Raffe 1988a, NCIHE 1997). The problem of low participation and attainment in Britain has been a problem of

incentives more than a problem of culture. The current improvement in attitudes, and in participation, may largely reflect a shift in the incentives.

Young people are making longer and later transitions to employment, but compared with many other OECD countries early transitions are the norm (Bynner and Roberts 1991). Many young people still expect an early transition to independence and adulthood; this is reflected in other areas of transition, such as family and household transitions, as well as in education and the labour market. Expectations are also polarised: while middle-class and higher qualified young people accept a prolonged transition to adulthood, there is still a strong norm among many lower-attaining working-class males of an early transition to employment and a wage and the adult status that this confers.

In general, despite increased competition in the youth labour market, young people in Britain have retained a high level of optimism about their futures, expect to have an interesting job, retain high aspirations, and believe that employers attach great importance to qualifications.

SECTION 3: TRANSITION PROCESSES AND OUTCOMES: PATTERNS, TRENDS AND CONCERNS

Following the OECD's guidelines, we first discuss current concerns about the transition (in Section 3) and then report on the policy changes which respond to those concerns (Section 4). However given the rapid and continuous policy turnover in Britain, this distinction is somewhat arbitrary. Many current concerns relate to the effect of recent policies which are still working their way through the system. In Section 4 we will focus on the active policy agenda of the current government, including the policies it inherited which best reflect its own goals; in this Section we focus on transition issues and concerns which pre-dated the introduction of these measures.

The guidelines ask us to focus on the issues and concerns about the transition rather than on its positive aspects; Section 3 may therefore have a more negative tone than the current organisation of the transition in Britain would warrant. The main issues and concerns are summarised in 3.9.

3.1 A statistical overview of participation, transitions and trends

Transitions from 16 to 18 years. Throughout the UK, full-time education is compulsory to age 16. The first three post-compulsory years are the most eventful years of transition, and we describe these in most detail.³

We first look at England and Wales, using data from the Youth Cohort Study (YCS). Table 3.1.1 shows the main activity of the first seven YCS cohorts over the three post-compulsory years. (Tables and Figures for sub-section 3.1 are included between 3.1 and 3.2.) Members of the first YCS cohort were all aged 16 at 31 August 1984, and eligible to leave school in 1984. The table shows their main activity in February/March 1985 at 16-plus, and again in 1986 at 17-plus and in 1987 at 18-plus. It shows the main activities at the same ages of each of the next six YCS cohorts.

The main trend at each age is the growth in participation in *full-time education*, which embraces the academic and broad vocational pathways described above. Participation nearly doubled among 16 year olds, from 37% in 1985 to 72% in 1994. The fastest increase occurred in the middle of this period; by the mid 1990s the trend had levelled off. Participation in full-time education also increased at 17-plus. In proportionate terms it increased most at 18-plus, from 18% in 1987 to 40% in 1994. Nevertheless participation continued to fall step-wise with each year of age, and participation at 18 years is still well below the OECD average.

Government-supported training is the main component of the third (occupational or work-based) pathway, and the main alternative to full-time education. Participation in government-supported training reached a peak in the second half of the 1980s, with more than a quarter of 16 year olds and nearly a fifth of 17 year olds taking part. Participation declined in the early 1990s, especially among 16-plus year olds, and catered for only 12% of 16-plus year olds in 1994. It declined less among 17 year olds and it increased among 18 year olds. The proportion of 16-18 year olds in *full-time employment*, excluding government-supported training, fell almost continuously over the period. About half of young people in full-time employment

³ See Annex 2 for a discussion of statistical sources.

receive structured off-the job training; this proportion declines with age. The trend in *unemployment* partly reflects the economic cycle, with a boom in the late 1980s followed by a recession in the early 1990s. The trend is also affected by the change in 1988 which withdrew benefit entitlements from most unemployed 16 and 17 year olds. One in nine 18 year olds was unemployed in 1994.

Official statistics on education and training in England (Figure 3.1.1) complement the YCS data. These sources use different definitions and produce somewhat different estimates - the cohort surveys tend to over-estimate participation in full-time education and under-estimate government-supported training - but they tell broadly the same story.

Analogous data for Scotland are presented in Tables 3.1.2 and 3.1.3.⁴ In the mid 1980s participation in full-time education and in government-supported training schemes was generally higher in Scotland than among the equivalent year group in England and Wales. However participation rose less rapidly in Scotland in the late 1980s and by the mid 1990s the distribution of each year group was broadly similar to that in England and Wales, except at age 17-plus when a higher proportion of young Scots had entered full-time employment.

A more detailed comparison, based on the cohorts aged 16-19 in 1991-93, reveals two further differences (Table 3.1.4, Figure 3.1.2). First, in Scotland most young people in full-time education at 16-plus are at school, and relatively few are in FE colleges at this age; in England and Wales the proportions in school and college are more evenly balanced. Second, transitions tend to be earlier in Scotland, both to higher education and to the labour market; the full-time post-compulsory stage usually lasts one or two years in Scotland compared with two or three years in England and Wales.

Transition patterns in Wales are broadly similar to those in England, but participation in government-supported training is somewhat higher.

The proportionately large increase in participation at 18-plus reflects the doubling of participation in full-time higher education in the years after 1988. Participation continued to be highest in Scotland and lowest in England (Table 3.1.5).

Transitions beyond 18. The third YCS cohort was followed up in 1994, at age 23/24; it thus shows activities over the first seven years beyond compulsory education in England and Wales. The four years beyond 18-19 were marked by a slower rate of aggregate change than the three preceding years (Figure 3.1.3). Participation in full-time education declined with age, but less steeply than in the preceding years. Participation in full-time employment reached a plateau at about two-thirds of the cohort in the late teens. It continued to increase slightly among males but declined slightly among females. This was largely because many more females than males withdrew from the full-time labour market - about one in five females had withdrawn by age 23. Among both genders, the proportion of the cohort who were unemployed rose to about one in ten by age 21 and then levelled off. Training schemes did not cater for a significant proportion of the cohort after age 18.

Data from the 1991 Census confirm that the aggregate pattern of activities continues to be relatively stable in the years beyond 23 (Table 3.1.6). The main exception is that females continued to leave the full-time labour market: by age 29 a third of females were economically inactive and fewer than half were in full-time jobs. The proportion of males in full-time employment continuing to increase with age, reaching 83% among 29 year olds. The YCS cohort was affected by the 1990s recession, and this probably explains why

⁴ The Scottish data are not directly comparable with those of England and Wales. Scottish year groups are some five months younger than their nearest English/Welsh equivalents. Table 3.1.3 compares equivalent Scottish and English/Welsh year groups, but a comparison based on identical age cohorts would show lower relative Scottish participation.

employment rates flatten out with age more among the YCS cohort than among the cross-section of ages in the Census.

A majority of young people (and especially males) who had been in full-time jobs at age 18-19 were still in full-time jobs four years later (Table 3.1.7). A majority of those who had been in full-time education or in training schemes at 18/19 had moved to full-time jobs. However those who had been unemployed at age 18/19 were more evenly divided between full-time employment, unemployment, and other statuses.

Issues and concerns

The expansion of participation in education and training has shifted attention from participation to attainment. This was reflected in the adoption of National Training and Education Targets in the early 1990s; the government is consulting over future targets.

The distribution of participation and attainment tends to be polarised. Academic and vocational qualifications in the UK are described in relation to five levels; descriptions of the main levels are included in the glossary in Annex 3. Level 4 corresponds to undergraduate higher education; in 1997 25% of 25-29 year olds in the UK had qualifications at level 4 and above (DfEE 1998c). The OECD indicators confirm that the UK achieves a relatively high rate of graduation from higher education. The problem lies at the other end of the attainment range. Level 2 is equivalent to a good performance in the GCSEs or Standard Grades which are attempted by most 16 year olds at the end of compulsory schooling; it is increasingly recognised as the minimum for employability. In 1997, 38% of 25-29 year olds had qualifications below level 2. In 1996 the government's Skills Audit compared the UK's performance with that of France, Germany, the US and Singapore (DfEE/Cabinet Office 1996). It concluded that the UK performed strongly at higher education and in lifetime learning, but was poor at the lower levels of attainment and in certain core skills, especially numeracy. The UK's output of level 3 qualifications (which include A levels, Highers and their vocational equivalents) was far below that of Germany but not below that of the other countries studied.

Table 3.1.1 Main activity of 16, 17 and 18 year olds: England and Wales, 1985-1994

Activity at Survey^{1,2}										
Year	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
AT AGE 16-plus										
Weighted sample	8064	14430	16208		14116		14511	24922		18021
Percentage of 16 year olds:	%	%	%		%		%	%		%
FT education	37	39	41		48		58	66		72
of which in p/t job	na ³	na	na		21		23	19		16
Government-supported training	17	28	26		24		16	14		12
FT job	29	22	23		23		16	10		8
Out of work	15	10	8		4		7	7		6
Other	2	1	2		2		3	2		3
of which in p/t job	na	na	na		1		1	1		1
AT AGE 17-plus										
Weighted sample		6075	11584	12319		10464		40951	12651	
Percentage of 17 year olds:		%	%	%		%		%	%	
FT education		32	29	33		41		52	57	
of which in p/t job		na	13	14		19		20	28	
Government-supported training		3	12	19		19		16	15	
FT job		45	43	38		33		20	15	
Out of work		15	13	8		4		9	9	
Other		4	3	2		3		3	4	
of which in p/t job		na	2	1		1		1	2	
AT AGE 18-plus										
Weighted sample			5061	9110	9328		8189		8396	9497
Percentage of 18 year olds:			%	%	%		%		%	%
FT education			18	16	20		27		39	40
of which in p/t job			4	4	5		7		13	10
Government-supported training			4	3	3		3		7	7
FT job			59	64	64		54		34	33
Out of work			14	12	8		10		14	11
Other			5	4	6		6		8	9
of which in p/t job			3	2	2		2		4	5

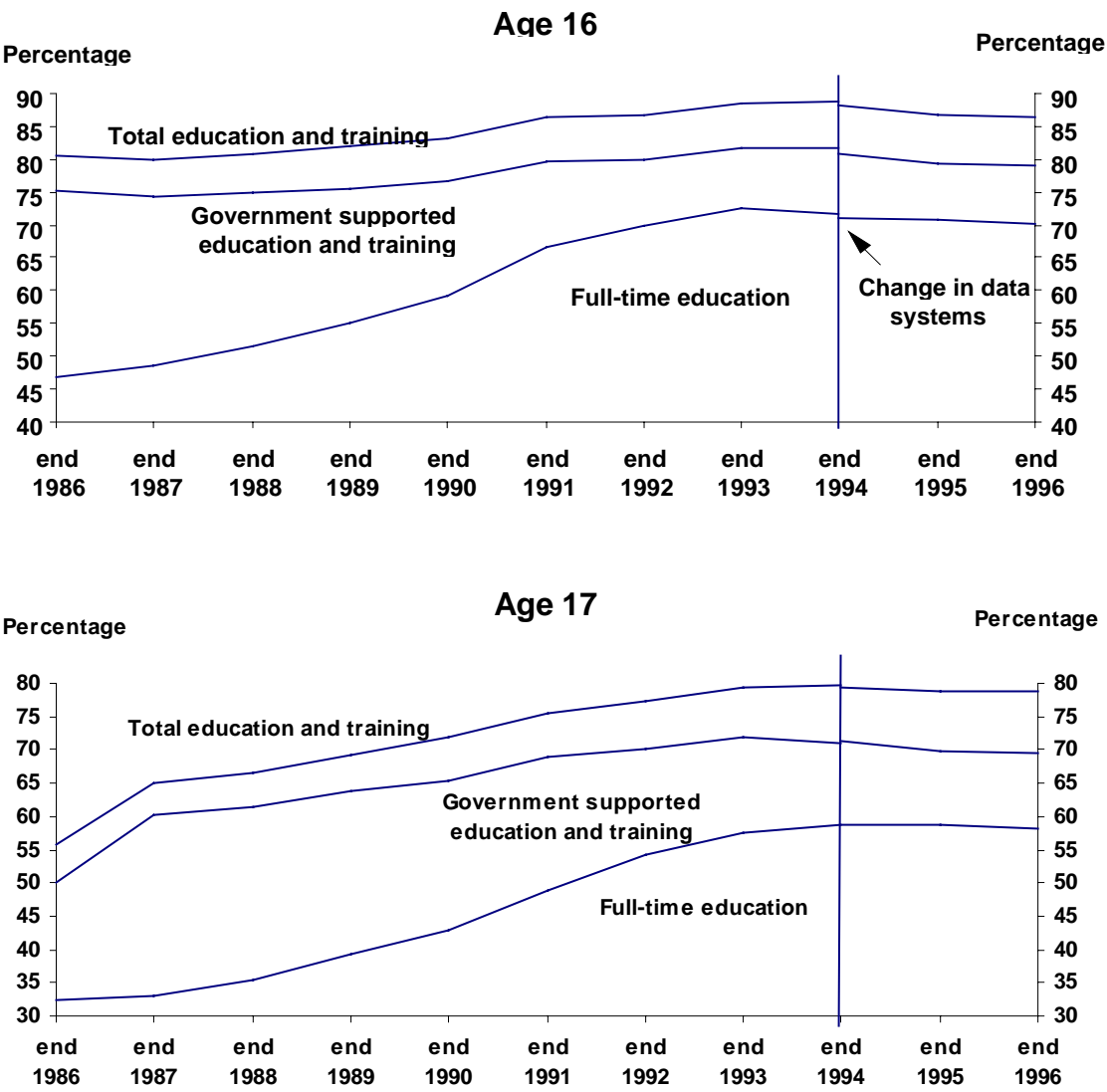
Source: YCS (DfEE 1996)

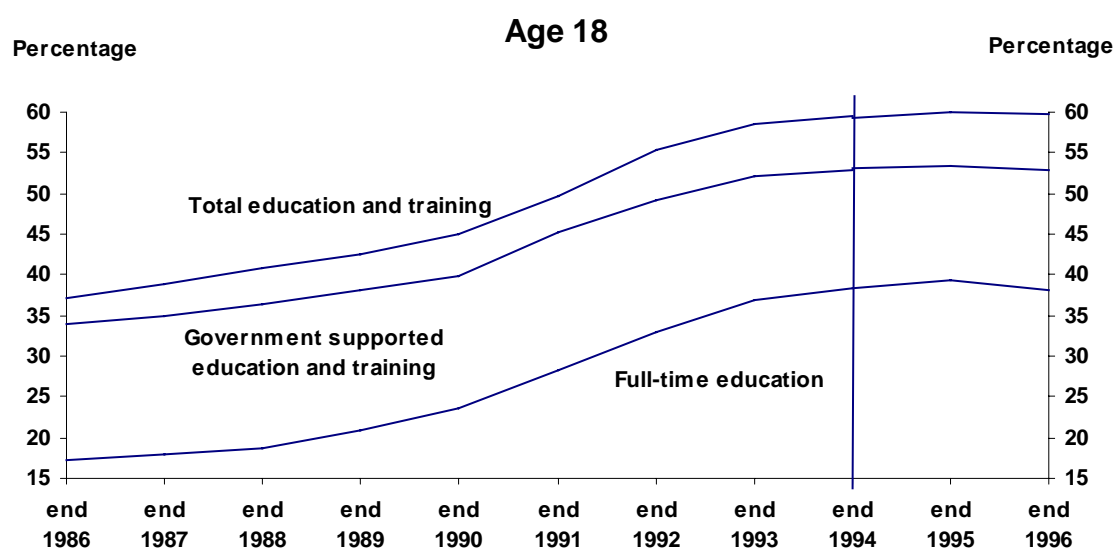
¹ Respondents in cohorts 5-7 and in cohort 4, sweeps 1 and 2 who said that YT was "part of their job" have been reclassified as in YT.

² The YCS overestimates the percentage in full-time education and underestimates the percentages in other groups, particularly at age 18.

³ The information is not available.

Figure 3.1.1
Trends in participation, England, 1986 to 1996





Source: DfEE (1998a)

Table 3.1.2**Participation in education of 16-21 year olds, by age, Scotland, 1985-86 to 1995-96**

Year	1985-86	1991-92	1992-93	1993-94	1994-95	1995-96
FULL-TIME EDUCATION	<i>Percentage of age group</i>					
Aged 16-21	26.0	34.4	38.0	41.1	43.6	45.6
Aged 16 ¹	56.3	65.8	70.1	73.5	73.9	75.7
Aged 17	32.9	46.8	49.4	54.3	56.0	57.1
Aged 18	22.5	32.7	37.2	38.6	41.5	43.1
Aged 19	18.2	28.1	31.3	34.8	36.4	38.3
Aged 20	16.3	23.6	26.5	29.4	32.4	33.1
Aged 21	12.1	17.4	21.3	23.6	26.1	28.2
PART-TIME EDUCATION²						
Aged 16-21	17.3	16.8	14.8	13.4	11.5	13.4
Aged 16	28.1	19.2	16.5	13.8	13.2	15.6
Aged 17	25.4	26.8	21.3	19.1	15.0	17.3
Aged 18	19.2	22.7	20.0	17.7	14.5	16.9
Aged 19	14.2	15.0	14.5	13.4	11.0	13.1
Aged 20	10.6	11.1	10.3	9.9	8.6	10.0
Aged 21	7.8	8.8	8.4	7.8	7.6	8.1
TOTAL IN FULL-TIME AND PART-TIME EDUCATION	43.4	51.2	52.8	54.4	55.0	59.0

Source: Scottish Office (1997a)¹ Excludes pupils who leave school in the winter term at the minimum statutory school leaving age.² Adjusted to exclude an estimate for students enrolled more than once on part-time further education courses in the session.

Table 3.1.3
Main activity of school year groups at 16, 17 and 18 years, Scotland, 1985-1990

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
AGE 16											
(SURVEY SWEEP 1)											
<i>weighted sample</i>	6423		6362		5536		4418		2221		
FT education	46		48		55		58		67		
Training scheme	23		24		23		19		11		
FT job	18		13		14		12		13		
Out of work	11		12		5		7		8		
Other/not answered	2		3		3		3		2		
AGE 17											
(SWEEP 1 + 1 YR)											
<i>weighted sample</i>		5294		4090		3595		2784		2221	
FT education		28		30		35		42		54	
Training scheme		7		20		21		18		13	
FT job		41		36		37		28		23	
Out of work		19		7		3		5		7	
Other/not answered		5		8		5		6		3	
AGE 18											
(SWEEP 1 + 2 YRS)											
<i>weighted sample</i>			4008		4090		3595		2784		2221
FT education			20		21		26		34		39
Training scheme			5		5		5		8		6
FT job			51		54		53		39		36
Out of work			15		9		9		11		12
Other/not answered			9		11		8		9		7

Source: Scottish Young Peoples' Survey (1985-1993)

Scottish School Leavers' Survey (1993-1995) (Taylor 1996: 1993 data adjusted for winter leavers)

Table 3.1.4

Statuses over the first three post-compulsory years, of year groups eligible to leave school in 1990, England, Wales and Scotland

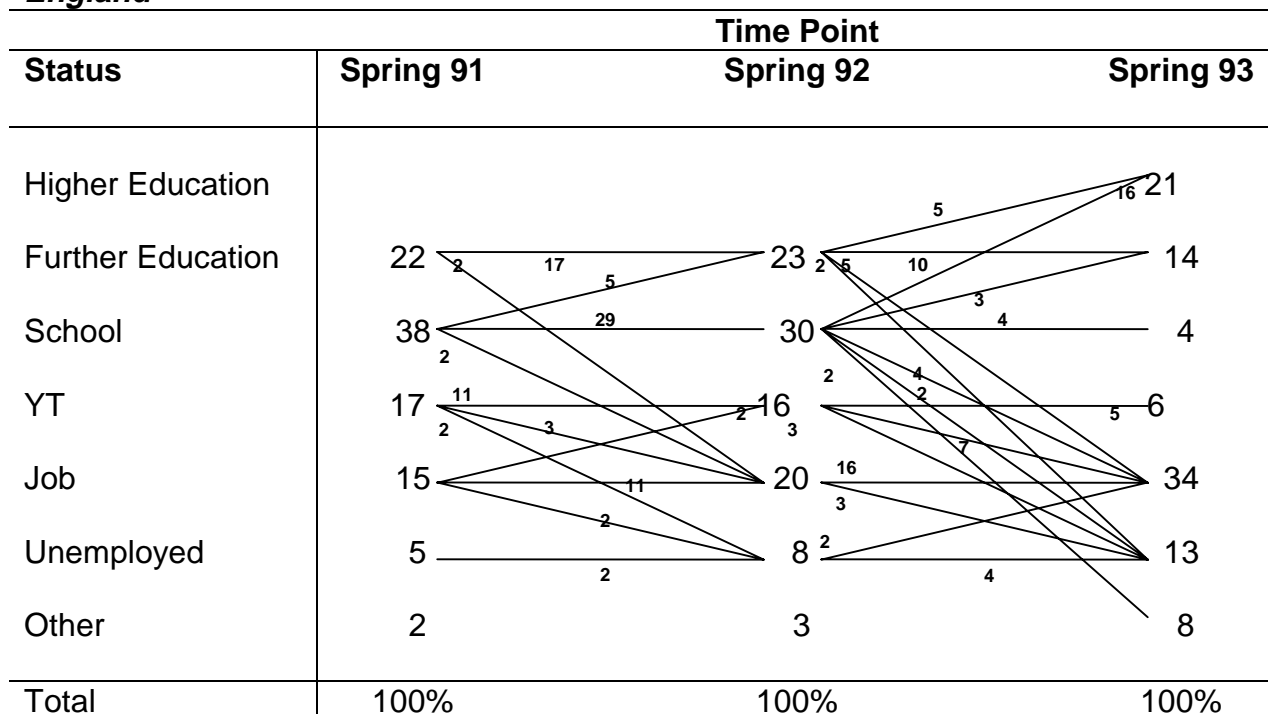
Time Point:	Spring 1991			Spring 1992			Spring 1993		
Country:	England	Wales	Scotland	England	Wales	Scotland	England	Wales	Scotland
Higher Education	-	-	-	-	-	4	21	22	29
Further Education	20	21	4	22	24	5	14	13	5
School	38	38	54	30	26	35	4	3	1
YT or Other Scheme	16	18	19	15	20	19	6	8	8
Job	16	14	13	20	17	29	34	29	40
Unemployed	7	7	7	9	9	5	13	18	11
Other	3	2	3	3	4	4	8	8	7
Total	100%	100%	100%	100%	100%	101%	100%	101%	101%
N	13284	1227	4450	10055	896	2712	7700	696	2717
Median Age	17yrs 1m		16yrs 8m	18yrs 1m		17yrs 8m	19yrs 1m		18yrs

