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Apprenticeships in London:
Boosting Skills in a City
Economy - With Comment
on Lessons from Germany

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Gerhard Bosch**

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OECD LEED Programme: Local skills strategies

Apprenticeships in London:
Boosting skills in a city economy

Stephen Evans

With comment on lessons from Germany

Gerhard Bosch

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INTRODUCTION

Overview

The London Apprenticeship Campaign was launched in 2010 to boost the number of apprentices in London, in particular at higher level apprenticeships, and is one of many recent attempts to revitalise and reinvent apprenticeships in OECD countries. It was developed as part of an ongoing policy focus on how best to tackle long-standing skill shortfalls in the city at the intermediate level, shortages which have been constraining employment, social opportunity and productivity. A critical element of the campaign was to establish more apprenticeship frameworks outside the traditional apprenticeship sectors and in growth sectors which dominate the local economy, such as finance. As a result of the initiative, the number of apprentices in London doubled from 2009-10 to 2010-11 to reach over 40 000.

A remarkable innovation evident in the London campaign, delivered in keeping with the British market-based approach to apprenticeships, has been supplementing the supply-side approach with a demand-side policy by working closely to engage more private sector employers. London's local authorities and political figures, such as the Mayor, have also played a strong role in raising apprenticeship numbers by increasing public sector commitment to apprenticeships, and in the process showing leadership to local employers. Emphasis has been placed on maximising the public sector supply chain as a means to take on more apprentices, seeking to compensate to some extent for the weak role of employers' organisations and unions. The campaign serves as an example of a sub-national approach to skills policy taken at city level. The model, however, has faced criticism for producing low quality apprenticeships and acting as a mechanism for incumbent employee training rather than one to ease the transition for young people from education to the workplace.

Germany can provide good learning lessons on putting in place effective apprenticeship policy and practice at the national, regional and local level. There has been transitioning to broader apprenticeships occupations, moving away from tightly defined trades and specialisations, as well as providing training in joint core and occupation specific competences. Broadening occupations increases workers' internal and external flexibility, thereby enabling more mobility and employability over working life. The German apprenticeship system also supplements initial training with opportunities for standardised career advancement training to enable apprentices to advance to higher grades, and over time this has ensured a greater mix of management types. Social partners play an active role through national, regional and local training pacts and these have served to keep employers committed to taking on apprentices and have also proved to be particularly effective in maintaining apprenticeship numbers during the economic crisis. Apprenticeships are highly valued by German employers and by ensuring that apprenticeships contain real career possibilities, many capable and talented young people are attracted to the apprenticeship stream as a first choice.

This paper is divided into five sections. Section 1 gives an overview of national VET and apprenticeship typologies in some OECD countries, and the impact of the apprenticeship model on youth employment. Section 2 outlines the UK and London labour market context and the changing nature of the training and skills policy debate. Section 3 discusses the England apprenticeship model and introduces the London Apprenticeship Campaign, looking at its outcomes and governance framework. In Section 4 how the campaign delivered is looked at, discussing critical components, and it addresses common criticisms and how these have been overcome. It provides key learning points, and concludes with a critical response from a German perspective. Finally, Section 5 concludes by looking at a number of good practice examples from Germany in strengthening the apprenticeship

framework, considering improvements to work organisation and broadening apprenticeship occupations, ensuring the commitment of employers and the role of national, regional and local training pacts, and putting in place measures to ensure that apprentices are kept on in difficult economic times.

Authors and acknowledgements

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SECTION 1: OVERVIEW OF NATIONAL VOCATIONAL SYSTEMS AND THE APPRENTICESHIP MODEL

Overview of national VET systems

Activities to drive up the number of apprenticeship in the UK and London reflect a renewed interest in apprenticeships across OECD countries. Apprenticeships are considered a skilling and up-skilling mechanism to tackle skill shortages at the intermediate level and can provide a means to tackle low productivity levels, high unemployment rates, and difficult transitions from education to work for young people. The reinvention of apprenticeship training in many countries has been motivated by two main positive outcomes: i) the smooth transition of young people from education to work, and ii) its positive impact on productivity as a result of better skills and work organisation, a combination which has made apprenticeships increasingly attractive to governments in light of rising youth worklessness and growing competitiveness between regions and firms.

The German, Austrian, Swiss and Danish apprenticeship systems are often regarded as good examples of apprenticeship models from which countries like the UK can learn. However, while there is room for cross-learning and adapting different elements of varying systems, each VET (Vocational Education and Training) and apprenticeship typology is deeply embedded in specific national and regional education, labour market, industrial relations and status systems, each with local variations, and cannot easily be transplanted into a different institutional context.