Source: Youth Cohort Study, Scottish Young People's Survey

Figure 3.1.2

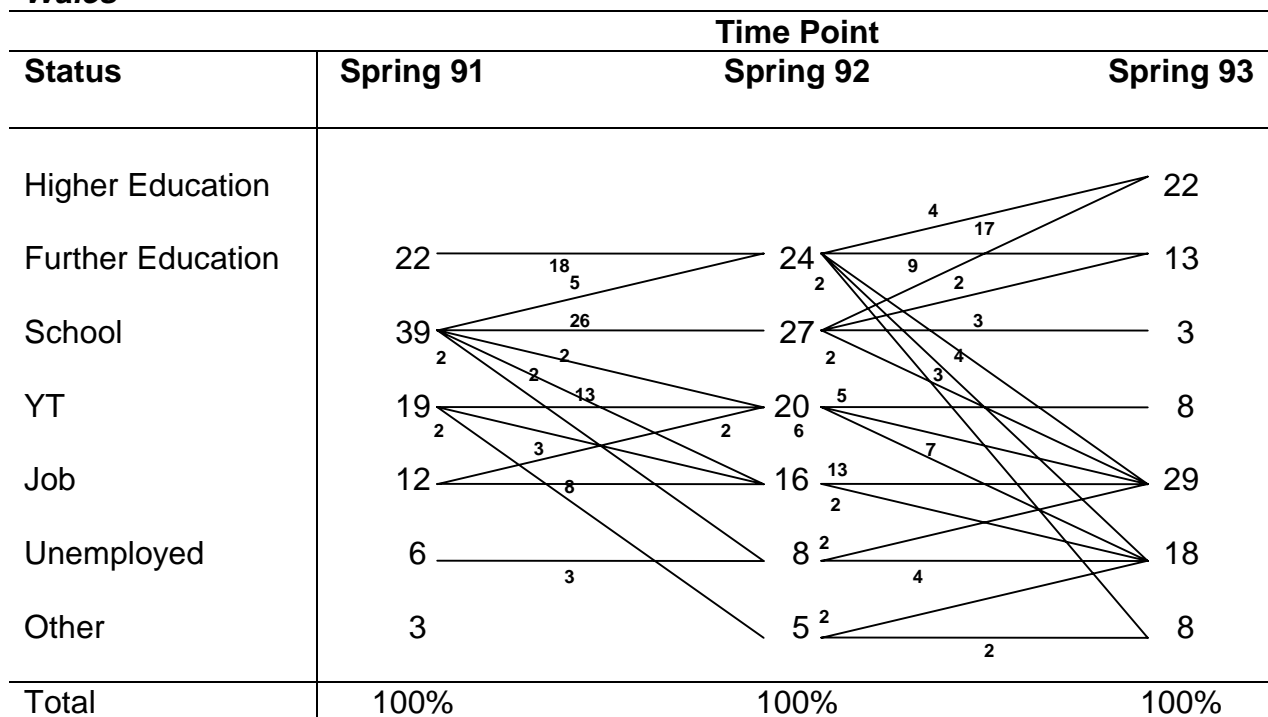
Statuses (stocks) and transitions (flows) over the first three post-compulsory years, of year groups eligible to leave school in 1990, England, Wales and Scotland

England



Source: Youth Cohort Study, N = 7700

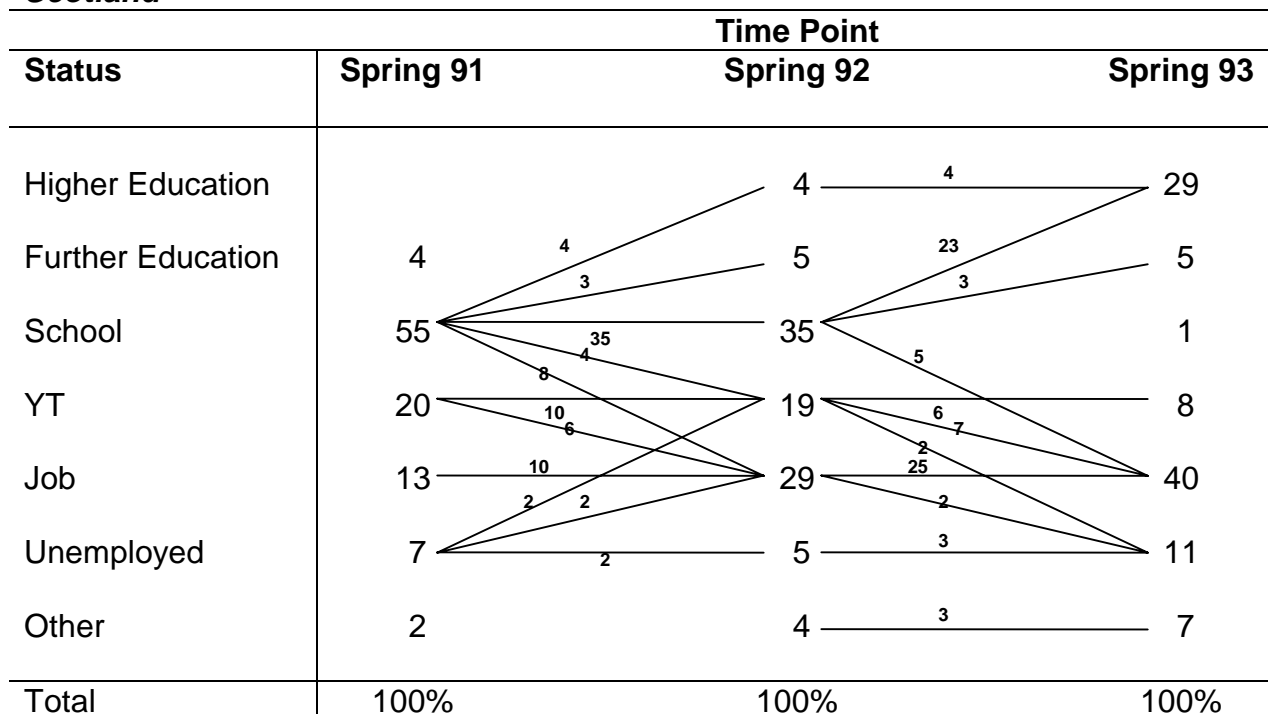
Wales



Source: Youth Cohort Study, N = 696

Figure 3.1.2 (continued)

Scotland



Source: Scottish Young People's Survey, N = 2717

All percentages are based on the whole cohort.

The larger numbers show stocks: ie the percentages in each status in the spring of the first, second and third post-compulsory years.

The smaller number show flows: ie the "net" percentage making the transition between two statuses. (Transitions made by fewer than 2% are not shown.)

Table 3.1.5

Percentage of young people entering full-time higher education

	1989	1990	1991	1992	1993	1994
England	16	18	22	26	28	na
Wales	19	19	21	29	32	na
Scotland	23	24	28	32	35	na
Great Britain	17	19	23	28	30	31

Source: Robertson and Hillman (1997)

Figure 3.1.3a
Activity status over time: young people aged 16 in 1986, England and Wales

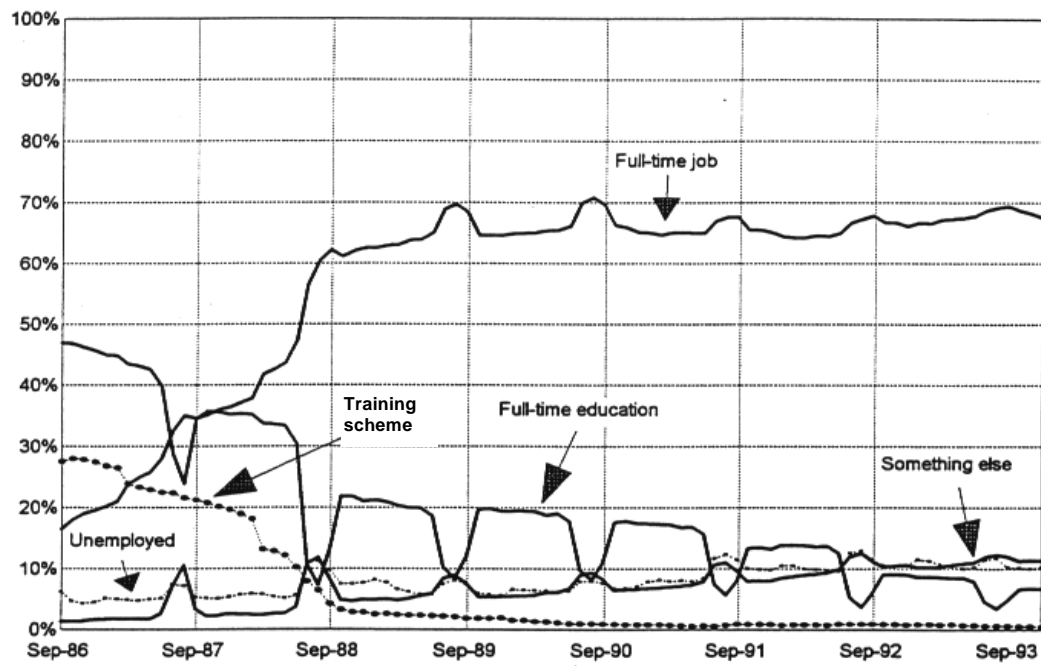


Figure 3.1.3b
Activity status over time (men)

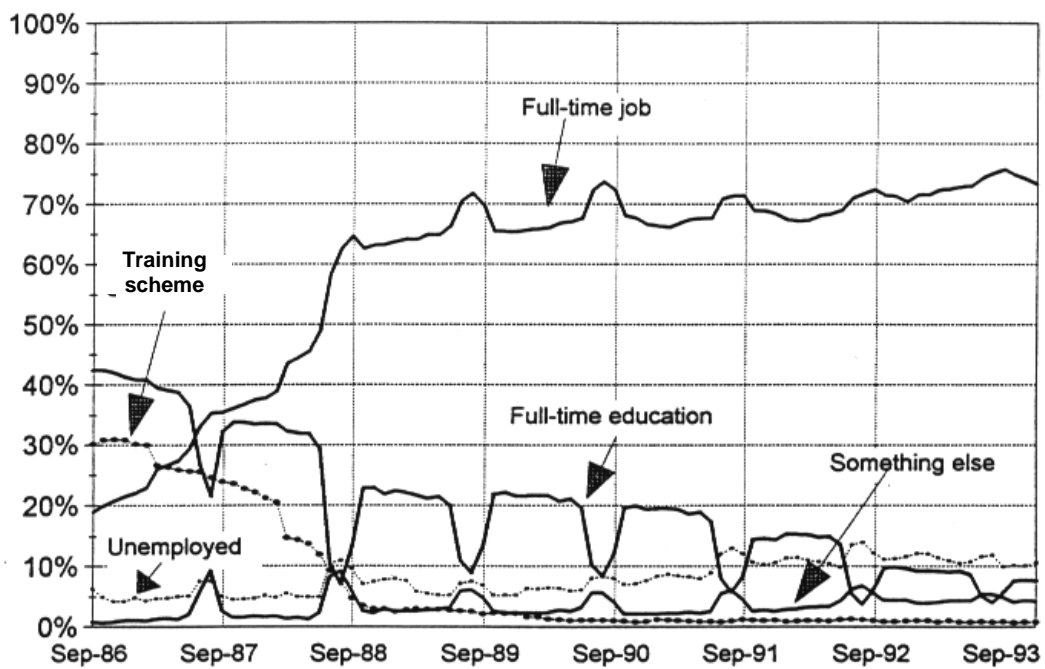


Figure 3.1.3c
Activity status over time (women)

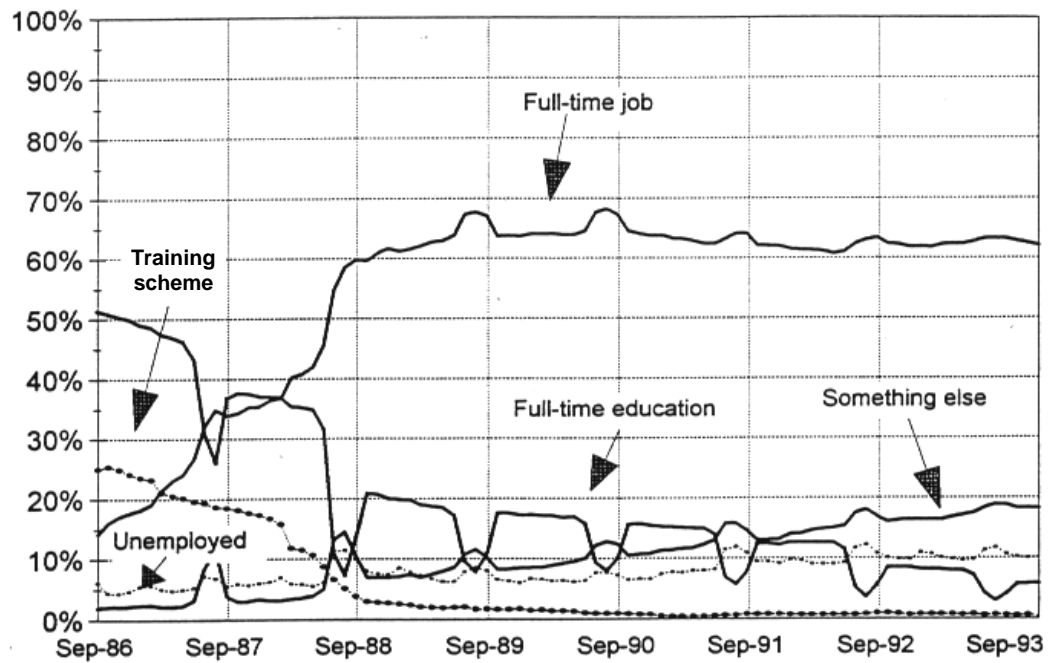


Table 3.1.6**Economic and educational status of 16-29 year olds, by age, and 1991, Great Britain (% of age group)**

	All 16 - 29	16	17	18	19	20	21	22	23	24	25	26	27	28	29
1991															
Economically active															
FT Employed and self-employed	56	10	27	41	53	57	60	63	66	67	67	66	64	63	62
Part-time employees	7	9	11	9	6	5	5	5	5	5	6	7	8	9	10
On a Government scheme	2	5	10	6	2	1	1	1	1	1	1	1	1	1	1
Unemployed	10	6	9	12	13	12	12	11	11	10	10	9	9	8	8
FT students (included above)	2	7	8	6	3	2	1	1	1	0	0	0	0	0	0
Economically inactive															
FT Students	14	68	40	29	20	17	14	9	5	3	2	2	2	1	1
Other inactive	11	1	2	4	6	7	9	10	12	13	14	15	16	17	18
<i>All FT students</i>	<i>16</i>	<i>76</i>	<i>49</i>	<i>35</i>	<i>23</i>	<i>19</i>	<i>15</i>	<i>10</i>	<i>6</i>	<i>4</i>	<i>3</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>1</i>
Total persons (million)	11.36	0.68	0.70	0.74	0.77	0.80	0.79	0.82	0.83	0.86	0.87	0.89	0.88	0.87	0.86
Males															
Economically active															
FT Employed and self-employed	65	12	31	44	55	60	64	69	74	77	79	80	81	82	83
Part-time employees	3	7	9	7	5	3	2	2	2	2	1	1	1	1	1
On a Government scheme	3	6	12	7	2	2	1	1	1	1	1	1	1	1	1
Unemployed	13	7	10	14	16	16	16	15	15	14	13	12	12	11	11
FT students (included above)	2	6	7	5	3	2	1	1	1	0	0	0	0	0	0
Economically inactive															
FT Students	14	67	38	27	20	18	14	10	6	4	3	2	2	1	1
Other inactive	2	0	1	1	2	2	2	2	2	2	3	3	3	3	3
<i>All FT students</i>	<i>16</i>	<i>73</i>	<i>44</i>	<i>32</i>	<i>23</i>	<i>19</i>	<i>16</i>	<i>11</i>	<i>7</i>	<i>4</i>	<i>3</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>1</i>
Total males (million)	5.65	0.35	0.36	0.37	0.39	0.40	0.39	0.40	0.41	0.42	0.43	0.44	0.43	0.43	0.42
Females															
Economically active															
FT Employed and self-employed	47	8	23	37	50	54	55	57	58	57	55	52	48	44	42
Part-time employees	11	11	14	12	8	7	7	7	8	9	11	13	15	17	19
On a Government scheme	2	5	9	5	2	1	1	1	1	1	1	1	1	1	0
Unemployed	7	5	7	10	10	9	8	8	7	7	6	6	6	5	5
FT students (included above)	2	9	10	7	3	2	1	1	0	0	0	0	0	0	0
Economically inactive															
FT students	14	70	43	30	20	16	13	8	5	3	2	2	1	1	1
Other inactive	19	1	3	6	10	13	16	18	21	23	25	28	30	32	33
<i>All FT students</i>	<i>16</i>	<i>78</i>	<i>53</i>	<i>37</i>	<i>23</i>	<i>18</i>	<i>14</i>	<i>9</i>	<i>5</i>	<i>3</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>1</i>	<i>1</i>
Total females (million)	5.71	0.33	0.34	0.36	0.38	0.40	0.40	0.42	0.42	0.44	0.44	0.45	0.45	0.44	0.43

Source: Population Census 1991

Table 3.1.7
Main activity of 23 year olds by their activity at 18, England and Wales

Activity status at 18	Weighted base		FT job	Activity status at 23		Other
				Out of work	FT education	
All						
Full-time education	1208	%	66	9	16	3
Full-time job	3726	%	77	7	4	9
Part-time job	133	%	59	16	2	11
GST	140	%	56	22	1	11
Out of work	403	%	34	31	5	23
Other	189	%	23	10	8	50
Males						
Full-time education	629	%	65	12	17	6
Full-time job/GST	1937	%	82	10	5	3
Out of work	199	%	45	41	4	10
Other	75			base insufficient		
Females						
Full-time education	580	%	67	6	15	12
Full-time job/GST	1930	%	70	4	2	24
Out of work	204	%	22	21	5	51
Other	247	%	32	9	5	54

Source: Youth Cohort Study, cohort 3, sweep 3 & 4

Note: The sample was aged 16 at 31 August 1987 and surveyed at age 18 in spring 1989, and at age 23 in spring 1994. Due to small sample sizes, in the male and female tables those on Government Supported Training (GST) have been combined with those in full-time jobs, and those in part-time jobs included in the category "other".

3.2 The last two years of compulsory education

Curriculum and qualifications. Most secondary pupils (about 93%) attend publicly-maintained schools. In Wales and Scotland nearly all maintained schools are comprehensive; the situation in England is more diverse but most schools are comprehensive. Young people progress through compulsory education in year groups which closely coincide with age groups; students rarely repeat or skip school years. The last two years of compulsory education, from 14 to 16 years, are known as Years 10 and 11 in England and Wales and comprise the final stage of the National Curriculum. The National Curriculum was phased in from 1989; since then the number of compulsory subjects has been reduced, making it easier for 14-16 year olds to take vocational options, especially in Wales. In England all 14-16 year olds must study the 'core' subjects of English, mathematics, science, physical education, technology and a foreign language. In Wales they must study English, Welsh (from 1999 in the case of non-Welsh-speaking schools), mathematics, science and physical education. In Scotland the two final compulsory years are known as Secondary 3 and 4 (S3 and S4). Scotland has no statutory National Curriculum but state schools follow agreed guidelines for S3 and S4, published by the Scottish Consultative Council on the Curriculum (SCCC). The guidelines specify eight modes of study, and recommend that students' subject choices should cover all eight modes.

The emphasis of the 14-16 curriculum is on 'general' education - most so in Scotland, least in Wales. There have been several attempts to increase its vocational relevance, of which the Technical and Vocational Education Initiative (TVEI), launched in 1983, was the largest and most significant. TVEI supported locally-based initiatives to enhance the vocational relevance of 14-18 education, although it had most impact on the 14-16 stage. It promoted a diverse range of innovations, including new approaches to teaching and learning, the enhancement of the curriculum through new technology or vocational options, links with industry and careers education and guidance.

Most 14-16 students take courses leading to GCSEs (in England and Wales) or Standard Grades (in Scotland). GCSEs and Standard Grades are awarded on a subject-by-subject basis. English and Welsh students typically take up to eight or nine subjects for GCSE; Scottish students take up to seven or eight Standard grades. Each subject is graded on a seven-point scale. GCSEs and Standard Grades thus provide fine differentiation for potential selectors among the cohort at 16. In the past, qualifications at 16 had considerable value in the labour market, especially for apprenticeships or jobs requiring part-time study at college. Their present function is more concerned with orienting young people within education and training, and they are the most important predictor of destinations beyond 16.

Careers education and guidance. Careers education has been part of the 14-16 curriculum in many schools since the 1960s, but a series of policy initiatives over the past ten years has established it as part of the 14-16 curriculum throughout England and Wales. It is delivered by school staff in partnership with careers service companies based outside the school (see 3.8 and 4.3). Careers education commonly covers four broad areas: Decision-making; Opportunity awareness; Transition skills; and Self-awareness (the DOTS framework). There are national guidelines and targets for careers education and guidance at key stages of the National Curriculum (NCC 1990). Careers education is most commonly delivered as part of a separately timetabled personal and social education (PSE) programme; it may also be taught by form tutors in tutorial periods (especially for younger pupils) or, less frequently, by permeation of the whole curriculum. The time devoted to careers education varies widely across schools, from six hours per year to 50 minutes per week (Morris *et al.* 1995). Nearly nine in ten young people reported they had career sessions or classes in their last compulsory year in 1996 (up from 77% in 1991: DfEE 1997c).