VET systems are dynamic processes that may change over time. Like other institutional arrangements, national VET systems are the result of historical processes in which specific constellations of social actors pursue their interests (Ashton and Green, 1996). It has almost been forgotten that after World War II the USA, Canada, Australia and the UK had highly developed apprenticeship systems (see for example Marsden 1995, Gospel 1995), however, in the last 40 years, VET systems in developed countries have become increasingly diverse. In the liberal market economies of the English-speaking world, traditional apprenticeship systems have declined in significance. At the same time, there has been an unprecedented expansion of general education at upper secondary and tertiary level, which has given employers the option of recruiting young people with good general skills and training them in the workplace in order to equip them with intermediate skills. In Germany, the dominant role of the dual system of vocational training is a quite recent phenomenon. Up to the 1960s, the share of employees with a vocational certificate was only about 20% but this subsequently increased as a result of institutional reforms, and the dual system expanded to a peak of about 60% in the late 1980s (Geissler, 2002).

The UK has adopted a market-led approach to VET systems, similar to Ireland. In the general education system in Southern European countries (Greece, Spain, Portugal and Italy) general education is the prevailing education strand and if VET does take place it is usually in the form of on-the-job training. In the egalitarian school-based system (Finland and Sweden) the VET system is embedded in a national system of education that strives for equal opportunities for all citizens regarding access to education. The trade-off from integrating VET into the school system is weakening links with the labour market. Continental school-based systems (as in France, Belgium and the Netherlands¹) have a high degree of

¹. Winterton and Sabates et al. have different classifications for the Netherlands. As most vocational training in the Netherlands takes place in vocational schools, Sabates et al. classify it as a school-based system

national standardisation and central coordination which emanates from a strong meritocratic belief and a deeply rooted ideal of academic education. In these countries there is a pronounced hierarchy of qualification levels, with formal VET featuring at the bottom of this hierarchy, and there is generally little vocational education and training in the workplace.

Table 1. A heuristic typology of VET systems of EU15 countries

| Type of VET system | Countries |
|--------------------------|---------------------------------------|
| Apprenticeship-based | Austria, Germany, Denmark, Luxembourg |
| Market-led | UK, Ireland |
| Continental School-based | Netherlands, Belgium, France |
| General Education | Greece, Spain, Portugal, Italy |
| Egalitarian School-based | Finland, Sweden |

Source: Sabates *et al.* (2010), p.33.

Only in countries with strong trade unions and a tradition of corporatist cooperation (Germany, Austria, Switzerland, Denmark and Norway) have new apprenticeship programmes been successfully established in the manufacturing industry as well as in the expanding service sector.

Box 1. Apprenticeship typologies

Defining what constitutes an apprenticeship is not easy and typologies vary between countries. The apprenticeship system is regarded as a distinct form of VET and consists of the following elements:

- Involvement of the social partners in the regulation of apprenticeships systems;
- Standardisation of occupational profiles and training curricula with minimum training periods of two to four years;
- Links with occupational labour markets and work organisation in the company;
- Dual training within the company and vocational schools;
- Employers' responsibility and commitment;
- The high reputation of an apprenticeship among employers, parents and young people.

Source : Bosch, 2012

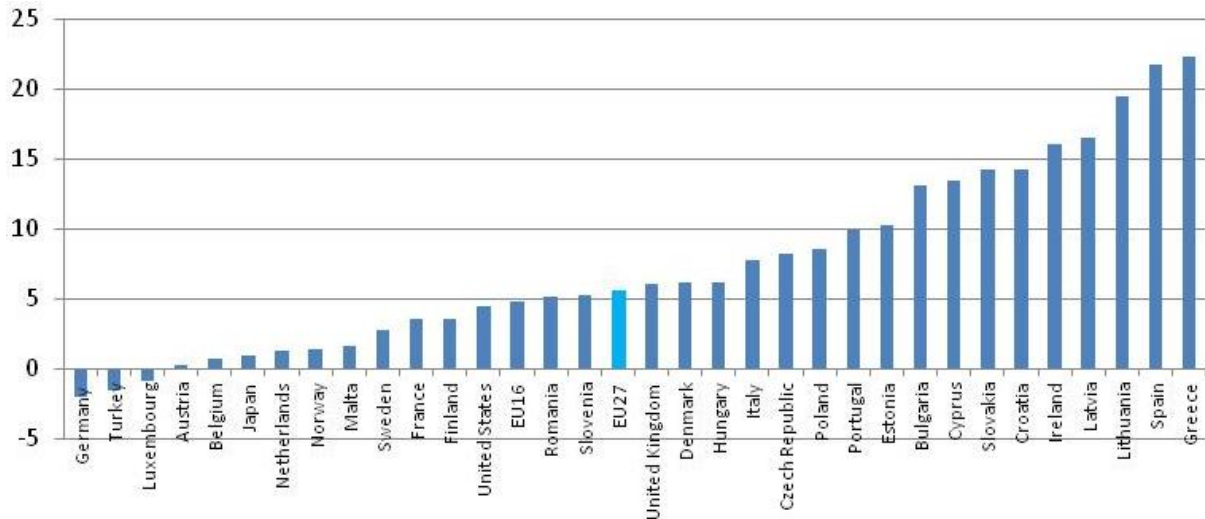
Aiding the school to work transition

The financial crisis is exacerbating long-term structural problems that affect the transition from education and training to work. Youth unemployment rose disproportionately in countries with school-based education and training systems while it remained low in countries with strong apprenticeship systems. The young have been particularly hard hit by the crisis. Between 2008 and 2011 youth unemployment rose more than twice as fast as adult unemployment in the EU and in some countries like

while Winterton classifies it as a workplace system because of the high importance of internships in companies.

Sweden and Italy even three times as fast – see Figure 1. Only in Luxemburg, Turkey and Germany, countries with strong apprenticeship systems, did youth unemployment decline.

Figure 1. Increase of youth unemployment rates in percentage points, 2008 to 2011



Source: Eurostat.

Myriad studies have shown that occupational competencies acquired in apprenticeship systems with generally recognised standards make transitions into the labour market easier than competencies learned in school-based systems. Müller and Gangl (2003) analyse the transition from education to work over ten years in Western European countries. The virtuous circle between vocational training and the upgrading of job structures in strong apprenticeship systems was found to support the rapid integration of young people. In countries with school-based vocational training (Belgium and France) and in the liberal economies (Ireland and UK) the transition takes longer but the labour markets are open enough to support integration for the vast majority of young people over a reasonable time. Southern European countries with predominant general education systems and closed internal labour markets are concentrating labour market risks on young people. As a result they are facing many years of unstable employment as well as both open and hidden unemployment. See Box 2 for information on the bumpy and often unsuccessful roads for young people into employment (Brzinsky-Fay, 2007).

Box 2. Status changes as young people move from education to work

The most recent research on transitions from education to work is focusing on using longitudinal data to measure the different status changes which young people go through over time. Since young people often change between education, inactivity, unemployment and work before they get into a stable job, sequence analyses seem to be the appropriate methodological approach. It helps to understand the often bumpy or unsuccessful road into employment and has detected a number of distinct pathways. Brzinsky-Fay (2007), for example, differentiates the following eight types of status changes over 60 months:

- **Link:** High concentration of education at the beginning and high transitions into work at the end
- **Return:** After short periods of employment or NEET, a return to education
- **Failure:** Mainly unemployment
- **Detour:** After considerable unemployment, finally transition into employment
- **Dropout:** Long lasting inactivity
- **Bridge:** Apprenticeship and fast transition into employment
- **Break:** Short inactivity and transition into employment
- **Express:** Fast transition into work

All types are to be found in different countries in different proportions. Italy, Spain and Greece have high shares of “failure”. Germany has by far the highest share of “bridge” into skilled jobs while Denmark with its open education system has the highest share of “return”. UK and Belgium with their open labour markets have the highest share of “express” but in the UK especially this is often into low skilled jobs. The “express” route is also strong in France but is combined with high shares of “break” which reflect the difficulties of the less educated.

Source: Based on work carried out by Brzinsky-Fay, 2007.