In Scotland all secondary schools have a structure of promoted guidance posts; guidance teachers give personal, curricular and vocational guidance to a caseload of pupils, but retain a subject teaching role. As in England and Wales, careers education and guidance are delivered in partnership with careers service companies based outside the school. The national policy framework for careers education is more limited than in England and Wales, but broad guidelines were published in 1986 (SCCC 1986) and careers education is covered in materials for school self-evaluation recently published by the government (Scottish Office 1997c). Careers education has developed over the past decade as part of the more general development of PSE (Howieson and Semple 1996). Most schools have some form of careers education; most deliver it through a programme of PSE with specific weeks devoted to careers education; other schools deliver it through a discrete careers education programme but only a very small number of schools deliver it through the wider curriculum. The main focus of careers education is at age 13/14 when Standard Grade subjects are being chosen and at age 15/16 when pupils are considering post-16 options.

There is little accreditation of careers education or PSE in England and Wales. In Scotland several NC modules, and a Standard Grade course in Social and Vocational Skills, may be used to provide a structure and certification for some aspects of careers education.

Work experience for school students. Education-industry links are well developed in Britain through a wide variety of initiatives and partnerships (see 4.5). The major element of careers education via PSE classes or a tutorial programme may be supplemented by other activities such as Industrial Awareness

Days, enterprise projects and work experience. Most schools had developed work experience programmes by the end of the 1980s, encouraged by initiatives such as TVEI and a government commitment to extend work experience to all pupils. In 1996 90% of pupils in England and Wales reported having work experience during the last two years of compulsory schooling (DfEE 1997c), typically for a two-week placement. A similar proportion of young people in Scotland goes on work experience in the last year of compulsory schooling, typically for one week (SCCC/SOEID 1998).

Young people report that work experience helps them to learn about the world of work, increases their motivation for their school work, improves their self-confidence and allows them to test out their career ideas. A recent study found that work experience made small but measurable improvements in young people's skills, attitudes, self-confidence and task-related skills (Weston *et al.* 1996). It is seen to be particularly valuable for young people with social, emotional and behavioural difficulties. However school-based work experience plays little role in recruitment and is not an important factor for employers recruiting young people (Rikowski 1992). Employers give more weight to part-time jobs obtained by young people through their own efforts.

Inequalities in curriculum and attainment. Attainment at 16 is strongly associated with social class and other indicators of family background, ethnicity, and gender: females overtook males in the 1980s (DfEE 1997c). The introduction of Scottish Standard grades from 1986 reduced social class inequalities at the lower levels of attainment (Gamoran 1996). The introduction of national curricula reduced gender inequalities in the curriculum but choices within subject areas still tend to be gender oriented. For example, boys and girls may all have to do science, but more boys take physics and more girls take biology (Croxford 1998).

Destinations. About a quarter of young people enter the labour market at the end of compulsory education, and about half of these enter government-supported training schemes. Most of the others continue in full-time education.

Issues and concerns

There is concern over the large 'tail' of low achievers. Despite the general increase in attainments more than half of young people (55% in England: DfEE 1997b) still complete compulsory schooling without level 2 qualifications. The proportion with no qualifications at all has remained relatively static, resisting the general tide of improvement. There is particular concern over a hard core of young people, mainly males, who are disaffected from formal schooling.

Low achievers and the disaffected are most likely to seek to leave education at 16. As fewer people enter the labour market at 16, those who do so are increasingly seen as the least able and least motivated minority. Employers express concerns about the inadequate attainments, work-readiness or personal qualities of 16 year-old job-seekers, and find it hard to recruit 16 year-olds of the required 'calibre' (Hasluck *et al.* 1997). Some employers mistrust GCSE results as evidence of skills such as numeracy and communication (IiE 1997).

There are issues about the relative priority for basic subjects (such as mathematics and English), for other academic subjects and for vocational subjects. Especially in England and Wales, many people advocate offering more vocational alternatives to motivate young people whose interest is not attracted by academic subjects. Others argue that using vocational education to cater for disaffected youngsters merely reinforces its low status.

There are related issues about the extent to which the curriculum should be prescribed in order to protect breadth and balance. When the first (very prescriptive) National Curriculum was introduced it was perceived to discourage vocational alternatives and to squeeze out innovations stimulated by TVEI.

Careers education similarly has to compete for time in a crowded timetable against formally examined subjects of higher status. There are concerns over the marginal status of careers teachers within schools, and over their training and qualifications. There are issues concerning continuity and progression in career education, and its integration with other related education-industry activities and with the work of careers advisors based outside the school. Important issues in relation to work experience are its integration with the rest of the curriculum, and the need to clarify aims -- particularly the balance between educational and vocational aims. It can be difficult to find placements which allow the educational objectives of work experience to be met, or which allow it to be used to challenge social class, gender and racial stereotyping.

Careers programmes tend to make inadequate use of labour market information, partly because teachers lack confidence in covering the area. A final concern relates to the impartiality of careers education provided within schools which are also providers of post-16 education. In England and Wales schools which offer post-16 courses are less likely than 11-16 schools to provide visits to FE colleges, their competitors (Taylor 1992, FEFC/Ofsted 1994); schools are also less likely to encourage students to consider apprenticeships. Impartiality at this stage is less of an issue in Scotland where most 16 year olds continue in the same school.

3.3 Full-time post-compulsory education below higher education

Overview. At the end of compulsory schooling young people may

- take full-time academic courses at a school or FE college (the ‘academic pathway’);
- take full-time vocational courses at an FE college or school (the ‘broad vocational pathway’);
- enter work-based training (the ‘occupational pathway’); or
- leave full-time education and training. (Very few 16 year olds study part-time except in relation to a job or training or a full-time course.)

Below we describe the first two of these pathways. They overlap and we discuss them together.

Factors associated with ‘staying on’. The level of GCSE or Standard Grade attainment is the most powerful determinant of whether 16 year-olds stay on in full-time education and, if they do, of how long they stay and of whether they study an academic or vocational programme. In England and Wales in 1996, staying-on rates varied from 26% among the lowest of five GCSE attainment groups to 92% among the highest group; the average was 71% (DfEE 1997c, p.21). A similar contrast is found in Scotland in relation to Standard Grade attainment. Females, ethnic minorities, middle-class youngsters and those whose parents themselves stayed on in education are also more likely to continue full-time education at 16. Within England participation is higher in London and the south-east, and lower in the north. The regional disparities are greatest among the unqualified, and are greater than the differences in the social or educational backgrounds of 16 year olds would predict; they tend to be balanced by differences in participation in work-based training. The regional disparities widened as participation generally increased, but other differentials narrowed. Staying-on rates rose more among the low attainment groups than among high-attainers (Payne 1995a, Paterson and Raffe 1995).

Reasons for increased participation. Several factors contributed to the growth in participation (Raffe and Surridge 1995):

- *compositional change*: more young people have characteristics (such as middle-class backgrounds and high GCSE/Standard grade attainments) which are associated with a propensity to stay on;
- *'push' factors from school and home*: reforms in compulsory education, notably the introduction of GCSEs and Standard Grades in the late 1980s, have encouraged more positive attitudes to learning and encouraged young people to stay on;
- *marketing of post-compulsory opportunities*: in England and Wales, schools and colleges were encouraged to compete more actively for post-16 students at a time when the cohort was declining;
- *'pull' factors from the labour market*: in the past, the high wages and high-status occupations available to many 16 year-old leavers provided strong incentives to leave early; occupational changes and the decline in youth wages have reduced these incentives. Conversely, the labour market increasingly demands higher qualifications which can be obtained by staying on;
- *'pull' factors from higher education*: the demand for higher education is responsive to the supply; after 1987 higher education was allowed to expand, and more people have stayed on at 16 to prepare for higher education.

Courses and qualifications and institutions in England and Wales. Of the 70% who stay on in full-time education in England, about 40% enter the academic pathway and 30% enter the broad vocational pathway at 16 (Table 3.3.1). The proportions in Wales are similar. Academic programmes, especially A levels, generally tend to attract the best qualified stayers and vocational programmes the least (Payne 1995a). An A level programme typically comprises three subjects studied over two years. Despite the relative 'difficulty' of A levels they have increased their share of post-16 provision, and now account for more than half of full-time students and for more than a third of the year group. GNVQs are unit-based qualifications available at Foundation, Intermediate and Advanced levels (levels 1, 2 and 3). They were introduced in 1992, to provide qualification in broad vocational areas which could lead either to higher education or to employment and work-based training. They attempted to cater for the rising numbers of full-time students, and to fill the gap between academic and occupational qualifications. GNVQs were introduced alongside existing broad vocational qualifications, such as BTEC First and National, and many students still take other kinds of qualifications.

A majority of students who stay on do so in a different institution from the one they attended up to 16 years. Institutions compete to attract post-16 students, but the strength of this competition varies locally. The main providers of post-16 education are secondary schools and Further Education (FE) colleges, which include Tertiary and Sixth Form colleges. Schools offer mainly academic courses, although they increasingly also offer broad vocational courses, especially GNVQs. Colleges are funded by central agencies (FEFC in England and FEFCW in Wales); their roles and missions are diverse and they provide a range of full-time and part-time courses for adults and young people. They have a strong ethos of supporting access. They have a long tradition of vocational education but are also large providers of academic courses, and in Wales and many parts of England colleges account for more A level enrolments than do secondary schools. (FE colleges also offer courses for young people on YT and other work-based programmes, so they contribute to all three post-16 pathways. In addition they are important providers of higher education, mainly at sub-degree level).

Because many institutions offer academic courses alongside vocational courses, students may combine the two, for example repeating a key GCSE subject alongside a GNVQ, or (less commonly) combining an A level with a GNVQ. About a third of A level students also take (or re-sit) GCSE course(s) at the same time.

Table 3.3.1

Main study aim of 16, 17 and 18 year olds in full-time education: percentage of year group cohort, England, 1996-97

	16	17	18
Academic:			
Level 3 (A/AS level)	36%	34%	5%
Level 1/2 (GCSE)	4%	1%	0.3%
Broad vocational:			
Level 3 (Advanced GNVQ, BTEC National, etc)	11%	14%	8%
Level 1/2 (Foundation or Intermediate GNVQ, BTEC First, etc)	19%	8%	4%
All in full-time education (excluding higher education)	70%	58%	18%

Source: From DfEE (1997d), Tables 4, 6, 8. All percentages refer to the whole age cohort.

Many level 1 or 2 programmes last for one year, while most level 3 programmes last for two years. Many students completing level 2 qualifications such as GCSEs or intermediate GNVQs in the first post-compulsory year continue in full-time education, often to take level 3 courses such as A levels or Advanced GNVQs (Payne 1995a, Wolf 1996). Consequently the post-compulsory phase lasts three or more years for a significant minority of students: in 1997 18% of 18 year olds in England were still in full-time education, excluding higher education, in the third post-compulsory year.

Courses, qualifications and institutions in Scotland. Post-compulsory courses in Scotland are shorter and ‘thinner’ than in England and Wales and give more scope for mixing academic and vocational options. Most students stay on at school, usually in the same school that they have attended since 12; in 1996 67% stayed on voluntarily at school for the first post-compulsory year (S5) and 42% for the second post-compulsory year (S6) (Scottish Office 1998a p.5). School students take varying numbers of 120-hour Highers courses, the main qualifications for university entrance. A typical ‘high achieving’ student attempts five Highers in the first upper-secondary year and may take further Highers or post-Higher (CSYS) courses in the second year. Most students, however, take fewer than five Highers in the first year, and fill the gaps with ‘vocational’ 40-hour NC modules, some of which may articulate with further Highers taken in the following year. About one in eight cohort members enter full-time FE, usually to take programmes of NC modules; a majority of these have already taken one or two post-compulsory years at school. Compared to England and Wales, Scottish FE colleges’ role at 16-plus is smaller and more exclusively vocational.

Careers education. Careers education in British schools is organised on a similar basis beyond 16 as for compulsory education, although it tends to be less developed. The greater diversity of the programmes, aspirations and destinations of students requires a more differentiated programme. A recent report found wide variation in the extent and quality of careers education across colleges in England. Provision also varied between types of students, including full-time and part-time students. Many colleges had developed provision for helping students choose higher education courses but a significant proportion of colleges did not give sufficient help to students aiming to enter employment (FEFC 1997).

Destinations in the labour market. Most young people who leave post-compulsory education after one year enter the labour market, although in Scotland about one in five enter higher education. A majority of those who leave after two years enter higher education. The occupations of 18-year olds are described in 3.7 below.

A levels yield a high private rate of return, especially for females. Vocational qualifications also yield positive returns, but workers with vocational qualifications earn considerably less than those with academic qualifications at the same level (Bennett *et al.* 1992, Robinson 1997).

Issues and concerns

Until recently the low participation in full-time education at 16 was the most widely-quoted indicator of Britain's relative educational weakness. The prevailing concern was reflected in the use of the term 'staying on', rather than 'dropping out', to describe this transition. Participation has increased dramatically, but the nature of this expansion has given rise to new concerns.

First, vocational qualifications such as GNVQs and NC modules tend to be seen as 'second best' options, and have not achieved parity of esteem with academic A levels and Highers (Wolf 1996, Croxford *et al.* 1991). They are less well rewarded in the labour market (see above). There has consequently been a process of 'academic drift' of students into academic courses. Between 1986 and 1996 the proportion of English 16 year olds studying A levels increased, both as a proportion of all 16 year olds and as a proportion of those in full-time education, although in recent years this has been more than offset by a decline in the proportion taking 'academic' GCSEs (DfEE 1997d).

Second, the post-compulsory stage may have difficulty in balancing the demands of employment and higher education, especially given the expansion of higher education and the relative weakness of routes into the labour market (Bynner and Roberts 1991). GNVQs were introduced in 1992 in order to raise the status of vocational qualifications and to provide an accepted route into higher education as well as a broad preparation for employment. A majority of students see GNVQs as a route to continued education rather than to the labour market, although many enter further or higher education in a specific vocational area (Wolf 1996).

A third concern is that increased participation has not been matched by an equivalent increase in attainment; especially in colleges there is an apparent tension between expanding access and increasing attainment. In England and Wales this concern focuses on high non-completion rates. A 1993 report found that 'typically, between 30% and 40% of students starting on a course do not succeed', either because they dropped out or because they did not achieve the qualifications in the allotted time (Audit Commission 1993). Non-completion rates tended to be higher on vocational courses, especially in certain subjects such as engineering. High non-completion rates have been reported on GNVQs (Robinson 1996), but with unit-based qualifications such as GNVQs it is difficult to distinguish non-completers from late completers. In Scotland the concern with low attainment is linked to the problem of parity and academic drift. Highers have higher status than NC modules, and attract students who would have a better chance of success at NC modules; there are high failure rates especially among students attempting just one or two subjects at Highers (SOED 1992).

A final concern is that the expansion of participation has exposed weaknesses in the framework of qualifications. The weaknesses relate not so much to individual qualifications such as A levels and GNVQs (although each of these has its supporters and its critics), but to the relationship among

qualifications and their need for transparency, coherence and progression opportunities (Dearing 1996, Hodgson and Spours 1997).

3.4 The work-based route

Overview. The third post-compulsory pathway, the work-based route to occupational qualifications, is even less clearly defined than the other two. Young people who leave full-time education at 16 or 17 (and sometimes at 18-plus) may enter:

- an apprenticeship supported by government funding
- a job with training supported by government funding
- a training place supported by government funding, but without employed status
- an apprenticeship not supported by government funding
- a job which offers training, not supported by government funding
- a job which does not offer training
- unemployment or economic inactivity (for 16-17 year olds these categories are not officially distinguished).

Below we focus on the first three of these categories. In England and Wales they are the responsibility of TECs (see 4.3) and have commonly been called Youth Training (YT), although YT may have a different local name in each TEC area. In Scotland they are the responsibility of LECs and are called Skillseekers. In England and Wales YT is being largely replaced by Modern Apprenticeships (MAs: introduced in 1994) and National Traineeships (NTs: introduced in 1997). MAs have also been introduced in Scotland but they are delivered within Skillseekers. MAs and NTs are discussed in 4.7 below; here we focus on government-supported training before their introduction, and we use the term ‘YT’ generically, if loosely.

Recent history. In the late 1970s the government introduced a range of schemes to cater for the rising number of unemployed young people. By the early 1980s these schemes catered for more than a third of all school leavers and for more than half of 16-year-old leavers. They typically offered six-month work placements accompanied by little or no formal education or training. In 1983 they were converted into the Youth Training Scheme (YTS), the first of a series of national programmes which aimed to provide 16-18 year olds with integrated programmes of work experience and training, initially of one year’s duration and extended to two years in 1986. Each (two-year) scheme was required to provide a minimum of 20 weeks’ off-the-job training in an FE college or training centre. Unlike the schemes it replaced young people did not have to be unemployed to enter YTS; indeed it was hoped that young people would choose YTS in preference to jobs which did not provide training, and some participants in the scheme had employed status. However, unemployed young people were guaranteed places on YTS. This guarantee has continued and been extended among subsequent schemes (see 4.7); young people under 18 years who are not in education or a job are guaranteed a place in government-supported training.

In the 1990s YTS (renamed YT in 1990-91) became more flexible. It was increasingly regulated and funded through ‘outcomes’ (NVQs and SVQs, usually at level 2) rather than by rules specifying the duration, place or mode of learning. It became more employment-based, and by the mid 1990s more than

half of all participants had contracts of employment. Employed status trainees receive a wage from their employer whilst others receive a minimum training allowance, currently £30 per week for 16 year olds and £35 per week for those aged 17 and over. Employers are free to top up this allowance and many choose to do so.

These changes were taken further when Youth Credits (Skillseekers in Scotland) were phased in between 1991 and 1996. A Youth Credit had a financial value and could be used by a 16 or 17 year-old leaving full-time education to obtain training with an employer or training provider. Credits were intended to make training more employment-based and more relevant to employment needs; there is at least anecdotal evidence that Scottish employers are more satisfied with Skillseekers than with YT. Credits were also designed to increase young people's influence as 'consumers' in the training market, and to enhance their motivation to train, and in this respect their impact has been more marginal (see 3.8 below).

YTS/YT sought to develop a new work-based route for young people in Britain - a British alternative to the German dual system. It consciously did not build on Britain's long tradition of craft apprenticeship in sectors such as engineering and construction. This was partly to escape from the tradition of 'time-serving' where an apprentice gained qualified status by serving as an apprentice for the prescribed time rather than by demonstrating competence. Some apprenticeships were brought within YT, but many others remained outside. The total number of apprenticeships, especially in manufacturing, has declined very sharply since the 1970s. The LFS shows a decline in apprentices from 345,000 in spring 1985 to 167,000 in 1997, but these figures are self-reports and may be affected by discontinuities in data-collection.

Participation and factors influencing participation. Among young people eligible to leave school in 1990, 25% in England, 29% in Wales and 34% in Scotland reported entering YT by age 18-plus (Table 3.4.1). Some of these stayed on YT for relatively short spells which may not be captured in snapshot data reported in 3.1 above. More than half of 16 year old leavers entered YT, compared with around a third of 17 year old leavers and a handful of 18 year old leavers. Since 1990 these proportions have remained relatively constant by age of leaving education (although Modern Apprenticeships are increasing participation among older leavers) but as more people continue in full-time education the fraction of the whole cohort entering YT has declined by approximately one third.

Table 3.4.1
Percent who had entered YT, by age of leaving full-time education: young people aged 18-plus in 1993

	England	Wales	Scotland
16 years	56%	63%	64%
17 years	32%	41%	29%
18 years	1%	2%	3%
still in education at 18-plus	0%	0%	0%
whole cohort	25%	29%	34%

Source: YCS, SYPS

In most respects young people who enter government-supported YT at 16 are similar to those entering 'ordinary' jobs at 16. They have lower qualifications than those in full-time education (Table 3.4.2). They are relatively likely to be white, male, from working-class homes and to have poor records of school attendance. Participation is higher in the north of England, Wales and Scotland than in the south. A significant fraction of entrants to YT (recently one in eight in Scotland) are identified as having special training needs, such as emotional, behavioural or learning difficulties.

Young people who enter jobs with training that is not government-supported are much less representative of early leavers in 'ordinary' jobs. Government-supported YT helps to compensate for the under-representation in non-government training of females, non-whites, less qualified youngsters and those from less advantaged family backgrounds (Croxford *et al.* 1996).

Table 3.4.2
GCSE qualifications of 16-plus year olds, by current status: England, 1996

GCSE awards:	Cohort	FT education	YT: govt supported	Job with non-govt training	Job with no training	No job, education or training
	%	%	%	%	%	%
5+ at A*-C	45	58	11	22	12	7
1-4 at A*-C	27	26	32	34	33	25
no A*-Cs, 5+ at D-G	18	12	38	25	31	29
no A*-Cs, 1-4 at D-G	4	2	7	8	7	14
none	6	2	11	12	17	26
total	100	100	99	101	100	101

Source: YCS (from DfEE 1998a)

Note: Students attempt up to 8 or 9 GCSEs at age 16. Each GCSE is graded on a scale from A* (highest) to G (lowest).

Destinations after YT. Of young people who left YT in 1996, 64% were in jobs six months later and a further 14% were in full-time education or another training scheme; 16% were unemployed (DfEE 1998c, p.78).

Most studies of the impact of YT on labour-market outcomes refer to the YTS schemes of the 1980s (eg Main and Shelley 1990, Dolton *et al.* 1994, Payne 1995b, Green *et al.* 1996). They tend to find a negative effect on future earnings and a positive effect on employment chances. However their conclusions vary widely according to the data used, the analytical approach, the choice of comparison group (particularly problematic given the universal entitlement to YTS), and the means for controlling for the different characteristics of YTS trainees and the comparison group. More than half of YTS leavers who found employment did so with the employers who had organised their training or provided placements. Some studies suggested that the positive employment effect of YTS owed as much to the opportunity it gave employers to 'screen' potential young employees, as to the skills acquired on the scheme (Raffe 1990, Whitfield and Bourlakis 1990).

Studies of apprenticeship in the UK tend to show positive effects on male earnings, compared either with full-time vocational education or with non-apprenticed employment. However the effects on female earnings are much less favourable, and negative in some studies. The effects on employment chances varied with school attainment (Ryan 1998). There is also a substantial earnings advantage for male apprentices compared with participants in non-apprentice YT schemes (Payne 1995b).

Issues and concerns

The levelling-off in the expansion of full-time education in the mid 1990s has helped to re-focus attention on the role of work-based training as a route for young people. National Traineeships and Modern Apprenticeships (4.7 below) respond to a perception that YT has not achieved the aims of its 1980s founders to create a British equivalent to the German dual system. There are at least four areas of concern.

The first is the *low status of YT and its difficulty in attracting young people*, especially the better-qualified (Dearing 1996). YT and its predecessors retained the low status of the unemployment-based schemes they replaced (Raffe 1988b). The guarantee of places for all who needed them exacerbated the problem. In the early days it led to a drive for quantity rather than quality, and an acceptance of weak regulation and of variation in quality across individual schemes. There is still a tension between the unemployment role of YT and its employment or training role.

The second area of concern is the *inability or unwillingness of many employers to invest in skills through work-based training*. This in turn is variously attributed to market failures (in particular high youth wages and the fear that when trainees are qualified they will be ‘poached’ by other employers), to the low skill needs of many occupations (Keep and Mayhew 1997), to the decline of occupational labour markets (Marsden and Ryan 1995) and to the lack of an organisational infrastructure to support collaboration among employers (Soskice 1993, Gospel and Fuller 1998).

The third set of concerns relate to *the organisation and content of youth training*. YT schemes vary in content and quality, but tend to be criticised for narrowness, for their neglect of general education and core skills, and their inadequacy as a basis for progression (Evans *et al.* 1997, Steedman 1998). The Dearing Review (1996) drew attention to the high drop-out from YT and low qualification rate. Only 51% of young people who left YT (excluding MAs) in 1996-97 had gained any full or part qualification; 44% had gained a full qualification and 36% a full qualification at level 2 or above (DfEE 1998b).

These concerns touch on the continuing debates about NVQs and SVQs, the main qualifications available on YT, and the competence-based model of training which they represent. Employers were initially slow to take up NVQs/SVQs but there is evidence of growing support (CBI 1997). However opinions remain divided between those who value NVQs/SVQs for their flexibility, their openness and for their concept of occupational competence, and those who criticise their neglect of knowledge and understanding, their assessment methods and their bureaucracy and the cost of delivering them (eg Jessup 1991, Smithers 1994, Beaumont 1996, Eraut 1996). NVQs/SVQs have enjoyed successes in supporting firms’ corporate strategies for developing their existing workforces, and more than half of those taking them are aged over 25. Some critics question whether in their present form they can equally serve the interests of young people as a vehicle for initial education and a basis for progression.

The final set of concerns relates to the articulation of YT with other types of education and training and the qualifications they represent. Especially in Scotland, where the ‘academic’ and ‘broad vocational’ pathways are coming together within a unified system (4.4 below), there is concern that this will further marginalise the work-based route already diminished by the expansion of full-time participation.

3.5 Higher education

Participation rates in full-time higher education (HE) have more than doubled since the mid-1980s. One in three young people (33%) entered HE in Great Britain in 1996/97 (DfEE 1998e). The proportion was highest in Scotland, where estimates on a different statistical basis show 47% of the age group entering full-time HE (Scottish Office 1998b).

Courses, qualifications and institutions. A majority of young people in HE study for a first degree such as BA or BSc. This typically involves a three-year full-time programme in England and Wales or a four-year programme in Scotland. The others take sub-degree courses such as HNC or HND, typically over one or two years. These different types of courses are increasingly linked through Credit Accumulation and Transfer (CAT) arrangements (see 4.5).

Three main types of institutions offer higher education: universities, including the former polytechnics and other 'public sector' institutions which gained university status in 1992; a few colleges, including several monotechnics, which did not acquire university status; and FE colleges. FE colleges are the main providers of HNC and HND courses, and they also deliver degrees or parts of degrees awarded by universities. The FE sector is especially important in Scotland where it accounts for a third of full-time entrants and four-fifths of part-time entrants to undergraduate HE.

Factors associated with entry to HE. Most entrants have academic qualifications (A levels or Highers), although a growing minority have vocational qualifications such as GNVQs or NC modules. Entrants with vocational qualifications are more likely to enter new (post-1992) universities and to be more restricted in the subjects they can study. However qualifications such as NC modules can form the basis for access courses designed to stimulate participation among traditionally under-represented groups, such as the regional schemes which continue the Scottish Wider Access Programme. Ethnic minority students are better represented than whites in HE, although they tend to be concentrated in the new universities and specific ethnic groups remain under-represented. Men and women are about equally represented in HE, but the gender ratio varies widely across courses (Coffield and Vignoles 1997). Social class inequalities in entry to HE have been more resistant to change, although absolute participation rates have increased among all classes and there is some evidence that relative participation rates have narrowed in Scotland (Robertson and Hillman 1997, Paterson 1997).

Careers education and guidance. Compared with schools and colleges, careers education and guidance in higher education is usually separate from the teaching process. Most institutions have their own professional Careers and Appointments Services; many of these have established careers education programmes but they often lack the resources to do so on a significant scale. In principle, the main role in careers education in HE lies with teaching departments although in practice this is limited and varies by type of course.

From the late 1980s, a number of programmes have helped to develop careers education within the wider aim of developing personal transferable skills. For example the Enterprise in Higher Education programme encouraged staff in academic departments to build work-related activities into the teaching programme, including lectures or workshops on particular aspects of careers education, work experience programmes, the introduction of profiling systems, and, in a limited number of cases, more comprehensive careers education courses.

Student destinations. The proportion of first-degree graduates in England who found employment increased steadily between 1991/92 and 1994/95 (Table 3.5.1). It is too early to see whether this upward trend will continue or is merely a reflection of the graduate labour market returning to a stable pattern after the recession. The links between subject of study and area of employment have tended to be more open in Britain than in most other European countries (Teichler 1996). Nevertheless, destinations vary according to the subject of degree. High status professional degrees (Medicine, Dentistry, Law, Veterinary Science) have the lowest rates of unemployment, while less vocationally specific subjects such as the Arts and Humanities have the highest unemployment rates. While Engineering and Technology and Computer Science graduates experience the highest full-time permanent employment rates they also experience above-average levels of unemployment (HESA, 1994/95). Employment chances vary across institutions. Some large employers are focusing recruitment on a relatively small number of elite institutions (Brown and Scase 1996). Sub-degree qualifications such as HNC and HND have traditionally been held in high regard by employers as training for jobs at higher-technician level. However a growing proportion of young people with HNDs take advantage of CAT arrangements to progress to a degree.

Table 3.5.1

Destination¹ of first degree graduates from full-time courses² in England (percentage)

Academic Year (in which course completed)	1991-92	1992-93	1993-94	1994-95	1995-96
Permanent/Temporary UK employment	49	52	55	59	59
Overseas employment ³	3	2	2	2	2
Education and training	23	22	21	20	19
Overseas graduates leaving UK ⁴	7	7	8	6	7
Not available for employment ⁵	5	4	4	4	6
Believed unemployed	13	12	10	9	8
Total whose destination was known (thousands)⁶	105	117	131	148	155
Not known (thousands)	16	18	23	31	29
Total (thousands)⁶	120	135	154	179	184

1 Destination in the December following graduation. Excludes Open University students.

2 Including graduates from sandwich courses in former PCFC establishments and a small number of graduates from part-time courses in former UFC universities, in the years up to 1993-94.

3 Home students.

4 For employment or reason not known.

5 Includes graduates having a fixed offer or acceptance of a place on a further education course, involved in portfolio preparation, taking time out, pregnancy/maternity/paternity, age past retirement, ill health and death.

6 Totals may not always equal the sum of the components, due to rounding.

The labour market is absorbing the increased supply of graduates by recruiting them to jobs formerly occupied by non-graduates. The Dearing Report (see below) noted that 'jobs are being progressively redefined to utilise graduate skills' (NCIHE 1997, p.89). Studies consistently find high private rates of return to higher education, higher for young people than for adults (Bennett *et al.* 1993, Steel and Sausman 1997). They also show higher returns to females than for males: among the 1958 birth cohort a first degree boosted male earnings at 33 by 12-18% and female earnings by 34-38%. A degree increased the females' probability of being in employment, but not that of males (Blundell *et al.* 1997).

Issues and concerns

The move to a mass HE system has created new issues for HE and accentuated some old ones. These issues formed the agenda of the National Committee of Inquiry into Higher Education, appointed in 1996 to examine the 'purposes, shape, structure, size and funding' of HE. Its report (the Dearing Report) was published in 1997.

One of the central issues, which has dominated debates about the Dearing Report, has been how to pay for the expansion. It is increasingly, but not universally, accepted that students or graduates, as beneficiaries of HE, should contribute directly towards the cost of tuition. There is less agreement on how they should do so. The Dearing Report suggested alternative mechanisms for collecting contributions from graduates but did not express a clear preference among them. The government decided to introduce means-tested fees for full-time students from 1998; this appears to have discouraged some applicants but it is too early to judge whether, or by how much, demand will be affected in the longer term.

If expansion continues, it remains to be seen whether the labour market will continue to absorb a larger flow of graduates. So far graduates have maintained their relative if not their absolute position in the labour market, but this resilience has not yet been tested in a recession. The analysis conducted for the Dearing Inquiry concluded that the demand for graduates would probably be slow to catch up with the

growth in supply; rates of return would fall but they would still remain substantial (Steel and Sausman 1997). Many industrial commentators have argued that there is considerable potential for recruiting graduates to 'non-graduate' occupations, to upgrade these occupations and to meet the need for new kinds of skills (CBI 1994a, CIHE 1995).

Another issue raised by expansion is the need to develop flexible pathways within the system. Most institutions have introduced modular course structures and many have developed credit arrangements but a 1994 report suggested that many of these moves towards flexibility were largely token (Robertson 1994). More flexible systems may raise new problems. In Scotland most HNCs and HNDs articulate with degree courses and increasingly face the dilemma of how to balance the demands of progression to employment with those of progression to continued education (Scotvec 1995).

Concerns about the vocational relevance of higher education typically relate to the inadequacy of key skills, especially communication, rather than to the content of occupationally specific courses. The Dearing Report found that about half of employers were satisfied and half dissatisfied with the skills and attributes of their HE-qualified employees, but it was 'not easy to find a clear pattern of dissatisfaction' (NCIHE 1997, Appendix 4, p.30).

The Dearing Report also recommended that careers guidance services be made less marginal and integrated into academic affairs. Most institutions' own careers services are not resourced to provide comprehensive careers education and the main responsibility lies with teaching departments. But many staff are reluctant to accept these responsibilities in the face of competing pressures, particularly given the non-vocational tradition of much British higher education.

3.6 Part-time employment

Although increased participation in education has delayed young people's entry to the full-time labour market, most experience the labour market through part-time jobs while they are students (Hobbs and McKechnie 1997). Indeed, some commentators argue that full-time study combined with part-time work now constitutes a transition stage in itself (Lucas and Lammont 1998).

For school students part-time work provides an element of economic independence; most use their earnings as personal money rather than to make a direct contribution to the family income (Hutson 1990, McKechnie *et al.* 1998). Many university students work to finance their studies. The declining value of maintenance grants, the introduction of student loans and the growing number of students from less affluent backgrounds have contributed to a large increase in the part-time employment among students. In recognition of this financial need, a third of universities now run job clubs for their students.

Estimates of the proportion of students with part-time jobs range from around a quarter to well over a half, depending on the age, time and type of work. A sizeable minority of students who work part-time have more than one job; one study found that 18% of school students and 26% of undergraduates had two or more jobs (Lucas and Lammont 1998). Young women are more likely than young men to work part-time while in full-time education. Students work mainly in retail, hospitality and leisure. Younger students are more likely to do delivery work, baby-sitting and to be employed in smaller shops while older students are more likely to work in bars and hotels and fast-food outlets.

Part-time working among non-students is limited but may be increasing (see Table 3.1.1). Employers are less likely to invest in training for part-time employees and other 'flexible' workers (CBI 1994b); this would raise serious issues for the transition if part-time work were to develop as a significant route into

full-time employment. However so far the growth of part-time employment among non-students has mainly affected the school-to-work transition by displacing full-time jobs formerly available for school leavers (Ashton *et al.* 1990).

Issues and concerns

One of the main concerns about the part time working of students is the impact on their attainment and employment prospects. The evidence suggests that *overall* there is no tendency of students in part-time jobs to do less well academically than those who do not work. The impact depends on the number of hours worked: several studies indicate a link between poorer attainment and part-time work among school students who work for more than 10 hours per week (McKechnie *et al.* 1998).

But part-time work may help students to develop useful skills quite apart from its financial benefit. Although there is little relationship between students' part-time work and their eventual labour-market destinations, the type of work commonly undertaken can help students to develop key/core skills such as communication skills, working in a team and working with others. As noted in 3.2 employers give more weight to school students' part-time work than they do to their work experience, viewing this as a better indication of initiative and experience.

An issue for education, particularly higher education, is how to respond to the increasing proportion of students who need to work to finance their studies. It may call for greater flexibility in provision with more modularisation and more extensive credit arrangements. Several institutions have re-arranged their timetables to accommodate students' working hours, and some even give credit for skills acquired in part-time jobs.

3.7 Transitions into and within the labour market

Entry jobs. Table 3.7.1 shows the occupations of 18/19 year olds in 1994 (1995 for Scotland). The Table is based on full-time employees, who comprised one third (33%) of 18/19 year olds in England and Wales and 36% of 18/19 year olds in Scotland (see Tables 3.1.1 and 3.1.3 above). Six in ten of these 'entry jobs' are accounted for by just three categories: clerical and secretarial, craft and related, and personal and protective service occupations. Young people who been in full-time employment since age 16 were particularly likely to be in craft and related occupations, but such comparisons are complicated by differential participation in government training. There are large differences between male and female occupations: males are over-represented in craft and related occupations and females in clerical and secretarial occupations.

The occupations entered by higher education leavers are very different. Of 1996 first-degree graduates 16% entered occupations as managers and administrators, 31% entered professional occupations, 19% entered associate professional and technical occupations and 16% entered clerical and secretarial occupations (HESA 1997).

Table 3.7.1**Occupations of 18/19 year olds in full-time employment: England and Wales, 1994, and Scotland, 1995**

	England and Wales 1994			Scotland 1995		
	all %	males %	females %	all %	males %	females %
Managers, administrators, professional and associate professional and technical	9	11	8	7	8	6
Clerical and secretarial	25	12	40	25	10	44
Craft and related	20	33	5	24	39	6
Personal and protective services	16	9	23	11	7	17
Sales	10	10	11	7	5	10
Plant and machine operatives	8	10	5	12	15	8
Other occupations	8	10	5	9	13	4
Unclassifiable/not stated	4	4	4	5	5	5
Total	100	99	101	100	102	100

Source: YCS (DfEE 1996), SSLs (Taylor 1996). Percentages subject to rounding.

The character of entry jobs has changed dramatically since the 1970s, especially for minimum-age male leavers who traditionally entered craft apprenticeships and less skilled manufacturing jobs (Ashton *et al.* 1990). Between 1985 and 1995 the number of 16-19 year olds employed in craft and related occupations, and the number employed in clerical and secretarial occupations, each fell by more than 60% (Elias and McKnight 1998). These were the largest entry occupations for males and females respectively, and their sharp decline helps to explain why the 'demographic time bomb' identified in the late 1980s failed to explode. Employment also fell in less skilled occupations such as plant and machine operators and assemblers. However the trend has not been a simple one of upskilling. Among 20-24 year-old females employment fell in clerical and related occupations, but increased in categories including less skilled jobs such as personal and protective services and to a lesser extent among plant and machine operators and assemblers. Commentators have expressed concern about the casualisation of youth employment.

Recruitment methods and criteria. Employers are most likely to use formal channels such as local press advertising, the Careers Service (see 3.8 below) and Jobcentres to recruit young workers (Elias and White 1991, TERU 1997). However a significant minority of employers recruit through employee contacts or by 'word of mouth', particularly for semi-skilled and other manual jobs. The use of informal recruitment methods has been shown to exclude ethnic minorities and other social groups who have less access to the social networks through which information about jobs is communicated.

Studies in the 1980s suggested that employers attached more importance to attitudes and personal attributes than to qualifications when recruiting young workers. (These studies had considerable influence on the design of YT.) More recent research also finds that employers emphasise experience and personal attributes. Only 18% of a sample of employers required any form of qualification for lower/routine operatives; however this proportion rose to three-quarters among higher skilled operatives and nearly two-thirds among routine clerical operatives. The most widely required qualifications were general educational qualifications such as GCSEs, a craft vocational qualification for higher skilled operatives, or a recognised typing qualification for routine clerical staff (Elias and White 1991). Employers of graduates often - and perhaps increasingly - emphasise personal and social qualities over task-related skills in recruitment

(Brown and Scase 1996). Studies of changing skill levels reveal that social skills are one of the main areas of upskilling (Gallie and White 1993), and this appears to be reflected in selection criteria.

Unemployment and job change. Members of the 1970 British Cohort Study (BCS) were surveyed at age 26 years in 1996. At that time 85% of males and 67% of females were in full-time employment and a further 2% and 13% worked part-time. Only 7% and 2% respectively were unemployed (Joshi and Paci 1997). Nevertheless a majority had some experience of unemployment. Only one third of those in the labour market had been employed continuously, while a third had intermittent experience of unemployment and the remaining third had experienced longer spells of over four months (Table 3.7.2). The experience of unemployment is cumulative. Those who had experienced earlier unemployment were much more likely to be unemployed at age 26, and the longer the prior experience of unemployment the greater the probability of current unemployment.

Table 3.7.2

Job history to 26 since leaving education: men and women born in 1970, Great Britain

Job history	Men	Women	All
	%	%	%
Same job since leaving education	14	11	12
Others continuously employed	22	23	23
Intermittent employment (no spell of unemployment over 4 months)	29	39	35
Unemployment: longest spell 4-11 months	21	16	18
Unemployment: longest spell 12-23 months	8	6	6
Unemployment: longest spell over 2 years, some employment	5	5	5
No employment	1	1	1
n (100%)	(4028)	(4740)	(8768)

Source: BCS 1970 cohort (Joshi and Paci 1997). Reproduced by kind permission of the editors and authors.

Even among those who achieve continuous employment, a majority change jobs, sometimes with the same employer. One in five of the BCS cohort had remained with the same employer. The net effect of job changes is to progress up the occupational hierarchy, and to increase the proportion of young people in managerial, professional and associate professional and technical occupations.

In the youth cohort studies around one in twenty 16 year olds, rising to about one in ten 17 year olds, describe themselves as out of work, although most are not entitled to benefits and their status is in this sense 'unofficial'. Researchers have used the term 'status zero' to describe young people aged 16 and 17 who are not in education, training or employment; the term highlights the relative obscurity of this group from official data gathering (Istance *et al.* 1994, Rees *et al.* 1996). They mainly consist of young people with low attainments who have rejected education and what they perceive as the 'slave labour' of youth training provision. They survive on family hand-outs and are frequently involved with the informal economy, involving 'occasional fiddles and opportunistic crime'. The first status zero study, in an area of high unemployment in Wales, suggested that between 16% and 23% of 16 and 17 year olds were at some time not in education, training or employment. While many of these young people move from scheme to scheme or in and out of employment, another estimate suggested that as many as 5% of 16 and 17 year olds at a given time do not participate in education, training or employment and are not on any waiting lists (NACRO, 1993).

From 1998 unemployed 18-24 year olds are a key target group for the New Deal (see 4.8). Before the New Deal most age-specific schemes for the unemployed focused on 16-18 year olds, but young adults have formed a significant proportion of those engaged on schemes for adults. Up to 1997 the largest scheme was Training for Work; a quarter of its entrants have been aged 18-24 years (DfEE 1998b). The youngest participants (18-24 years) were slightly more likely to get a job following training than the average participant, but less likely to obtain a qualification or credit towards one. Among those 18-24 year olds who left the programme between April and June 1997 nearly half (48%) were in employment six months after leaving, 65% completed their training and two-fifths gained a qualification or a credit towards one.

Returning to learning. Only about 1% or 2% of young people leave full-time education and return to it by 18-19 years. The YCS follow-up found that 4% of those who had been in employment at 18 years, 5% of those who had been unemployed at 18 and 8% of those who had been inactive had returned to full-time education at age 23-24 in 1994 (see Table 3.1.7 above). A much larger proportion of young people who have left full-time education gain qualifications through part-time or work-based study. Of the BCS 1970 cohort, 33% of males and 28% of females who left full-time education at 16 had taken a course leading to a qualification by age 26; 29% and 33% respectively had work-related training from an employer, not including YT or government schemes (Bynner and Parsons 1997).

Table 3.7.3

Employment at 26 by highest qualification, gender and women's responsibility for children: 1970 birth cohort, Great Britain

Employment status	Highest qualification					
	None	CSE	"O"	"A"	Higher	Degree
	%	2-5	level	level	quals	%
Men						
Employed	66	89	91	92	91	86
<i>n (100%)</i>	<i>(243)</i>	<i>(694)</i>	<i>(1437)</i>	<i>(358)</i>	<i>(166)</i>	<i>(844)</i>
Women						
Employed	45	73	81	86	86	89
full-time	29	56	66	77	78	83
part-time	16	17	15	9	8	6
<i>n (100%)</i>	<i>(225)</i>	<i>(742)</i>	<i>(1941)</i>	<i>(524)</i>	<i>(203)</i>	<i>(849)</i>
Women without children						
Employed	71	94	94	94	94	90
full-time	62	87	88	89	88	85
part-time	9	7	6	5	6	6
At home	4	2	1	<1	1	<1
Other not employed	25	4	5	6	6	10
<i>n (100%)</i>	<i>(79)</i>	<i>(414)</i>	<i>(1274)</i>	<i>(428)</i>	<i>(163)</i>	<i>(811)</i>
Women with children						
Employed	30	47	56	51	57	65
full-time	10	16	25	25	35	44
part-time	19	31	31	26	22	21
At home	63	50	40	43	35	35
Other not employed	8	3	5	6	8	0
<i>n (100%)</i>	<i>(145)</i>	<i>(325)</i>	<i>(661)</i>	<i>(96)</i>	<i>(37)</i>	<i>(34)</i>

Source: BCS 1970 cohort (Joshi and Paci 1997). Reproduced by kind permission of the editors and authors.