SECTION 2: SETTING THE EMPLOYMENT AND SKILLS CONTEXT IN THE UK AND LONDON

The UK's skills challenges

The Leitch Review found that poor skills and a mismatch between the skills base and employers' needs was the UK's "Achilles heel" (2006). Indeed, almost 250 years ago the economist Adam Smith argued that 'the greater part of what is taught in schools and universities...does not seem to be the proper preparation for that of business' (Smith, 1776). These skills shortfalls are seen across the board. International comparisons of skills profiles (with qualifications used as a proxy for skills) have shown that the United Kingdom ranked mid-table at best among OECD countries at most qualification levels (Leitch Review, 2005). Low skill levels were identified by government as one of the key reasons for the UK's relatively poor productivity levels in comparison to other countries, as well as constraining employment chances and social inclusion. For example, by 1999 around one fifth of the UK's productivity gap with France and Germany was the result of relatively poor skills at the lower and intermediate levels (O'Mahoney and de Boer, 2002). Many comparative macroeconomic studies support this finding (Mason et. al 2008; O'Mahony and Wagner, 1995 in Bosch, 2012). The government commissioned an independent review to examine what ambitions should be set for skills and how these could best be delivered - the Leitch Review. The Review recommended that the UK aims for a "world class skills base" by 2020, benchmarked by being in the upper quartile (top eight) of the OECD for all qualification levels, and that the number of apprenticeships would be doubled to 500 000 by 2020 (Leitch Review, 2006).

The UK's skills base has been improving over the last decade, albeit from a lower base than in many other countries and in many cases at a slower rate. The UK's qualification profile has increased significantly over time and is projected to continue to do so as a result of a combination of better qualified entrants to the labour market, the exit of older workers who are likely to be less qualified, and training of the existing workforce. There has been progress in reducing the share of workers without an upper secondary qualification, and indeed the UK has been more successful in this than other countries. While in 1997, 41% of 25 to 64 year olds in the UK had not attained an upper secondary qualification; by 2010 this has dropped to 25%, slightly below the OECD average of 26% (OECD, 2012). However, continuing improvements in other countries mean that the UK's international ranking is unlikely to improve. As Table 1 below shows, the UK is running to stand still. Ranking for low, intermediate and high level skills (based on trends in OECD countries' adult skills from 1998 to 2007) shows that the UK is on course to miss the Leitch 2020 skills targets by some distance. According to the UK Commission for Employment and Skills report (2010), the UK will not reach its world class ambition in low and intermediate level skills and will remain at the bottom half of OECD countries, however, it expects to almost achieve the skills ambition regarding high level skills. It is important to note that the projections in Table 2 were compiled before the 2010 Spending Review announced a 25% reduction in public funding for adult skills over a four year period, which could reduce the UK's likely improvement over the coming decade.²

Table 2. The UK's qualification profile relative to OECD countries

| Skill level | 2007 rank | 2020 forecasted rank | 2020 ambition |
|-------------|-----------|----------------------|---------------|
|-------------|-----------|----------------------|---------------|

². Indeed, this paper has been written in a time of significant policy reform in the UK since the election of the coalition government in May 2010. There has been considerable change in both policy mechanisms and governance structures, which includes ongoing cutbacks in public spending and the dismantling of a number of key organisations and agencies in the skills arena, all of which has impacted on skills policy in London.

| | | | |
|---------------------|----|----|-------|
| Low skills | 19 | 20 | Top 8 |
| Intermediate skills | 21 | 21 | Top 8 |
| High skills | 12 | 11 | Top 8 |

Source: UK Commission for Employment and Skills, 2010.

The biggest shortfall in qualifications of the UK workforce is projected to be in intermediate skills (Level 3) as Table 3 shows. In 2008, 20% of the UK workforce had Level 3 skills, with the ambition of raising this to 28% by 2020, however projections showed that this is more likely to reach 19% (again, this is not taking into account the spending cuts). The percentage of the population with low skills (below Level 2) will see a much smaller drop than sought. According to these trends, the UK is not on track to deliver a step change and significantly improve its international ranking, however for the projection for higher level skills (Level 4+) the UK is set to overreach its target.

Table 3. Qualifications of the UK workforce, 2008-2020

| Skill level | 2008 (%) | 2020 ambition (%) | 2020 projection (%) |
|-------------------|----------|-------------------|---------------------|
| Level 4+ | 31 | 40 | 42 |
| Level 3 | 20 | 28 | 19 |
| Level 2 | 20 | 22 | 20 |
| Below Level 2 | 17 | 6 | 14 |
| No qualifications | 12 | 4 | 5 |