Table 3.7.4**Current occupation by highest academic qualification at age 23-24: England and Wales, 1994**

	Total	Highest academic qualification								
		Deg+	2A	1A	7+ AC GCSE	4-6AC GCSE	1-3AC GCSE	5+ GCSE	1-4 GCSE	None
Base: weighted	4037	615	187	97	200	512	1065	750	311	300
Base: unweighted	4222	957	295	146	272	646	1029	564	170	143
	%	%	%	%	%	%	%	%	%	%
Managers and administrators	8	10	11	10	8	10	8	7	8	5
Professional occupations	8	36	7	5	8	4	3	*	1	*
Associated professional and technical	12	19	30	24	21	20	11	4	1	3
Clerical and secretarial	27	17	32	37	41	35	31	23	18	17
Craft and related	12	2	2	4	5	7	15	19	20	19
Personal and protective service	10	6	7	6	8	12	12	11	12	14
Sales	8	6	7	4	5	7	8	10	10	5
Plant and machinery operatives	8	2	1	3	3	2	7	14	19	22
Other occupations	5	1	3	5	2	2	4	9	9	9

Source: Youth Cohort Study

Determinants of success in the labour market. Even low-level qualifications can provide a degree of protection against unemployment. Young people with no qualifications are at much higher risk of unemployment, both in the early post-school years (see Table 3.4.2) and in their 20s (Table 3.7.3). Qualifications are also associated with the speed with which young people leave unemployment (White and McRae 1989). The importance of having any qualification, even at a relatively low level, may be linked with the critical importance of basic skills for employability. Basic skills such as literacy and numeracy are much more strongly associated with employment than are more directly work-related skills (Bynner 1997). Qualifications also influence the level of occupation (Table 3.7.4) and earnings.

Women earn less than men on average, and are more likely to work part-time. The gap between males and females has narrowed, with respect to employment patterns, occupations and earnings. The gap has narrowed most among the higher-qualified; as a result returns to qualifications are higher for women than for men. Becoming a parent has a much stronger impact on the labour-market careers of women than of men. In the BCS 1970 cohort women with children were much less likely than women without children, or men, to be in full-time employment at 26 (Table 3.7.3). In the YCS follow-up, of those young people who had been in a job six months before the birth of the first child, 83% of men and only 18% of women were still in full-time employment a year later.

Despite the alleged ‘individualisation’ of pathways family background still exerts a strong influence on the transition, both indirectly through education and directly. The social class and employment status of

parents influences young people's chances of success; young people with unemployed parents face a substantially higher risk of unemployment themselves (Payne 1987, Raffe 1988a). Ethnic minority groups have difficulty in transforming their educational advantages into labour-market advantages, and incur higher levels of unemployment than whites (15% compared with 9% in the YCS follow-up), even among high qualification groups. There are further disparities across ethnic groups with unemployment rates among the 'highly qualified' ranging from 16.1% among black Africans, to 5.7% among Indian and Chinese groups (Owen 1994).

Finally, several studies in the 1980s drew attention to the strong influence of local labour markets, and the level and structure of local employment, on the transition to work.

Disabilities and special needs. The Warnock Report (1978) suggested that as many as one in five young people would experience special educational needs -- defined as a 'learning difficulty which calls for special educational provision' -- at some point in their educational careers. A much smaller group, of around 2%, is identified by the issuing of a 'statement' ('record' in Scotland) of special educational needs (DfE 1994). According to one estimate over 20,000 young people in each year cohort (about 3%) have a disability (Coles 1995).

Young people with disabilities or special needs experience particular difficulties in making the transition from education into paid employment. Only 7% of a sample of 16-21 year olds with a severe disability were found to be in open employment, and a further 4% were in sheltered workshops (Hirst 1983). These proportions varied with the nature of the disability. A 1987 survey of disabled young people, including those with relatively minor impairments, found they were as likely to be in education as their able-bodied peers but much less likely to be in employment (three quarters compared to a third) and slightly more likely to be on YT. The contrasts between the disabled and able-bodied young people grew as they left full-time education (Flynn and Hirst 1992). Ward *et al.* (1991) examined the post-16 transitions of young people in Scotland with records of needs. Among their sample only 6.5% had been educated in mainstream education; the majority had attended special schools or special education units within mainstream schools. The majority (57%) remained in education after the end of compulsory schooling. After leaving school the sample followed three main routes: one in five went on to special further education, a quarter went into some form of work training or work experience programme, and a further quarter went into sheltered workshops or an adult training centre. Only a small proportion (5%) found open employment on leaving special education. The authors expressed concern about the fact that they lost contact with one in five of their sample, whom they were unable trace despite strenuous efforts through a variety of different agencies.

Issues and concerns

The expansion of education has raised questions about the match between educational qualifications and labour-market demands. So far, expansion has not reduced the *relative* advantage of the better-educated. Even in *absolute* terms qualifications may have been downgraded in terms of occupations but not, apparently, in terms of skills: the increase in the qualification levels of the workforce appears to have been matched by an increase in the use of skills within occupations (Green *et al.* 1997). It remains to be seen whether this will continue as the expansion works its way fully into the labour force.

The size and direction of future expansion is a central concern. Some commentators have argued that future expansion should focus on intermediate and lower levels of attainment and favour schools and FE rather than higher education (NCE 1993). Others emphasise the future role of higher education in delivering intermediate skills, for example at technician level (CIHE 1995). A more extreme version of

this position is that Britain should continue to develop mass higher education to compensate for the inability of its company-based training to generate sufficient intermediate level skills (Soskice 1993).

The other side of the coin is that the reduction in the numbers of the unqualified has improved neither their relative nor their absolute chances. Instead their position has deteriorated as they constitute a smaller and more stigmatised minority. The report on the BCS 1970 cohort at 26 years identified three broad groups, who were respectively 'getting on, getting by, and getting nowhere' (Bynner *et al.* 1997). Many current concerns focus on the young people who are 'getting nowhere', who face prolonged unemployment or at best employment that is unattractive, low-paid, insecure and intermittent. These young people have been particularly affected by the disappearance of traditional entry jobs and by the polarisation of the labour market. They are disadvantaged by their lack of qualifications and basic skills; but this is often compounded by other personal disadvantages such as poverty, family breakdown, single parenthood, homelessness, poor physical and mental health or a criminal record, or by external handicaps such as racial or gender discrimination or a lack of local opportunities.

Youth wages are a continuing issue for debate. In the 1980s high relative earnings were often blamed for youth unemployment or for encouraging young people into higher-paid but dead-end jobs without training. However the recent decline in relative earnings has revived fears that young people may constitute a low-paid segment of the labour market which undermines the position of older workers. These different concerns may be reconciled by linking low youth wages with the provision of training.

The transition to employment poses particular difficulties for young people with disabilities or special needs. Twenty years after Warnock recommended their integrated education within mainstream education, the question of integration and segregation remains a contentious issue. There is concern that competition among schools and the publication of 'league tables' of attainment may divert resources and attention away from these young people. There is a more fundamental question of whether open employment is the appropriate goal of transition for young people with special needs, although most of them believe that it should be (Ward *et al.* 1991).

3.8 The choice process

Individual decision-making. Research in the 1970s and early 1980s suggested that young people did not in fact make transition choices, or made only very limited ones. Transition processes and outcomes were largely determined by 'tacit assumptions' of what was appropriate for a given educational level, by the effects of social class, gender and ethnicity, and by the constraints of local 'opportunity structures' (Roberts 1977, Ryrie 1983). Other research, and many guidance practitioners, felt that young people did have meaningful alternatives from which to choose even if their decisions were strongly influenced by their social context and culture. Young people themselves, when asked about influences on their career decisions, have commonly claimed themselves as the main originator of their plans.

The extent to which young people are able to make 'real' choices continues to be a matter of debate. Some argue that at least three factors may have expanded the scope for choice in the transition process: the greater range and flexibility of opportunities, the process of 'individualisation' which has changed the traditional constraints of social context if not removed them, and policies for the transition mechanism which have sought to promote young people's choice and ownership. There is, however, considerable disagreement about the extent and impact of individualisation (Furlong and Cartmel 1997). The relevance and value of policies to promote greater ownership are also contested. Youth Credits (see 3.4) were intended to encourage young people to make active choices and to empower them in the training market. However most young people did not 'shop around' before choosing their training provider or try to

exercise greater influence over their training (Coopers and Lybrand 1994). The ability of Credits to empower young people was limited by young people's lack of confidence and inexperience of negotiating, by their relative powerlessness compared with providers of education, training, and by their lack of information about education, training and job opportunities.

An influential study of young people's transitions suggested that policies for 'empowerment' such as Youth Credits are premised on a 'technical rational' model of the decision-making process (Hodkinson *et al.* 1996). This model assumes that young people reach decisions in a systematic way moving logically through a process of matching self and occupation, and planning how to achieve the identified aim. Research has consistently found that young people do not make decisions in a linear, logical manner, that their decisions are subject to a variety of pressures and influences and that they are made through interactions with other stakeholders (Taylor 1992, Andrews 1995, Hodkinson *et al.* 1996, Maclagan 1997). Young people's decisions may change rapidly as they mature and develop.

Sources of information and advice. Young people use informal sources of information and advice more than people with a formal responsibility for guidance (Spencer 1991, Semple and Howieson 1992, Howieson *et al.* 1993, DfEE 1997b). Parents tend to be the most common and most influential source of advice, but they are relied on less in periods of rapid labour-market change when their knowledge may be seen as outdated (Furlong 1993). Other important informal sources of advice include peers, friends and relatives who have recently entered work, and subject teachers, who may influence educational choices. Some groups of young people are disadvantaged because they have less access to informal sources of advice: they include the unqualified, the unemployed and those who have unemployed parents. These young people tend to be more reliant on formal careers advisers (Howieson *et al.* 1993; Kidd and Watts 1996).

The Careers Service is the main statutory provider of careers guidance to young people. It has an information-giving function and a more educational function of helping young people to explore their aims and aspirations and to develop realistic plans for the future; however some young people may only recognise the information-giving function. It has an advisory and placement function for young people who have left compulsory education and are seeking further education, training or work. Its organisation in local careers service companies is described in 4.3 below.

The Careers Service's statutory client group comprises people undergoing full-time education or part-time vocational education at any educational institution, other than within the higher education sector. Young people who have recently left education also have an entitlement, although the age group covered varies between England, Scotland and Wales. Individuals with disabilities have a right to services without any age restriction. Most careers service companies also provide vocational guidance services for adults outside these groups.

Careers service companies' work with schools usually comprises a programme of individual interviews, group sessions, the provision of impartial labour market and careers information, involvement in careers education programmes, and training and development for school careers teachers. They also work with parents, encouraging their involvement through the provision of support and information at key decision points. In principle, the Careers Service has a similar role with FE students within its client group, although in practice its involvement with FE is much more variable than its involvement in schools. Careers services actively seek opportunities for clients with special needs; specialist staff are available to give support to generalist colleagues for clients with disabilities, learning difficulties or sensory impairment.

Other agencies providing careers guidance for young people include careers services in FE and HE institutions, the Employment Service (see 4.3), and Educational Guidance for Adults (England and Wales) and Adult Guidance Networks (Scotland and Wales), which cater mainly for over 19s. Local authority Community Education and Youth Services (see 4.3) and the voluntary sector organise specific programmes for particular target groups.

Take-up of formal guidance. In 1996, 90% of young people in England and Wales had an interview with a careers adviser in their last compulsory year (DfEE 1997c). In Scotland in 1996/97 68% of students in their last compulsory year had an interview with a careers adviser, compared with 83% and 82% respectively in the two post-compulsory school years. These figures may reflect a different approach to quantitative target-setting at that time in the different countries.

Issues and concerns

Recent policies have encouraged individuals to take responsibility for their education, training and career development (ownership) and to exercise choice in a market in education, training and guidance. There is a concern that this approach may be inconsistent with the actual processes of decision-making and that it assumes an unrealistic level of confidence, maturity and knowledge in young people.

There has been concern about the inadequate information on local labour-market opportunities available to young people. Before the contracting-out of the Careers Service (see 4.3 below) employers' organisations criticised its staff for being out of touch with market trends.

There has been concern about the impact of targets on the work of the Careers Service and the extent to which work has become 'target-driven' with reduced flexibility to respond to young people's and schools' needs.

An issue for the Careers Service and schools is how to address the needs of those groups of young people who have less access to informal sources of guidance and rely more heavily on formal providers; these young people need early contact and focused support to pre-empt later difficulties.

Informal sources of guidance, especially parents, are important and influential but they can often be narrow or out-dated in their information and views. Issues are how can schools, the Careers Service and TECs/LECs ensure that parents and other informal sources of guidance are well-informed, and how can their role be taken into account in the formal guidance process.

3.9 Issues and concerns about the transition: an overview

In summary, issues and concerns about the transition, before current policy changes were introduced, included:

- the large number of young people leaving initial education and training with few or no qualifications and inadequate basic skills;
- disaffection among a minority of young people;
- inadequate skills for employability, and especially key/core skills, among leavers at all levels;

- the low status of vocational pathways, and the resulting 'academic drift';
- the failure of successive reforms to establish a robust, high-status work-based alternative to full-time study;
- the need to clarify the relationship among, and to develop links between, the different stages and pathways of education and training;
- the need for learning opportunities, especially post-16, to raise standards, attainment and completion rates at the same time as promoting access and participation;
- unemployment, or insecure and low-quality employment, especially among the unqualified and disadvantaged;
- discrimination and inequalities associated with ethnicity, gender, social background and disability; and
- the need to integrate careers education and guidance into the curriculum, to enhance it and to provide better labour-market information for all young people, especially the disadvantaged and those with least access to informal support.

These concerns have emerged in the context of the economic and labour-market trends described in Section 1 and the broader debates summarised in Section 2.2. Section 4 describes current policy changes which respond to these concerns.

SECTION 4: POLICY CHANGES

4.1 Policy strategy

The new Labour government took office in May 1997. Since then it has launched a Comprehensive Spending Review whose conclusions would define the parameters for future policies across government.⁵ It has initiated policy reviews in a range of areas. Many of its first educational initiatives have concerned the early years of schooling. Consequently the policy responses to the concerns about transition, discussed in Section 3, are still taking shape.

Nevertheless a strategy is already apparent and many policy changes are already in place. In general terms the strategy balances the needs of competitiveness with the needs of social inclusion and personal fulfilment, it balances markets with partnership, and it balances the right to work with the responsibility to work. Employability is at the heart of the strategy for transition, together with an analysis which stresses the importance of education and training for developing and sustaining employability. The strategy is wide-ranging but also incremental: for the most part it works with existing structures and institutions. In the words of the English White Paper on schools: 'The focus will be on standards, not structures. Intervention will be in inverse proportion to success' (DfEE 1997a, p.5).

The strategy addresses the concerns discussed in Section 3 through:

- *an emphasis on eliminating under-achievement*, and on establishing level 2 qualifications, currently achieved by 71% of young people, as the 'foundation level for employability' for all. This is also a key aim of policies for the earlier years of schooling;
- offering more *vocational options within the 14-16 curriculum*, particularly to re-motivate the disaffected;
- increasing the vocational relevance of the curriculum, in particular promoting *key/core skills* as an element of the curriculum in all stages and pathways of education;
- a *national Skills Agenda* to identify skill needs and co-ordinate efforts to meet these needs;
- *promoting institutional diversity* within each stage of education and training, to encourage participation and to respond to individual needs including those of the disaffected;

⁵ The conclusions of the Comprehensive Spending Review were announced in July 1998. There will be £19 billion additional expenditure for education and employment for the next three years to:

- increase access to further and higher education for an additional 500,000 people by 2002;
- raise attainment at all levels post 16;
- increase the proportion of people from lower-income families staying on in education; and
- increase access funds and pilot an Education Maintenance Allowance for those aged 16-18.

- an emphasis on *partnership* among agencies and collaboration among institutions;
- *raising standards and quality*, through an increased use of such measures as regulation, target-setting, monitoring, inspection and quality assurance procedures, including new arrangements for maintaining standards in training;
- *developing a framework of qualifications*, and other qualifications reforms, in order to make the system more transparent, to facilitate progression and to promote parity of esteem for vocational qualifications;
- *reinvigorating the work-based pathway*, through National Traineeships (in England and Wales) and Modern Apprenticeships, by engaging employers' support and creating active partnerships between employers and providers, and by developing a high-status pathway;
- *expanding participation in further and higher education*, with an additional 500,000 places promised by 2002;
- *enhancing careers education and guidance* in secondary, further and higher education, focusing its efforts on young people most at risk, and using it to support young people's choice of routes through the increasingly complex set of opportunities;
- *promoting young people's access to employment*, through economic policies for high and stable growth and employment, and labour-market policies to prevent young people from being excluded by rigidities or excessive wages;
- *helping the unemployed back to work*, particularly through the New Deal for 18-24 year-olds, through active manpower policies, and through initiatives which recognise the links between employment and other dimensions of disadvantage such as housing and health;
- *promoting equality and widening access* in education and employment.

The distinctiveness of the strategy lies in the way these elements are interrelated. For example, in England the elimination of underachievement is the goal of the Investors in Young People (IiYP) strategy (DfEE 1997b) which embraces several other elements such as vocational options at 14-16, developments in work-based training and the New Start initiative (see 4.10 below). It also provides a focus for other elements of the strategy; for example by 'refocusing' careers education and guidance in schools on young people who need it most.

Another over-arching element of the strategy is to offer a wide variety of options in education and training, by extending vocational alternatives in the curriculum, by promoting institutional diversity and by enhancing work-based alternatives to full-time study. There are several reasons for promoting this diversity of provision: to encourage participation, to re-motivate the disaffected, to maintain the system's responsiveness to labour-market needs and to cater for the increasing diversity of individual needs.

However an emphasis on diversity, flexibility and local partnership carries a risk that the system will fragment. It is therefore complemented within the strategy by an emphasis on coherence, transparency and common standards. These are pursued through measures which 'unify' the system, for example the development of qualifications frameworks, common curricular elements such as key/core skills, and procedures for standards and quality which increasingly 'over-arch' this diversity of provision.

It is also necessary to ensure that this diverse education and training system produces outcomes which, in aggregate, meet the skill needs of the labour market. This is mainly left to the individual decisions of young people and employers, but there is a new emphasis on reviewing the supply and demand for skills at national and regional level, so that imbalances could be corrected through funding mechanisms or curricular interventions such as key/core skills.

Another feature of diversity, as envisaged in the current strategy, is that differentiation will be increasingly individualised: young people's options from age 14 onwards will increasingly depend on their individual needs and preferences rather than the track or pathway they are following. Careers education and guidance will have a critical role in supporting young people through these choices -- especially the disaffected and lower-achieving youngsters at whom some of the differentiated opportunities are targeted. Guidance and support are distinctive features of the New Deal.

The strategy promotes the further development and expansion of a mass higher education system; it also seeks to build up a work-based route. It therefore rejects the arguments of some commentators that we must choose between these two goals, and is developing a re-formulated, but still distinctively British, version of the 'mixed model'.

The strategy balances preventive and remedial measures: early interventions to boost attainment, later interventions to remedy disaffection and underachievement, and interventions to help the unemployed back to work.

Finally, the strategy for transition is increasingly part of a broader strategy for lifelong learning. It aims to help all young people reach a threshold level of attainment, with breadth of learning and key/core skills, as a foundation for future learning; and it aims to encourage further participation by offering a diverse range of providers, by developing a qualifications framework which facilitates progression, and by encouraging the disaffected to find new motivations to learn. The government's strategy for lifelong learning is outlined in recent Green Papers, *The Learning Age* (DfEE 1998d) in England and *Learning Is For Everyone* (Welsh Office 1998) in Wales. (A Scottish Green Paper is expected soon). These papers describe policy proposals in pursuit of this strategy, many of which (such as the University for Industry, individual learning accounts and a childcare strategy) lie outside the scope of this report.

Within this broad strategy, there are differences of emphasis in England, Wales and Scotland, as well as differences in the details of policy arising from the different institutional contexts. There is a stronger emphasis on reforming the work-based pathway in England and Wales than in Scotland, although this reflects a different assessment of current weaknesses more than a difference in long-term goals. Scotland has been slower to introduce vocational alternatives within the compulsory curriculum, partly because of a fear of compromising the principles of comprehensive education and of creating a low-status ghetto within the system. Scotland is moving further towards 'unifying' post-16 education; its Higher Still reform is introducing a single unified system of courses and qualifications to embrace the academic and broad vocational pathways. Finally, policy tends to be more differentiated between 16-19s and adults in England, partly because of a greater concern about coherence and standards for 16-19s. In Wales and Scotland there are proposals to develop national unit-based credit frameworks for all education and training beyond 16, while similar proposals in England tend to exclude 16-19s.

4.2 The national policy formation process

Central government. The DfEE, the Welsh Office and the Scottish Office are responsible for education and training policy within England, Wales and Scotland respectively. Most aspects of employment policy,

including the Employment Service and the initiatives which it administers (such as the New Deal, described below), remain British-wide responsibilities under the DfEE. When the DfEE was created in 1995, responsibilities for education and training were brought together for the first time within a single department. Education and training are included in the same department of the Scottish Office, but in separate departments of the Welsh Office. However in Wales an Education and Training Action Group (ETAG), representing the main stakeholders, is developing strategy across both education and training.

In recent years policy responsibilities have been progressively devolved from the DfEE to the Welsh and Scottish Offices. The Welsh Office was created as recently as 1964 and assumed responsibility for school and college education in 1970 and for training and higher education in 1992. The Scottish Office has been responsible for most aspects of school and college education since it was established in 1885, but it only assumed responsibility for higher education in 1992 and for training in 1994. A range of advisory, curricular, regulatory, inspection and funding functions, formerly carried out by bodies covering England and Wales or the whole of Britain, are now carried out by different bodies in England, Wales and Scotland. These bodies are separate but not always precisely parallel: for example, the bodies responsible for inspection in the four territories of the UK differ in the way they are constituted, in their spheres of responsibility (variously for schools, colleges and/or for training) and in their functions (with varying inputs to policy-making). The DfEE remains the 'lead department' and its greater size and capacity to develop policy means that it is still the most usual source of policy initiatives which affect England and Wales or Great Britain. The greater distinctiveness of Scottish institutions requires the Scottish Office to engage in more autonomous policy-making than the Welsh Office, and Scottish education is covered by separate legislation.

At present the Welsh and Scottish Offices, like the DfEE, are departments of the central UK government, accountable to the Westminster Parliament. When their policies differ, the differences are presented as means to achieve common policy goals which take account of the different institutions and circumstances of the respective territory. This formal position will change in 1999 when the Welsh Assembly and Scottish Parliament are set up. Both will include education and training in their remit, but only the Scottish Parliament will have legislative powers. Future policies may diverge across the UK, but several factors are likely to limit this divergence. These include common fiscal constraints, the small scale of the policy-making machinery, especially in Wales, and the mobility of job-seekers and students within the UK. For example qualifications, especially NVQs and SVQs, need to be comparable; and higher education funding arrangements must be compatible with the large cross-border flows of students. Hitherto, policy links with industry have constrained policy divergence, as many industrial bodies have favoured consistent policies across the UK and found it difficult to engage with policy-making at the Scottish level. The devolution of powers to Scotland and Wales is paralleled by a growing emphasis on regional policy in England, and the planned introduction of Regional Development Agencies.

Regulatory and awarding bodies for qualifications. In 1997 the Qualifications and Curriculum Authority (QCA) was created by merging SCAA, which had been responsible for school curriculum and assessment, with NCVQ, which had been responsible for vocational qualifications (NCVQ). The QCA has oversight and regulatory responsibility for the National Curriculum and for academic and vocational qualifications (except higher education) in England. ACCAC, also created in 1997, has similar responsibilities in Wales (except for NVQs, which remain under QCA). Since many qualifications are available in both England and Wales the QCA and ACCAC must work closely together. These two bodies do not themselves award qualifications, but accredit and regulate qualifications of independent and competing awarding bodies. Most of the main academic and vocational awarding bodies have recently merged, to form three large bodies which award both academic and broad vocational qualifications. However NVQs and other vocational qualifications continue to be awarded by a large number of organisations.

The Scottish Qualifications Authority (SQA) was created in 1997 from the merger of the two bodies which awarded academic and vocational qualifications in Scotland (SEB and SCOTVEC). Like QCA and ACCAC it is responsible for academic as well as vocational qualifications, and it regulates SVQs. Unlike QCA and ACCAC it is an awarding body. It awards most school and college qualifications and many SVQs; it also accredits SVQs awarded in Scotland by other bodies. It has no curriculum function, as there is no statutory National Curriculum in Scotland. However a consistent approach to the curriculum is achieved through consensus rather than regulation, and the Scottish Consultative Council on the Curriculum is responsible for preparing guidelines for schools and local authorities.

Funding bodies and skills strategy. Alongside qualifications, funding mechanisms are one of the main instruments for steering the education and training system. Funding councils in England, Wales and Scotland (HEFCE, HEFCW and SHEFC respectively) are responsible for most of the public funding for HE. There are FE funding councils in England and Wales (FEFC and FEFCW) and one is to be established in Scotland. Most schools are funded through local authorities and most government training is funded through TECs and LECs (4.3 below). In Scotland LECs receive their own funding from Scottish Enterprise and Highlands and Islands Enterprise (SE and HIE), which together have an important function in shaping national strategy for skills.

A Skills Task Force was appointed in 1998 to advise the government on its national Skills Agenda in England. A series of regional Skills Summits (see 1.1) has reviewed skill shortages and future needs, and the Skills Task Force will also advise on ways to ensure that education and training can meet these needs.

4.3 Transition Brokers

Local authorities. Most schools are administered by the elected local authority. There are 414 local authorities in England and Wales, (although not all of these have responsibility for education) and 32 in Scotland. Education accounts for the highest proportion of local authority spending, and includes the provision of various services including the youth service and adult education as well as schools.

During the 1980s and early 1990s local authorities lost power, on the one hand to central government which assumed more direct control over matters such as the curriculum, and on the other hand to institutions. FE Colleges were removed from local authority control; schools were given greater autonomy and enabled, if they wished, to 'opt out' of local authority control and receive funding directly from central government. (The proportion of schools which opted out varied locally, but was highest in the south of England. Few schools in Wales, and almost none in Scotland, opted out.) Most of these changes were taken further in England and Wales than in Scotland, which already had a stronger tradition of central leadership in education. Although current legislation is restoring a local authority role for all state schools in England and Wales, schools will retain much of the autonomy that they have acquired over the past ten years. Debates about the changing role of local authorities (for example from a 'strategic to an 'enabling' role) have been further stimulated by recent reorganisations of local government and by the imminent establishment of the Welsh Assembly and Scottish Parliament.

Local Authorities have the power to promote local economic development. This involves participating or supporting others in the setting up or expansion of commercial, industrial or public activities and the creation or protection of employment. These activities have a direct relationship with the provision of education and training at the local level.

TECs and LECs. In England and Wales there is a network of 78 Training and Enterprise Councils (TECs) which act as a conduit for national and European funding to address local enterprise and training needs.

The main aims of TEC activity can be broadly summed up as: creating a world class workforce, improving business competitiveness, and contributing to sustainable economic growth. TECs are responsible for the local delivery of many of the Government's key work-based training programmes. They vary in size, but on average have a budget of around £15-20 million, and are accountable to a Board of Directors drawn largely from local companies.

The structure, function, and funding of the TEC network is currently under review. There are issues relating to partner coherence, lead responsibility, and delivery. One concern is that there are too many players (brokers) in the market place and that there is perhaps a need for some rationalisation and merging of function;

In Scotland a network of 22 Local Enterprise Companies (LECs) operates on a similar basis to the TECs in England and Wales. The main differences relate to the range of activities undertaken. LECs perform a much more comprehensive role in the areas of economic development and inward investment. In England and Wales, these functions tend to be addressed by local authorities. TECs and LECs perform the same broad role in terms of activities relating to young people. The direction of funding is different: from central government (DfEE or the Welsh Office) in England and Wales, but from SE and HIE in Scotland.

The Employment Service. The Employment Service is an executive agency within the DfEE. The overall aim of the Employment Service is to promote a competitive, efficient, and flexible labour market by helping unemployed people into work, while ensuring that they understand and fulfil the conditions for receipt of Jobseekers Allowance (Unemployment Benefit). While the Service has a range of objectives, its primary one is to offer unemployed people, particularly the longer term unemployed and others at a disadvantage in the labour market, help and advice on finding work or appropriate training, and to encourage employers to recruit them.

The Employment Service delivers its services through a network of some 1,000 Jobcentres located mainly in high streets across the UK. Annually, Jobcentres handle over 2.4 million vacancies, place some 1.7 million people into work and assist 650,000 people into training and employment programmes. The Employment Service also runs a range of initiatives designed to encourage the unemployed to take up employment and training. These include Job Interview Guarantee, Work Trials, Job Clubs, Work Wise, Job Plan, Restart courses, Job Finder, Access to Work, employment rehabilitation, and supported employment.

The Employment Service is central to the Government's plans for helping people move from claiming benefits to taking up work. It has recently been given responsibility for delivering the Welfare to Work programme, and specifically the New Deal opportunities for young and long-term unemployed people and lone parents (see 4.8). In terms of the training and development activities, this takes it largely into uncharted territory. In view of its benefit linkages, the Service has been viewed somewhat suspiciously by many of its potential clients. It will be interesting to see how the Service integrates with training delivery organisations and shifts its perceived culture from one of policing to one of proactive individual support. However, early reports from young people, employers, partners and Employment Service personal advisers are positive and indicate that the New Deal has got off to an encouraging start. Young people have been particularly enthused by the support they have received from Employment Service personal advisers. At the time of writing around one in six young people on the New Deal had volunteered to join it early.

Careers Service. There are 66 careers service companies operating in England, 17 in Scotland, and eight in Wales. The key purpose of the Careers Service is to contribute to the learning and prosperity of individuals, their communities and society as a whole and in doing so to promote equality of opportunity.

It provides information services, careers advice and guidance and assistance to help individuals enter appropriate education, training and work. Careers services companies employ careers advisers who must hold the appropriate professional qualification.

Until recently careers services were the responsibility of local authorities. Legislation in 1993 transferred the duty to provide such services to the DfEE and Welsh and Scottish Offices, which invited competitive tenders for the delivery of local careers services. The aim was to encourage innovation and flexibility in the delivery of careers services and more business-like approaches to management and quality, leading to improved efficiency and effectiveness. In England and Wales most careers service companies are partnerships between TECs and local authorities, with Board members drawn from local authorities and education and employment groups. Other careers services are provided by companies who are also engaged in related activities such as the inspection of schools. In Scotland, local authority/LEC partnerships are the norm and staff in several careers services are still employees of the local authority.

The DfEE, Welsh Office and Scottish Office each produce a contractually binding document for career services which provides a national framework of expected provision. This has recently been revised to extend the operational range of careers services to include young people up to the age of 24. This is supplemented by an annual contract and Planning Guidance which provides specific details of the priorities and targets which careers service companies must meet each year.

Following the contracting out of careers services there has been a strong emphasis on quality assurance. In England a dedicated Careers Service Quality Framework replaced the former inspection arrangements. In Scotland all careers service companies use an adapted version of the Scottish Quality Management System, which is widely used by FE colleges and training providers.

Careers services companies' work with schools and colleges as described in 3.8 above. In both schools and colleges a Partnership Agreement with the local careers service sets out the working arrangements between the partners.

National Training Organisations. A network of National Training Organisations (NTOs) is currently being assembled to address the sectoral education and training needs of employers and employees in key industry groups. The NTOs replaced a more fragmented sectoral structure of Industry Training Organisations, Lead Bodies, and Occupational Standards Councils. Like the ITOs, they are voluntary bodies. The primary aim of NTOs is to develop strategies at national level for their sectors and occupational groups to complement local TECs and LECs. They will develop national standards of occupational competence which will form the basis of NVQs and SVQs. NTOs are required to develop effective partnerships with other key players in education and training, and work to raise the standing and awareness of training nationally and sectorally. Approximately half of the NTOs are currently in place and the complete network of 110 should be established by the end of 1998.

With respect to young people, their major focus is on developing the sectoral training frameworks for Modern Apprenticeships and National Traineeships (see 4.7). They also promote the opportunities and advantages of careers in their sectors. The NTOs aim to establish strong links with the educational establishments and the Careers Service to develop progression routes into employment and vocational qualifications. Their educational remit is wider than that of the bodies they replaced, and it remains to be seen how they will discharge this remit and how they will link with educational bodies at national and local level.

The NTOs are designed to give a sectoral dimension to the agenda which TECs and LECs are addressing geographically at local level. Their biggest challenges are to encourage employers to invest more in

training and development, and also to accept and implement NVQs and SVQs. Whilst it is too early to judge success, there have been recent positive outcomes in relation to the development of industry frameworks for Modern Apprenticeships and National Traineeships.

Local Economic/Regeneration Partnerships. In England and Wales, local economic/ regeneration partnerships have been established to address specific economic aspects of local need. These, in the main, have been assembled in response to ‘challenge funding’ where local areas submit competitive bids for funding to support local activity. This funding is both from central Government and from Europe.

The main focus of activity tends to be local economic regeneration. Within this framework, there is extensive activity focused on young people, particularly in relation to those disaffected and disadvantaged. In England and Wales these partnerships include local authorities, TECs, and local employers.

In Scotland, these partnerships bring together a wide range of bodies (including Scottish Homes, LECs and others) under local authority leadership to address social, economic and regeneration issues in locations around the country. At present there are 12 Priority Partnership areas and 11 Regeneration Partnerships in Scotland. In addition to these the establishment of new Social Inclusion Partnerships has recently been announced, which will focus on the prevention of exclusion.

Youth Service. The Youth Service (whose functions in Scotland are performed by the Community Education Service and the voluntary sector) is a small, complex, and diverse service essentially local in nature, managed by local authorities and voluntary bodies. Its primary purpose is to promote the personal and social education of young people aged 11-25 with a special focus on the 13-19 age group. It offers challenging experiences and opportunities designed to help young people develop their potential as individuals and members of groups in the transition from childhood to adult life. It is largely funded through Local Authorities with some direct contributions from the Government.

Transition Brokers: general issues. The roles, responsibilities and funding for the transition brokers has changed significantly over the past ten years and is showing signs of changing yet again with the new Labour administration. While the overall aim has been to ensure a coherent and consistent programme of support, there have been inevitably some overlaps and frictions over responsibilities. In some areas there is also a difference of emphasis between the needs of the individual and that of employers. While both need to be met, the balance between the two has not always been explicitly established. This has been, and remains, a fundamental dilemma.

Beyond the mainstream centrally funded activities, which focus primarily around education, work-based training and welfare to work, additional initiatives tend to be funded through a cocktail of support from a variety of sources. Much of this emerges from European structural funds. These tend to focus on aspects of disaffection, special needs, and target groups. Coverage across the country is, therefore, variable depending on local need. Perhaps the biggest issue here is one of integration and sustainability. Projects start, have an impact for a short period but then come to an end. There are issues considering the long-term impact of this support and how it might be continued.

In the rest of Section 4 we examine policy changes in key areas.

4.4. Developing the qualifications framework

Overview. Qualifications are one of the main policy instruments for changing education and training. Current proposals for the reform of qualifications aim to clarify the relationship among the different

pathways and stages of education, to make the system more transparent and easier to understand, to enhance progression opportunities, to upgrade the vocational pathways and to promote parity of esteem. They also pursue curricular objectives such as breadth, the acquisition of core or key skills and the mixing of academic and vocational options. Their goal is a more flexible and coherent framework of qualifications.

These broad aims are common to England, Wales and Scotland, but there are two differences of emphasis. First, the main thrust of policy in England and Wales is to develop linkages among existing qualifications; in Scotland it is to create a unified system with a single certificate covering the academic and broad vocational pathways at the post-compulsory stage. Second, Wales and Scotland are currently more committed to the development of a national credit framework for all qualifications beyond 16 years. These differences in emphasis partly reflect the greater priority attached in England to maintaining 'standards' of existing qualifications, especially A levels. They also reflect the relative size of each country, differences in their existing systems, and the stronger distinction between 16-19 year olds and adult learners in English policy-making.

16-19 Qualifications in England and Wales. After 1991 the main strategy for post-16 qualifications was to develop the three qualifications 'pathways' exemplified by A levels, GNVQs and NVQs. The introduction of GNVQs in 1992 was an important element of this strategy. The focus of current policy is to bring these pathways into a closer and more coherent alignment. The Dearing (1996) *Review of Qualifications for 16-19 Year Olds* made a number of recommendations to reinforce the distinctiveness of each pathway and reduce their curricular overlap; other recommendations were designed to link the different qualifications pathways, for example common titles and levels to emphasise their equivalence, smaller blocks of study to facilitate mixing, and 'over-arching' certificates which could be based on academic or vocational qualifications or combinations of the two. Following consultation the government announced a number of changes to be introduced in 1999 and 2000. Several of these changes will introduce smaller and more flexible units of curriculum and assessment, to encourage students to make broader subject choices or to combine academic and vocational qualifications. They include:

- a revised Advanced Subsidiary (AS) level, equivalent to the first half of an A level;
- a six-unit Advanced GNVQ, equivalent to a single A level (currently Advanced GNVQs are 12 units, notionally equivalent to two A levels), and development work on a possible three-unit GNVQ award;
- a qualification to record achievement in the Key Skills of communication, numeracy and information technology, available to students on any programme (see 4.4 below);
- more opportunities to combine GNVQs with other vocational qualifications;
- coherent quality assurance arrangements for all qualifications, and consideration of a common grading scale for A levels and Advanced GNVQs.

In addition there are ongoing reforms within each qualification pathway. The A level is to be revised, maintaining linear and modular options, and measures to balance flexibility and standards in the latter; a new GNVQ has been piloted, to take account of assessment problems raised by Dearing and another report in the same year (Capey 1996)); and NVQs and SVQs are being modified in the light of criticisms in another report (Beaumont 1996).

The government's proposals are widely seen as part of an incremental process of policy change (Spours and Young 1997). They anticipate two further possible developments, but without any commitment at present:

- overarching certificates, awarded for equivalent achievements in either academic or vocational qualifications, to provide a common benchmark of attainment, to encourage curricular breadth, and to recognise key skills; and
- a unitised credit framework for qualifications for 16-19 year olds. The government is consulting on the desirability of a credit system within FE for adults (DfEE 1998d), but in England there are no current proposals to extend this to young people.

Welsh Single National Framework. In addition to the above proposals, the Welsh Office has proposed an 'integrated and seamless' Single National Framework for post-16 qualifications (Welsh Office 1998). This is intended to encourage participation and the motivation to study by recognising all learning achievements, by creating more flexible pathways and opportunities for progression, and by increasing the transparency of the system. It will be based on the credit framework being developed within HE and on the CREDIS Initiative. CREDIS is a credit framework, developed in the FE sector between 1993 and 1997, which expresses qualifications below higher education in terms of a common language of volume and level of credit (Fforwm 1997). It now covers about 90% of college provision. The CREDIS programme also supported the modularisation of FE college provision. CREDIS developed from the work of the Open College Networks in Wales, consortia of colleges whose main function is to promote wider access to FE. OCNs in England have developed similar frameworks but in a 'bottom-up' way and typically more limited in scope. CREDIS is distinctive as a national system with almost universal coverage within FE, which combines 'bottom-up' innovation with national-level co-ordination. The Single National Framework will build on this, but will need to do so in a way that does not weaken its acceptability and 'ownership' among institutions.

Post-16 qualifications in Scotland. The Higher Still reform in Scotland will introduce a unified system of post-16 qualifications in 1999 to replace 'academic' courses such as Highers and 'vocational' courses such as NC modules and GSVQs (Scottish Office 1994). It pursues a range of aims, similar to those pursued in England and Wales, but the strongest impetus to change was the need to cater effectively for the large number of middle- and lower-attaining students continuing in full-time education, especially at school (see 3.4). A 1992 report proposed to develop an alternative track for these students, building on the GSVQs then being introduced (SOED 1992). Popular opposition to tracking led the Scottish Office to reject this proposal and to develop an alternative strategy. Higher Still will cater for middle- and lower-attaining students, not by offering an alternative pathway, but by introducing a single pathway with differentiated entry and exit points corresponding to prior levels of attainment. The basic architecture of Higher Still will be 40-hour units, usually grouped into 160-hour courses. Units and courses will cover academic and vocational subjects, and will be available at five levels; the top two levels correspond to existing Highers and post-Highers (CSYS) courses. Common principles of curriculum, assessment and certification will apply throughout the system; there will be an entitlement to guidance and core skills will be 'embedded' in the curriculum (see below). Particular combinations of courses and/or units will lead to Scottish Group Awards (SGAs). SGAs are loosely analogous to the over-arching certificates proposed by Dearing but they will not be compulsory. Compared to other unified upper-secondary systems, such as in Sweden, Higher Still is an open and flexible model (Raffe 1997).

Occupational SVQs, the main qualifications awarded in work-based training, will remain separate from Higher Still, although some SVQs may contribute to SGAs. The top level of the Higher Still framework overlaps with the first year of higher education. To address these issues, and to provide a basis for flexible

progression routes, it is proposed to develop a Scottish Qualifications Framework to cover all post-16 qualifications including Higher Still, SVQs and higher education. The aims and likely structure of the Framework are broadly similar to those of the Single National Framework proposed for Wales.

Higher education. In higher education, several Credit Accumulation and Transfer (CAT) arrangements have developed on a regional or inter-institutional basis, but in Scotland a national system (SCOTCAT) covers all universities and colleges, although institutions vary in the extent to which they use it when admitting students or giving credit for earlier study. SCOTCAT takes advantage of the fact that HNCs and HNDs are awarded by the same body (SQA) and are unitised. HNCs and HNDs represent the first two levels of the SCOTCAT framework; the final two years of an honours degree represent the next two levels. Since SCOTCAT was introduced the proportion of HND-qualified students who continue in higher education has risen sharply. Wales has also developed a credit framework for higher education. The Dearing Report on higher education proposed that there should be a single higher education qualifications framework for England, Wales and Northern Ireland. The government has accepted this proposal and signalled its desire that the framework should be underpinned by a national CAT system, and by more flexible pathways through higher education.

Modularity, credit and flexibility in qualifications. Many of the developments described above involve modules, unitisation, credit transfer or unified qualifications, and the extension of such arrangements to link different types of qualification and different sectors of education and training. Britain appears to be well on the way to a seamless qualification framework offering diverse and flexible pathways. However, even in Scotland where this trend is most advanced it should not be exaggerated. Modularity does not necessarily mean that students have greater choice in the curriculum that is actually available to them. Just because units are credit-rated it does not necessarily follow that they are available to be accumulated at the time and place of the student's choosing, or that other institutions or selectors will agree to recognise the credit. Credit transfer arrangements vary widely with respect to the 'distance' over which credit may be transferred, in terms of subject, institution, qualification type or mode of study.

Most of the changes described above are too recent for the effects of greater 'flexibility' in curricula and qualifications to be assessed. Much of the existing research has focused on the extent and nature of flexibility, or on ways to increase it (*eg* Robertson 1994), rather than on its effects on participation, attainment and transition. It is well established that 'flexible' forms of provision in further and higher education recruit more students from disadvantaged backgrounds and traditionally under-represented groups than do other forms of provision; but there is little evidence to show how many of these students would have participated anyway. The Scottish Action Plan, which introduced a national modular system of vocational education in 1984, had little immediate impact on either the level or the distribution of participation among young people. Flexible models may remove educational barriers but on their own they neither remove other kinds of barriers nor provide incentives to participate. However the Action Plan did encourage mixing of academic and vocational options within the curriculum; it made the system as a whole more flexible and responsive to new demands; and it probably facilitated the increase in participation at the end of the decade (Croxford *et al.* 1991, Raffe 1994).