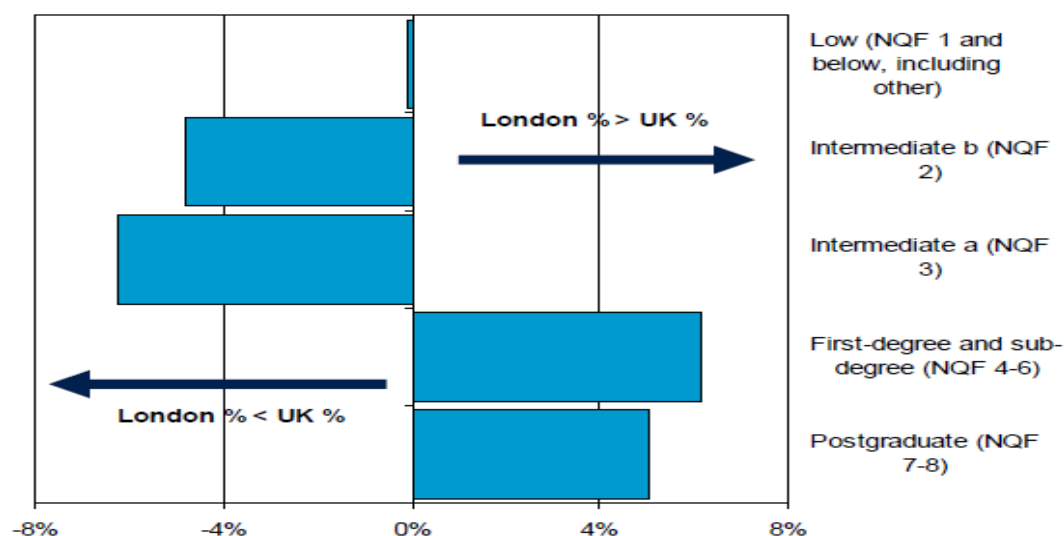
Source: Labour Force Survey and UK Commission for Employment and Skills, 2010.

The ongoing economic downturn since the financial crisis has had an effect. Employment has fallen and employers have cut back on training expenditure. Total annual employer expenditure in England on skills was £39bn in 2009, a fall of 5% in real terms since 2007 (UKCES, 2010). Public sector employment is also being reduced and this is likely to have a particular impact on training given that public sector employers are, on average, more likely to train than private sector employers.

London's unique labour market

London's labour market is in many respects unique. London is the engine of the UK economy, generating one fifth of the UK's tax revenues, and draws in the best and brightest from across the country and around the world (GLA, 2010a). This in turn creates jobs and opportunities: London created 380 000 additional jobs in the decade to 2010. The shift to a more service-based economy, as seen across many OECD countries, has been even sharper in London than the UK generally and today the London labour market is dominated by the service sector.

The city's labour market is very polarised and even more so than the national average, with a higher proportion of high skill (degree level or equivalent) jobs and fewer intermediate jobs. There are three low skilled residents for every low skilled job in London (HM Treasury, 2007). Figure 2 shows London's skills structure relative to that of the UK as a whole. London has a higher proportion of people with degree level qualifications, but fewer at intermediate level and marginally fewer with low skills (LDA, 2010). This "hollowing out" of the labour market is projected to continue.

Figure 2. London workforce skills structure relative to the UK, 2007 – 09 (% working age population)

Source: Labour Force Survey in London Development Agency and Oxford Economics, 2010.

The make-up of London's major employment sectors will continue to change in the coming decade. The biggest fall in employment by sector will be in manufacturing (employment is projected to fall by 20%), with declines also in primary and utilities, financial services and public administration and defence. The largest projected growth will be in business services, with the number of jobs projected to rise by 18% (LDA, 2010).

Table 4. Employment projections by sector in London (in thousands)

| | 2008 Level | 2020 Level |
|----------------------------------|--------------|--------------|
| Primary & utilities | 17 | 14 |
| Manufacturing | 225 | 151 |
| Public administration & defence | 226 | 212 |
| Construction | 230 | 232 |
| Hotel & restaurant | 319 | 341 |
| Financial services | 342 | 340 |
| Transport & communications | 352 | 374 |
| Other personal services | 408 | 470 |
| Retail & distribution | 618 | 625 |
| Education & health & social work | 753 | 783 |
| Business services | 1 249 | 1 628 |
| Total employment | 4 779 | 5 181 |

Source: London Development Agency, 2010.