4.5 Reforming educational curricula

Current or proposed reforms of the curriculum aim to increase employability skills among leavers from education at all levels, to re-motivate the disaffected, to provide a basis for lifelong learning and to equip young people to take responsibility for their future learning and development. The strategy is still developing. Its strands include:

Increasing vocational options in the compulsory curriculum. The National Curriculum in England is currently under review; the result may be to increase the emphasis on employability in the 14-16 curriculum. The government intends to promote work-related learning for disaffected or low-achieving students, for example by providing more opportunities to study in a non-school environment such as an FE college or workplace, by strengthening links with local employers and community organisations, and by providing bridging courses to employment. The National Curriculum may be relaxed for individual students to allow these alternative approaches to be tried. Education Action Zones (4.6 below) are expected to be innovatory in developing work-related curricula to re-motivate the disaffected. Part 1 GNVQs - shorter versions of full GNVQs designed for 14-16 year olds - are currently being piloted in seven vocational fields; these pilots will be extended and the government is committed to making Part 1 GNVQs nationally available. Similar proposals to increase vocational options for 14-16 year olds are being advanced in Wales (Welsh Office 1997). These include the opportunity to offer work-based placements for 14-19 year olds, consideration of the role of NVQs in the 14-16 curriculum, and continued emphasis on GNVQs (in Wales it is already possible for full GNVQs, and not only Part 1 GNVQs, to be attempted from 14-16). Both New Start (in England) and Youth Access Initiative (in Wales) include projects with curriculum innovations of this kind (see 4.10 below).

In Scotland vocational options currently play a smaller role in the 14-16 curriculum, but the Education for Work initiative (below) will investigate alternative approaches to the curriculum for disaffected young people. Some local authorities are exploring the greater use of vocational options for the 14-16 curriculum, especially for the disaffected and lower-attaining students.

Key/core skills. Several initiatives, including the qualifications reforms described in 4.5 above, promote key or core skills. The precise list of these skills has varied over time and across policy fields. It typically comprises:

- communication,
- application of number,
- information technology,
- working with others,
- problem-solving, and
- improving own learning and performance.

In England, several policy initiatives focus on the first three key skills; the Dearing Report on higher education refers to the first three plus 'learning to learn'. In Scotland they are called core skills and include the first five titles listed above (although it is argued that both sets cover the same skills). At various times other key/core skills have been proposed, such as competence in foreign languages. The history of key/core skills development is closely linked to training schemes for unemployed and low-attaining school leavers in the 1970s and 1980s; some critics argue that they still embody a 'deficit model' and are narrower than equivalent approaches elsewhere in Europe (Green 1997). They command wide support from the business community and many educationists, but are still commonly confused with basic skills.

Key/core skills are being promoted through a range of policy measures. Key/core skills units will be available to students on all 16-plus programmes (see 4.4 above). In England and Wales key skills are

required within Modern Apprenticeships, GNVQs, and National Traineeships, and within over-arching certificates if these are introduced. In Scotland core skills will be required within SGAs, and they will be 'embedded' in Higher Still courses and units when the curriculum and assessment methods make it appropriate to do so. Higher Still's approach, to 'embed' core skills in the regular curriculum, contrasts with the more usual approach in England and Wales to deliver key skills in separate units (although both approaches depend upon the skill concerned).

The Dearing Report on higher education recommended that all programmes should specify their intended learning outcomes in terms of key skills. In Scotland they may be extended into HNCs and HNDs following the pattern of Higher Still.

Providing better support for transition. In England and Wales legislation passed in 1997 aims to strengthen the work of careers service companies within schools and FE colleges, and to lead to more robust and coherent careers education and guidance programmes. Schools and colleges are required to give careers service companies the right of access to students, and to ensure that students have access to up-to-date careers information. From 1998 all schools will be required to provide careers education programmes for 13-16 year olds. There is an option in the legislation to extend careers education to 16-19 year olds; as yet this has not been implemented.

In England, focusing careers service help on those who need it most is one strand of the Government's Investing in Young People strategy. The system of targets for careers service companies has been revised to give them greater flexibility to tailor their provision to meet local needs. Careers service companies are being asked to assess the particular needs of their operational area, and to work up a plan of activity to address these needs. Their priority is to focus activity so that more attention is given to disaffected young people, and those most at risk of dropping out from education and training. They will, for example, concentrate on areas of high social deprivation and on young people with severe problems including poor GCSE rates, poor transition to post-16 learning or high truancy. Careers services, working with their partners, will try innovative ways of reaching young people and their parents. Teachers will play an important part by referring to interview those pupils they are worried about.

In Wales Careers Service Companies have been asked to give priority to addressing issues of disaffection. In addition the Education and Training Action Group is examining issues of disaffection and social exclusion and will be publishing its recommendations to promote more effective transitions from school to work in an Action Plan for consideration by the Welsh Assembly.

In Scotland the Beattie Committee is examining the needs of young people who require additional support to make the transition to post-school education, training or employment. The Committee will make recommendations to improve coherence, continuity and progression.

Other developments include a new National Record of Achievement, and a Learning Card which is replacing Youth Credits in England; the Learning Card does not have a monetary value like a Youth Credit, but is intended to promote young people's awareness of their entitlement to continue learning post-16. In England a single qualifications framework for careers advisers is being introduced, and qualifications are being developed for careers teachers in schools.

Linkages between education and industry are highly developed in Britain through a wide variety of initiatives and partnerships. Amongst the most important players are Education Business Partnerships, which exist in almost all areas of the country. Some of the most important initiatives which young people can be involved in are:

- Work experience – all pupils have the opportunity to spend one or two weeks with an employer in the latter years of compulsory education.
- Young Enterprise and other enterprise education activities – pupils have the opportunity to become actively involved in setting up and managing a real business in the school environment.
- Understanding Industry conferences, at which firms and employers engage young people in improved understanding of the world of work.
- Mock interviews, in which employers give young people a feel for the skills they will need when entering the labour market.

There are many other initiatives, some nationwide, such as the Princes (Scottish) Youth Business Trust, others purely local, such as Compacts, which focus on work employers can do with disaffected young people. Teacher Placements also allow for teachers to gain first hand experience of the world of work outside schools.

The emphasis on enterprise education is particularly strong in Scotland. In addition a series of measures were announced in 1997 to improve the quality and coherence of education-industry links in Scotland, under the title of Education for Work. The initial measures include self-evaluation instruments for schools, additional curriculum tools and materials, the revitalisation of work experience, inspections and research to identify and disseminate good practice, and a new national Centre for Education for Work.

There is a similar emphasis on increasing the employability of students in higher education. In England the DfEE is supporting development projects addressing eight themes:

- key skills in higher education;
- recording achievement;
- work experience;
- guidance for graduates;
- high level lifelong learning;
- labour market intelligence in higher education;
- graduate business start-ups;
- innovation and creativity in the curriculum.

4.6 Promoting diversity, responsiveness and quality in educational institutions

Context. The government's strategy is to promote diversity, flexibility and responsiveness among education and training providers, especially through partnership, but also to raise standards and quality and to reduce costs.

During the 1970s and 1980s several local authorities in England and Wales introduced tertiary colleges or other innovative arrangements for delivering post-16 education. These innovations were halted by the reforms of the late 1980s and early 1990s which ended local authorities' control over colleges and reduced their control over schools. The main emphasis of national policy under the Conservative governments before 1997 was to specify the outcomes of education and training and to develop a market in which institutions would compete to supply this market. Greater institutional autonomy, and increasingly sophisticated funding mechanisms, were introduced to support this market. The unification of UK higher education in 1992 brought polytechnics and other institutions into the same system as the universities. In the following year FE colleges throughout Great Britain were removed from local authority control and incorporated. Since then further large-scale institutional re-structuring has not been part of the national policy agenda, although there is encouragement for mergers and rationalisation within the FE sector. The present government's strategy can be seen as working broadly within the existing institutional framework, and giving further encouragement to institutional diversity and responsiveness, while avoiding the worst effects of institutional competition.

Partnership and collaboration. The government has announced a shift in emphasis from competition among institutions to collaboration based on local partnerships. Its long-term objective is a 'collaborative network of tertiary education' (DfEE 1998, p.47). This would include collaboration between schools and FE colleges and between colleges and higher education. Institutional collaboration at the post-16 stage is one of the themes being explored by the ETAG in Wales, where there are problems of duplication and inefficiency in provision, and where new arrangements for LEA-college partnerships are being introduced. In Scotland the present relations between schools and colleges are more collaborative than competitive, partly because the division of functions is clearer. The introduction of the modular vocational curriculum in the 1980s stimulated substantial collaboration in the delivery of the post-16 curriculum. The delivery of the Higher Still curriculum is expected to require new forms of collaboration among institutions, and may create difficulties in less populated areas.

Institutional diversity. Collaboration presupposes diversity and complementarity among institutions or sectors, and several government policies aim to maintain this diversity. There is a danger that the common funding regime for higher education since 1992 may discourage specialisation and collaboration; the Dearing report suggested ways in which funding incentives might encourage diversity. Current measures to stimulate diversity within the school sector aim to combat disaffection and disadvantage. In England and Wales Education Action Zones are to be designated, each containing 2 or 3 secondary schools, in up to 25 areas with high disadvantage and underperforming schools. Within each EAZ an 'action forum' will harness support from parents and the local community for an action programme; EAZs will have priority for central support and greater flexibility in matters of staffing and school organisation. In England the government is also re-launching the initiative for 'specialist schools' which specialise in particular areas such as technology or languages in addition to delivering the National Curriculum. It aims to have 330 specialist schools in England by the end of 1998. There are no direct national equivalents to these initiatives in Scotland, but Glasgow, which is affected by particularly high levels of social disadvantage, is proposing to develop 'enterprise schools' with specialist expertise especially in vocational fields.

Funding, regulation and standards. Closely related to diversification are the use of funding mechanisms (as well as changes in levels of funding) to encourage desired institutional behaviours, and measures to promote quality and consistent standards. Both the Dearing Report on HE and the Kennedy Report on FE in England proposed to use the funding mechanism to widen participation (NCIHE 1997, Kennedy 1997). The strategy is summed up in the titles of two chapters of the Kennedy Report: 'we know how to widen participation - now we need to make it happen', and 'funding is the most important lever for change'. A long term aim is to create greater parity of funding between providers in different sectors, but it is not yet clear how this will be pursued. Both reports were dominated by funding issues, including the crisis caused

by the large increase in student numbers and the decline in funding levels per student. Dearing proposed that graduates should contribute to tuition costs; the government's own policy, to be introduced in 1998, is an annual tuition fee of £1000 for full-time students, with exemptions for students from low-income families.

Several measures aim to enhance quality and standards within schools, colleges and universities, for example through target-setting, performance monitoring and management development.

Expansion of FE and HE. The Kennedy Report argued for additional resources for the FE sector and drew attention to FE's unique role in 'widening' participation in learning by promoting access for the educationally and socially disadvantaged. The Dearing Report recommended a further increase in the number of full-time higher education students; much of this increase would be in FE colleges and in sub-degree courses which are mainly provided in FE. The government has since announced that it will provide for an extra 500,000 people in further and higher education by 2002 (this total includes adults and part-time students).

4.7 Reinvigorating the work-based route

The current strategy aims to reinvigorate the work-based route at 16-plus in order to maintain a diversity of provision, to ensure that the supply of high-level skills is closely matched to the changing needs of employment, and to re-engage the disengaged. It sets out to address the under-investment in training and the problems of content and organisation identified in 3.4 above by working with employers and developing training tailored to their needs, by promoting partnerships between employers and providers, and by incorporating key skills. It addresses the problem of low status by invoking the high-status tradition of apprenticeship, by creating (in Modern Apprenticeships) a distinct high-level programme leading to level 3, by explicitly linking different levels of work-based provision to qualification levels, and by creating a progression route.

Modern Apprenticeship. Modern Apprenticeships (MAs) have spearheaded this strategy. They were launched on a prototype basis in September 1994 and as a national initiative in September 1995. The MA programme is designed to provide young people aged 16-25 with training leading to NVQ/SVQ at level 3 or above, including key/core skills, closely tailored for the needs of employers.

MAs are offered in a number of sectors of business, industry and commerce. For each sector the MA framework is designed by employers in conjunction with the relevant National Training Organisation and the DfEE. MAs are more flexible than traditional apprenticeships and are designed to fill a gap in training at technician/supervisor level. They provide training within industry/design frameworks under a training agreement between the individual and his or her employer. The training leads to an NVQ/SVQ level 3 qualification and includes key/core skills. Frameworks exist in non-traditional white collar areas such as banking, insurance and broadcasting, as well as more traditional sectors such as engineering and the motor industry. To date, there are 76 sectors in which MA is offered, ranging from childcare to marine engineering, construction to photography. It is anticipated that they will eventually cover all sectors of industry.

In February 1998 in England and Wales, there were 117,000 Modern Apprentices in training. This represents an increase of some 40,000 over the previous year. MAs have a particularly important role in current strategy in Wales, especially in the engineering sector. In Scotland MAs are less distinct from other provision; they are delivered within the Skillseeker programme, which already included a somewhat higher proportion of training at level 3 than YT elsewhere in Britain.

While it is still early days, there are signs that MAs are improving the status of work-based training and presenting an attractive first choice for certain groups of young people. They are better regarded than their predecessors by young people, parents and employers (Hasluck *et al.* 1997, Saunders *et al.* 1997). However they have been operating for too short a period to draw firm conclusions about their impact. It remains to be seen whether they can overcome traditional gender divisions, and whether they will cover all sectors evenly. So far they have been most successful in sectors with a tradition of apprenticeship and where sectoral organisations have wide coverage and strong employer support (Hasluck *et al.* 1997, Gospel and Fuller 1998).

National Traineeship. National Traineeships (NTs) extend many of the principles of MAs to level 2 training. They became available in England and Wales from September 1997 and are aimed at school and college leavers aged 16 and upwards. They have not been introduced in Scotland where youth training continues to be provided through the Skillseeker programme.

It is anticipated that the NTs will become firmly integrated within Youth Training and provide a progression route to MAs. They provide a similar training framework route but at a lower NVQ level, level 2. Training frameworks have been developed in 39 sectors, ranging from animal care to plumbing to telecommunications, and are currently being developed in an additional 50 sectors. Many of the sectors coincide with those on offer for MAs, therefore allowing for easy progression. As with MAs, there is a significant focus on key skills.

Other Training. Drawing on MAs, NTs and experience in developing the New Start Strategy (4.10 below), training that was previously provided under YT and will not be provided under MA or NT will be improved so that all young people have the option of high quality training and to achieve level 2 qualifications whenever possible. DfEE is currently reviewing what further steps need to be taken to ensure that all training opportunities supported by TECs come up to the same high standard.

In Wales, YT has been replaced by a suite of programmes known as Training for Young People. In addition to MA and NT it includes

- a new programme, Training Below Level 2, offering individually tailored programmes for those who are not yet ready for employment or further education and training because of social or educational needs; and
- the Youth Access Initiative, for 14-17 year olds who are in danger of dropping out of education and training or who have already done so (see 4.10).

Training Standards. In England, a Training Standards Council has been set up to supervise a Training Inspectorate which will assess the quality of training funded through TECs. In Wales, the remit of the Inspectorate (OHMCI), which already inspects school and FE provision, will be extended to include workplace learning.

The Young Person's Guarantee. All 16 and 17 year olds who are not in employment or full time education and who are seeking training are guaranteed the offer of a suitable training place. This guarantee is extended to persons aged 18 or over whose entry to training has been delayed or disrupted for certain specified reasons. Outside the guarantee groups, 18-24 may be admitted to training at TEC/LEC discretion. Trainees may not remain in training beyond their 25th birthday.

There have been some debates over the effectiveness of the young person's guarantee. It is argued that the way in which TECs/LECs interpret the guarantee means that a significant proportion of young people still remain outside it because they do not voluntarily present themselves.

Right to Time Off for Study or Training. The 1998 Teaching and Higher Education Act provides that certain 16 and 17 year old employees will be entitled to reasonable paid time off to pursue approved qualifications to get them to NVQ/SVQ level 2 or equivalent if not already there. Study or training can take place in the workplace, at college, or with a private training provider.

Comments. In the past, work-based training for young people was presented and perceived as a fairly isolated, ad-hoc, support activity. Over the past two years, there is evidence of a more holistic approach to presenting work-based training as part of an on-going lifelong learning package. It is much more clearly integrated with overall government policy and strategy.

Over the past few years output-related funding has generated some distortions in the work-based training market. There has been some evidence of selectivity, with training suppliers being more reluctant to take on young people from the more disadvantaged groups with whom they feel they might not secure an outcome. In the past twelve months, with the greater focus on social inclusion, there is some evidence that this balance is now being redressed.

4.8 Helping unemployed young adults into work

New Deal. The New Deal programme to help unemployed 18-24 year olds and other unemployed people back to work was one of the main policies in the Labour Party's manifesto that directly concerned the transition, and the only area where the Labour Party pledged additional expenditure (of £3.5 billion) prior to the election. Work on the design of the programme was started immediately after the May 1997 election; the programme was introduced in 'pathfinder' (pilot) areas in January 1998 and launched nationally in April 1998.

The New Deal is run by the Employment Service (see 4.3 above). It is aimed at ensuring that unemployed people receive every opportunity to improve their employability and contribute to society. Accordingly, young people between the ages of 18-24 who have been unemployed for more than six months are offered support and advice in a 'Gateway' phase followed by one of four options which includes a training element:

- a job with training with an employer who is offered £60 a week for six months plus £750 towards training costs;
- a job with a voluntary sector organisation for up to six months;
- full-time education and training lasting for up to 12 months;
- work with the Environmental Taskforce for six months.

The New Deal is about rights and responsibilities. Benefit sanctions are applied to young people who unreasonably refuse to take up a suitable option.

Careers service companies are also providing guidance to clients aged 18-24 in the New Deal Gateway, and in many areas are acting as lead agents for the New Deal.

An extension of the New Deal for people aged 25 and over will be available from late June 1998 to those who have been claiming Jobseekers Allowance (JSA) for two years or more. It will offer a series of measures to help people improve their chances of finding work, including:

- individually tailored advisory interviews;
- training in job search and interview techniques;
- work based training;
- a £75 a week subsidy for six months for employers who recruit from this group;
- the chance to study full-time for an employment related qualification for one year whilst remaining on JSA.

The Government's Welfare to Work proposals also include a comprehensive package of back to work help on a voluntary basis for lone parents on income support and a boost to training and employment opportunities for young people or others on incapacity benefits.

Work Based Training for Adults. Work Based Training for Adults (WBTA) replaced the Training for Work programme in April 1998. It is aimed at 25-63 year olds who have been out of work for six months or more (although there is the option of early access for particularly disadvantaged groups). The programme is designed to meet the particular needs of each client, providing a range of support to help them back to work. While the primary aim of the programme is to get people back in to work, there is also an emphasis on working towards recognised qualifications.

There are 40,000 planned starts on WBTA in 1998/9. This compares to 23,000 starts for those aged 25 and over under the Tfw programme in 1996/7. The budget for WBTA for 1998/9 is £340 million.

4.9 Improving information and guidance

Over the past few years, much greater emphasis has been placed on providing young people with better information and guidance, including better and more up-to-date information about opportunities in the local labour market. This needs to be achieved through partnership; the partners are many and include young people and their parents, local authorities, schools and colleges, careers service companies, the Employment Service, TECs and LECs, the voluntary sector and employers and training providers. For young people who are at risk, disadvantaged, or disaffected, additional agencies need to be involved including Social Services, the Police, and Probation Services.

For example careers service companies in Wales are working with TECs to develop a range of information packs for young people drawing on labour-market information on trends in employment at both the local and all Wales levels. This is part and parcel of the general empowerment theme which straddles both youth and adult workforce policy. There is, however, a greater concern that young people about to enter the workforce make the right decisions.

Careers Service. The Careers Service have recently been experimenting with different ways of making their own staff more aware and responsive to the needs of the local labour market. This has involved development materials and training of staff. There have also been experiments with ways of communicating labour-market trends to young people in a proactive and interesting manner. The general

trend has been one of re-focusing and increasing the flexibility of operation within the service. In Scotland the approach has involved each careers service company area playing host to a local guidance network.

In the past, resourcing levels have meant that the Careers Service have been unable to undertake extensive activity outside schools. There has been little opportunity to conduct effective outreach. This is now being addressed.

Careers and Occupational Information Centre. The DfEE's Careers and Occupational Information Centre (COIC) publishes and disseminates essential careers information materials to young people, careers service companies, employers, schools, colleges, other educational institutions, training providers and agencies providing careers education and guidance. Full use is made of communication and information technology as well as traditional forms of publication. Materials are available in alternative formats and media suitable for people with special needs, for example on audio cassette. Many COIC publications fulfil needs for careers information which are inadequately met by commercial suppliers and some materials are not charged to the users. COIC maintain a database of occupational information which forms the basis of many publications. Data are continually reviewed and new and changing occupations researched to ensure that the information is up to date.

The DfEE has developed a range of material aimed at making education and training more responsive to the needs of the labour market. Through initiatives such as Gateways to Learning and local Lifelong Learning Strategies, the Department has encouraged the development of local networks of providers, free of charge to all sections of the community.

Learning Direct. The DfEE has been seeking to integrate local networks as a step towards a commonly branded easily recognisable service throughout England and Wales. It has recently introduced a permanent telephone helpline (Learning Direct) to offer free and impartial advice about learning opportunities to all callers. In Wales, Learning Direct is delivered through four telephone call centres linked to the careers information networks set up under the Adult Guidance Initiative. This is now being integrated within the developing University for Industry. In Scotland, Learning Direct Scotland performs a parallel role to its counterparts.

A national learning opportunities database is also being developed to underpin the helpline activities. In addition to learning opportunities, the database includes information on the availability of local guidance services, childcare facilities, and different ways of paying for learning.

However, not everyone has access to a telephone. Twelve development projects are being funded in a range of different areas from rural to inner city to test out alternative methods of delivering information and advice services.

Responsiveness to Labour Market Skill Needs. The national Skills Agenda (see 4.1) is intended to ensure that education and training systems respond effectively to the skill needs of the economy.

The DfEE is about to commence a fundamental review of the collection and use of labour market information at sub-national level to include all partners across 16-19 education and training. Priorities for attention will include:

- customising information to young people and influencers to improve guidance and choice;
- developing guidance and support structures to assess the adequacy and sufficiency of further education provision.

The Welsh Office, in partnership with other public sector organisations, is undertaking a research project aimed at providing a broad assessment of future skills needs across Wales to inform the development of a national skills strategy. In Scotland, the overall co-ordinating role has fallen to the newly established Scottish Guidance Group.

4.10 Helping the disadvantaged and disaffected: further measures

Many of the measures described above target disadvantage and disaffected young people, who are most likely to miss out or drop out of education and training. They attempt to intervene at a relatively early stage to avoid problems compounding in later life. Many other projects to target these groups have been developed locally. Further measures are described below.

New Start and Youth Access Initiative. New Start is a DfEE-driven initiative to drive up the participation and motivational levels of 14-17 year-olds in learning in England. The Youth Access Initiative follows a similar approach in Wales.

The New Start strategy recognises the need for more consistency and co-ordination of efforts to tackle disaffection among young people. A key part of the New Start strategy has been the establishment of 17 local partnership projects to bring together the Careers Service, schools, FE colleges, TECs, Local Authorities, the Youth Service and voluntary organisations. Many other areas of England are adopting this approach although they are not necessarily being funded through DfEE. A second round of projects will be funded from September 1998, with a focus on 16-17 year olds.

Foyers. Foyers are locally based projects which provide affordable accommodation and access to training and employment for disadvantaged young people aged 16-25. Foyers for younger workers have existed in France since the end of the Second World War, and were originally a means of attracting young people to cities to help build the economy. Since then a system has evolved and there are now more than 470 Foyers across rural as well as urban France. In 1992 the Foyer model was adapted for the UK, and the first Foyers were developed here. Since then it has become one of the most rapidly expanding initiatives in the country.

By the end of 1998 there will be around 70 Foyers in operation; these will range from eight beds to 177 beds, from city centre to rural market town locations, from Foyers all under one roof to dispersed Foyers around town and even counties.

Foyers have captured the imagination of a number of major employers nationally as well as locally, who are concerned about youth homelessness, but want to provide more than just a roof over a young person's head. From the very beginning, employers have played a major part in moving the initiative forward at every level. The Foyer Federation, along with individual Foyers, is now developing an accreditation framework for Foyers.

It is anticipated that Foyers will have a crucial role to play in the successful implementation and delivery of New Deal. Foyers recognise that young people still require support after they have found a job. The experience and the emphasis on a holistic approach to the problems barring a young person from work means that Foyers see themselves as ideally suited to providing the gateway to labour market for their residents.

Intermediate Labour Market Projects. These projects provide waged or salaried jobs that are only available to the unemployed, or specific groups within the unemployed for a limited period, where the

product of their work has either a direct social purpose, or is trading for a social purpose where that work or trading would not normally be undertaken.

Intermediate Labour Market Projects are typically:

- a route to work for those unemployed and most disadvantaged;
- designed to support and develop individuals where they are job ready;
- community-based and aim to break the increasing spiral of declining labour market participation evident in the most disadvantaged areas.

Specific aspects of activity in intermediate labour market projects are that they:

- provide employment experience in a real job offering a real wage for the job; breaking the non-work habit;
- keeping individuals in touch with local job opportunities and skills required;
- provide customised advice and guidance;
- avoid perception of being unemployable.

A number of these projects are currently being developed across the country. One of the best known is 'Glasgow Works' which provides work experience in repairing and refurbishing Glasgow's housing estates. A project focusing on the problems of disaffected young people is currently being developed in North Derbyshire (Job Ready North Derbyshire). This is being funded through the single regeneration budget.

Comments. Projects focusing on aspects of disaffection have evolved from initiatives such as the Inner City Task Force initiatives which concentrated on the most disadvantaged areas. They have only recently developed a wider currency, largely through funds such as the single regeneration budget. In the last twelve months, they have been given greater prominence as part of a national programme of activity.

The issue with many of these projects is expense and sustainability. When viewed in costs per output terms, there are inevitably issues regarding value for money. The key challenge in this area is to design cost effective sustainable projects. The history has been to design complex, highly supportive projects which are difficult to sustain and/or replicate.

SECTION 5: CONCLUSION

The new Labour government took office in May 1997, with education, training and employment among its highest priorities, and these priorities have been reaffirmed in the recent announcements of large increases in spending. However at the time of writing (July 1998) it is too early to assess the effectiveness of its policies for the transition from initial education to working life. Indeed many of these policies are still taking shape, although a clear strategy is already apparent. This strategy places an emphasis upon partnership, and so far at least it commands the active support of partners in different fields of education, training and employment. This support, and the desire to make partnership succeed, have been evident to us in the preparation of this report.

We summarised the government's strategy in 4.1 above and we will not repeat that summary here. Its emphasis on partnership balances an earlier emphasis on markets. The government's strategy also balances the needs of competitiveness with the needs of social inclusion and personal fulfilment, and it balances the right to work with the responsibility to work. We conclude by noting that the success of the strategy will depend on its ability to maintain a further balance: between building on the distinctive strengths of education, training and the labour market in Britain, and correcting their historical weaknesses.

The strengths include:

- the diversity and flexibility of education and training (in the various senses described in 1.5 above),
- a large and relatively successful higher education system,
- a culture of responsiveness and access among many providers, especially in FE,
- a tradition of local process-based innovation,
- a culture of early transition to adult statuses in the family, household and labour market, and
- a flexible and relatively buoyant labour market.

Many of the weaknesses mirror these strengths:

- problems in maintaining consistent standards and quality across a diverse and flexible system,
- a relatively high proportion of under-achieving young people, compared with other OECD countries,
- a relatively weak vocational ethos,
- a culture of early leaving from education among a significant minority of young people,
- a history of rapid policy turnover and a lack of transparency in education and training, and

- a polarised labour market with a long tail of insecure, low-skilled and low-paid jobs.

Current policies for the transition build on these strengths and address these weaknesses, while responding to the social and economic challenges common to other OECD countries. The government's commitment is underlined by the additional resources it has recently announced. Many of the key questions about its strategy concern the appropriate balance between building on these strengths and correcting these weaknesses, and on the extent to which it is possible to do both.

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ANNEX 2: COMMENTS ON DATA SOURCES

Gaps in data. We note the following gaps or unevenness in existing data coverage:

- Britain has better data on participation in education/training, and on labour-market trends, than on the links between these two spheres. It is difficult to find good data with which to address questions of the ‘match’ between education and employment, except in relation to specific areas or of a very broad-brush nature.
- Data on vocational training, including apprenticeships, and on training outcomes and destinations, tend to be less complete than data on full-time education. This is a consequence, partly of the modular nature of training, and partly of the decentralised control, funding and accreditation of most training.
- Longitudinal data are generally scarce. The 1958 and 1970 birth cohort studies are a national asset but they are a resource for research more than for statistical monitoring, and are now out of date in their coverage of initial education. Destination surveys - for example of higher education leavers - tend to report early destinations, and may give a misleading picture of longer-term outcomes. Data sources still tend not to cross the 19-year-old barrier.
- There are discontinuities in data-collection, often associated with the turnover in policy; for example it is difficult to compare take-up of successive generations of qualifications or training schemes.

Some of these gaps are being filled. The youth cohort studies are now being extended into the early 20s (see section 2.1). The government is exploring the possibility of a framework for data on lifelong learning (as proposed in the Dearing Report) based on a unique student record number. In Scotland most students in school and FE pursue qualifications issued by the same body, SQA, which issues each individual with a unique Candidate Number. This may become the basis for a wider framework.

Fragmentation of data. The available data sources are fragmented. We had hoped to use statistics to paint the broad outline for this report, within which we would fill in the more qualitative detail, but this has not been possible. Had we persisted with this approach the report would have turned into a detailed discussion of data sources. Our main problem has often been not the lack of data but the multiplicity of data. To describe a single stage in the transition it is often necessary to draw on data from several different sources in order to capture the different aspects of the transition. Too often these sources use different classifications, reporting bases and dates, there are gaps between them, and the problem is compounded by inconsistencies in the statistics reported for England, Wales and Scotland. While some of these inconsistencies are necessitated by institutional differences, such as in the regulations defining school-leaving ages, many appear to be arbitrary.

Data on flexibility. Finally, some of the difficulties in presenting a statistical picture of transition in Britain arise from the flexibility and market-driven character of its education, training and labour market.

The delivery of education and training in small units, the complexity of pathways, the lack of direct correspondence in the ways that education or training inputs and outcomes are classified, the blurring of boundaries between status categories, the informality of many statuses: all these factors make the task of collecting data particularly difficult. They are often aggravated by decentralising measures which make it harder to collect data on a consistent basis. The trend towards market mechanisms has compounded these problems in so far as it has contributed to the fragmentation of data sources (eg competing bodies delivering education or awarding qualifications) and given data a 'commercial' value which may lead to the distortion or suppression of information. These problems may arise in other countries which pursue flexibility.

ANNEX 3: SELECT GLOSSARY OF TERMS

ACCAC (Qualifications, Curriculum and Assessment Authority for Wales) responsible for regulating qualifications and curriculum in Wales; formed in 1997 by incorporating NCVQ's Welsh Office into the Curriculum Authority

A level (Advanced level of the General Certificate of Education) subject-based post-compulsory qualification in England and Wales

AS level (Advanced Supplementary) qualification worth half an A level: currently a 'vertical' half, but under current proposals it will become a 'horizontal' half, ie the first year of a two-year A level

BCS (British Cohort Study) survey of British cohort born in the same week in 1970, last surveyed in 1996

CBI (Confederation of British Industry) organisation representing large employers especially in manufacturing

CEG (Careers Education and Guidance)

CREDIS Welsh credit framework covering qualifications delivered in FE colleges

CSYS (Certificate of Sixth Year Studies) Scottish school qualification, taken after Highers, designed for intending university students

Dearing Report see NCIHE

Dearing Review *Review of Qualifications for 16-19 year olds* in England, Wales and Northern Ireland, published 1996

DfEE (Department for Education and Employment) department of UK government; responsibilities for education in England and employment in Great Britain

EA (Education Authority) Scottish term for LEA

EAZ (Education Action Zone) see 4.4

Employment Service executive agency of the DfEE responsible for employment placement and related services

ETAG (Education and Training Action Group) government-appointed group reviewing education and training in Wales

FE (Further Education) colleges offering range of mainly post-compulsory or higher education courses

FEFC (Further Education Funding Council) responsible for funding FE in England

FEFCW (Further Education Funding Council for Wales)

GCSE (General Certificate of Secondary Education) subject-based qualification awarded for 14-16 courses in England and Wales

GNVQ (General National Vocational Qualification) qualification introduced in England and Wales in 1992, mainly for full-time study in a broad vocational area; available at three levels

GST (Government Supported Training) publicly funded training such as YT, MA

GSVQ (General Scottish Vocational Qualification) Scottish equivalent of GNVQs, introduced in 1992, based on programmes of NC modules

HEFCE (Higher Education Funding Council for England) responsible for most public funding of HE in England

HEFCW (Higher Education Funding Council for Wales) responsible for most public funding of HE in Wales

HESA (Higher Education Statistics Agency)

HIE (Highlands and Islands Enterprise) responsible for economic development and training in Highland and Island areas of Scotland; administers public funding through LECs

Higher (Higher grade of the Scottish Certificate of Education) subject-based post-compulsory qualification in Scotland

Higher Still reform of post-16 education in Scotland, to be introduced in 1999

IiYP (Investing in Young People) suite of measures targeted at low achieving and disaffected young people in England

HNC/HND (Higher National Certificate/Diploma) sub-degree higher education qualification

JSA (Jobseekers Allowance) benefit payable to unemployed people

LEA (Local Education Authority) elected local government, responsible for schools and continuing education

LEC (Local Enterprise Company) local body responsible for economic development and training in Scotland

Level 1 lowest qualification level

Level 2 qualification level equivalent to 5 GCSE awards at A*-C, or 5 Standard Grades at 1-3, or Intermediate GNVQ or the equivalent GSVQ, NVQ or SVQ

Level 3 'intermediate' qualification level equivalent to 2 A levels, 3 Highers, Advanced GNVQ or the equivalent NVQ, SVQ or GSVQ

Level 4 qualification level equivalent to undergraduate higher education

LIFE (Learning Is For Everyone) Welsh Green Paper on lifelong learning

LFS (Labour Force Survey)

MA (Modern Apprenticeship) see section 4

NC (National Certificate) modular 'vocational' awards offered by SCOTVEC and SQA

NCIHE (National Committee of Inquiry into Higher Education) Committee chaired by Sir Ron (now Lord) Dearing, reported in 1997

NCVQ (National Council for Vocational Qualifications) see QCA

New Deal programme for 18-24 year olds unemployed for more than six months (and other groups)

New Start initiative to improve participation and motivation to learn among 14-17 year olds in England

NT (National Traineeship) work-based programme for young people introduced in 1997

NTO (National Training Organisation) employer-led body responsible for coordinating and developing strategy at sector level

NVQ (National Vocational Qualification) qualification recording occupational competence, primarily for learning and assessment in the workplace; available at up to 5 levels

OHMCI (Office of Her Majesty's Chief Inspector of Schools in Wales) responsible for inspecting schools, colleges and (soon) workplace learning in Wales

OCN (Open College Network) local network of FE colleges, typically promoting credit and other arrangements to support wider access

PSE (Personal and Social Education) see 3.2

QCA (Qualifications and Curriculum Authority) responsible for regulating qualifications and curriculum in England; formed in 1997 from merger of SCAA and NCVQ

QfS (Qualification for Success) 1997-98 consultation over some of Dearing Review recommendations

SCAA (Schools Curriculum and Assessment Authority) see QCA

SCCC (Scottish Consultative Council on the Curriculum)

SCOTCAT (Scottish Credit and Accumulation Transfer scheme) national CAT scheme covering all Scottish higher education

SE (Scottish Enterprise) responsible for economic development and training in Scotland (except HIE area); leads local network of LECs

SEB (Scottish Examinations Board) body which awarded academic qualifications in Scotland before 1997: merged with SCOTVEC to form SQA

SGA (Scottish Group Award) award available within Higher Still for specified programmes of courses/units at given levels; will replace GSVQ

Skillseeker Scottish name for Youth Credit/Youth Training

SEB (Scottish Examination Board) body which awarded academic qualifications in Scotland before 1997: merged with SCOTVEC to form SQA

Scottish Office department of UK government responsible for specified policy areas in Scotland

SCOTVEC (Scottish Vocational Education Council) body which awarded and accredited vocational qualifications in Scotland before 1997: merged with SEB to form SQA

SHEFC (Scottish Higher Education Funding Council) responsible for most public funding of HE in Scotland

SOEID (Scottish Office Education and Industry Department) department of Scottish Office whose remit includes education and training

SQA (Scottish Qualifications Authority) body which awards and accredits qualifications in Scotland; formed from merger of academic and vocational awarding bodies

Standard grade (S grade) subject-based qualification awarded for 14-16 courses in Scotland

SSLS (Scottish School Leavers Survey) survey of school leavers/year groups in Scotland; replaces SYPS

SVQ (Scottish Vocational Qualification) Scottish equivalent of NVQ, similar in purpose and design

SYPS (Scottish Young People's Survey) see SSLS

TEC (Training and Enterprise Council) local body responsible for training and enterprise in England and Wales

Training for Young People suite of programmes which replaces YT in Wales: includes MAs, NTs, Training below Level 2 and the Youth Access Initiative

TUC (Trades Union Congress) organisation representing common interests of trades unions

TVEI (Technical and Vocational Education Initiative) 14-18 curriculum initiative launched in 1983

WBTA (Work Based Training for Adults) programme for unemployed 25-63 year olds introduced in 1998

Welsh Office department of UK government responsible for specified policy areas in Wales

YCS (Youth Cohort Survey) regular longitudinal survey of age cohorts from 16 years in England and Wales

Youth Access Initiative Welsh initiative similar to New Start

Youth Credits replaced YT from 1991-1996

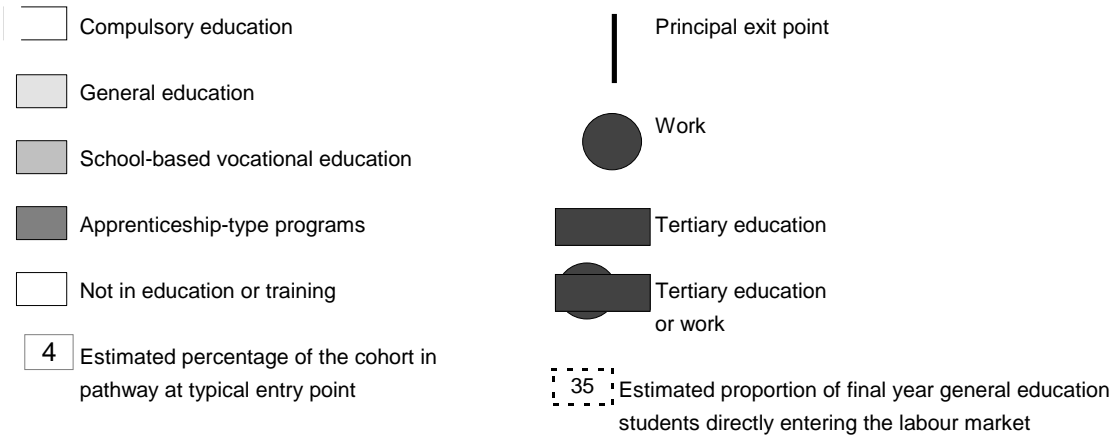
YT (Youth Training) replaced YTS in 1990-91

YTS (Youth Training Scheme) main work-based provision for 16-18 year olds from 1983-1990

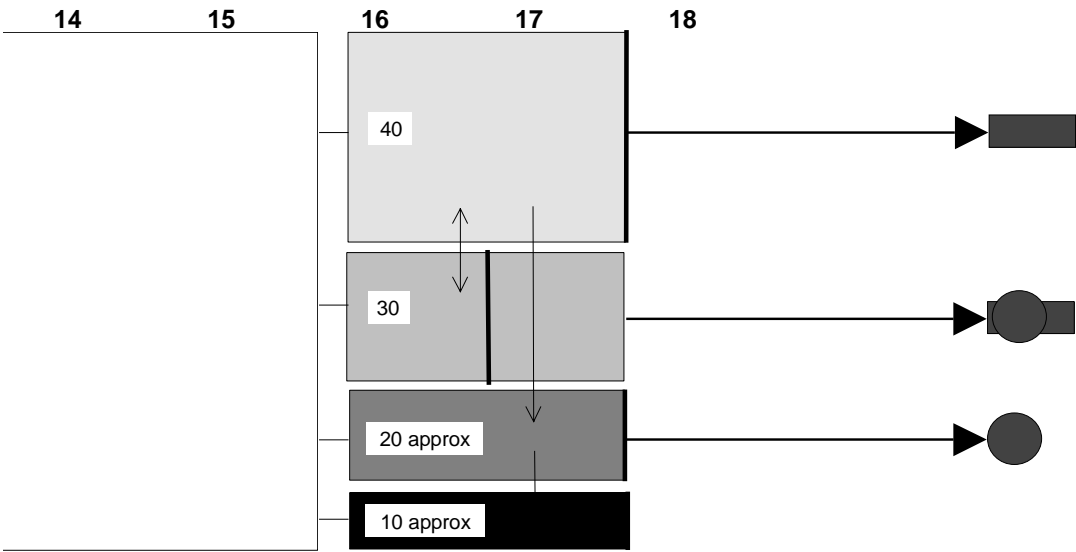
**ANNEX 4: SCHEMATIC REPRESENTATION OF PRINCIPAL PATHWAYS FROM
SECONDARY EDUCATION TO WORK OR FURTHER STUDY**

The attached charts represent the post-compulsory pathways in terms of the OECD’s schema (see Key). See 3.3 and 3.4 for further explanation of the different pathways. More detailed statistics are presented in these sub-sections and in 3.1. Figure 3.1.2 describes flows between statuses among an earlier cohort of young people.

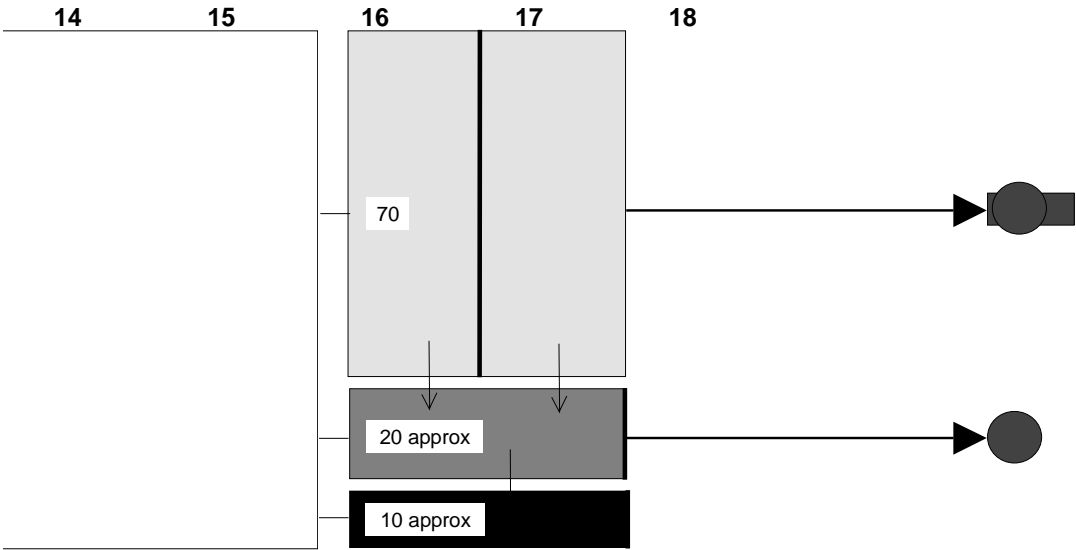
KEY TO THE PATHWAYS DIAGRAMS



England and Wales



Scotland



ANNEX 5: ORGANISATIONS CONSULTED IN THE PREPARATION OF THE REPORT

Department for Education and Employment (DfEE):

Analytical Services Division
Choice and Careers Division
Further Education Division
Higher Education and Employment Division
International Division
New Deal Policy Division
Qualifications for Work Division
School Qualifications and Curriculum Division
Schools Effectiveness Unit
Skills Unit
16-19 Policy Division
Training for Young People Division

Scottish Office:

Education and Industry Department

Welsh Office:

Industry and Training Department

Association of Colleges

Careers Service Association

Confederation of British Industry

Local Government Association - England

National Training Organisation National Council

National Institute of Adult Continuing Education in Wales (NIACE Cymru)

OECD Secretariat

Qualifications and Curriculum Authority (QCA)

Convention of Scottish Local Authorities (COSLA)

Scottish Qualifications Authority

Training and Enterprise Councils (TEC) National Council

Trades Union Congress