Despite London's overall economic strength and high skilled employment, it has one of the lowest employment rates in the UK. London's employment rate is 69% compared to 72% for the UK as a whole (ONS, 2011) and noticeable is the major variation in employment rates between boroughs in London itself. This dichotomy between London as the country's economic powerhouse and low employment rates has existed for around 20 years. Essentially, while London has had strong economic growth that has created

jobs, these jobs have not been filled by resident Londoners for several reasons. London's employers have access to a global labour market which means they can find the skills they need either from elsewhere in the world (particularly at high skill levels) or the UK, which can lessen the imperative to employ and train local workers. This creates higher competition for jobs which in turn means that employers do not need to pay a premium wage for entry level jobs, despite London's higher cost of living and as a result, gains from working for unemployed Londoners can be weak. What is more, London has a higher proportion of people from groups disadvantaged in the labour market (such as lone parents and people with disabilities) and greater levels of multiple disadvantages (HM Treasury, 2007). The city also has one of the worst records in England on measures of youth unemployment, educational attainment³ and the proportion of young people not in education, employment or training and the situation is particularly severe in certain local authorities.

In addition, government employment programmes for job seekers (such as the previous New Deal programme⁴) generally perform worse in London. This is partly because of the demand-side factors outlined above (namely employers' access to a global labour market) and partly due to insufficient resourcing (for example, funding for many programmes does not reflect London's higher cost of delivery). London has also historically experienced lower take-up of work-based learning. Train to Gain is one such example - a national work-based learning and apprenticeship service designed to support employers to improve the skills of their employees in order to drive up business performance (Learning Skills Council, 2006).⁵ The suggestion is that London's workforce concentration, a less stable and often more casual labour market, and the wealth of talent which flocks to London of its own accord, provides a poor infrastructure for work-based learning schemes (Brockman, Clarke and Winch, 2010).

A changing training policy context

As a result of the UK's and London's skills challenges, encouraging employers to increase their training efforts has been a priority for some time. Efforts to boost skills in the UK can broadly be seen to fall into two main categories:

- **Compulsion/collectivist.** Approaches have included compulsory levies and licenses to practice, and have often been focused on particular sectors and occupations. In practice, collectivist approaches have often worked best in sectors with a history of working together e.g. construction.
- **Voluntarist.** Approaches have focused on greater incentives (e.g. subsidised training) and information for employers to encourage them to train their workforce, coupled with greater control over the skills system. Voluntarist approaches have sometimes been seen as "preaching to the converted" rather than bringing about a wider change in employer culture.

Over the period of the Labour government (1997-2010), skills policy involved a mix of both collectivist and voluntarist approaches. Employers were supported to introduce compulsion in their sector through their Sector Skills Council, if there was a majority support for it. This led, for example, to the introduction of a compulsory levy in the creative industries (where a large number of small sub-contractors

^{3.} For example, 68% of young people in London achieve Level 2 qualifications by age 19 compared to the national average of 70% (LSC, 2007 in Brockman, Clarke and Winch, 2010).

^{4.} The New Deal programme was replaced by the Work Programme under the coalition government in mid-2011. The single largest employment programme ever contracted, it replaced a number of separate welfare-to-work programmes (CESI, 2012).

^{5.} Train to Gain, via the Skills Funding Agency (formerly the Learning and Skills Council) sought to upskill those in employment aged 25 and over and offered subsidised in-work training up to Level 3. The Train to Gain programme was abolished as part of the 2010 Spending Review.

reduce the incentive for employers to train individually) and the continuation of such arrangements in the construction sector. It also included greater use of licenses to train - for example a requirement for all workers in the care sector to have at least a Level 2 qualification. At the same time, greater incentives were introduced which included increasing the level of public subsidy for a range of courses and adding a new legal entitlement to Level 2 training. A new employer training programme, Train to Gain, was introduced which offered free (where eligible) training to low skill employees. Employers picked the training - as long as it was accredited - and were offered wage compensation to cover the cost of replacing staff while they were training.

The skills policy approach since 2010

Two key drivers have affected the coalition government's approach to skills policy since coming into power: public spending cuts and public service reform. The government has embarked on a programme of cuts to reduce the budget deficit - overall levels of public funding for adult skills will fall from £4.3bn in 2010-11 to £3.2bn in 2014-15, a fall of 25% (HM Treasury, 2010). Within this, there are significant changes to how funding is used. National targets and planning undertaken by the Skills Funding Agency have been downscaled (Department for Business, Innovation and Skills, 2011) and there have been attempts to simplify what is seen as a notoriously complex system.

While previously skills policy was supply-side focused, with less emphasis on skills utilisation by employers, the current government has adopted a more market-based approach to public services with no additional compulsion or incentives. This aims to give training providers, colleges and other providers greater freedom in delivery, and providers are freer to use budgets to meet local need rather than national targets. The decisions of employers and individuals are playing a far greater role in driving funding flows and the expectation is that employers will lead the skills system in a decentralised way. The flipside of this is that there is a much greater expectation that employers and individuals availing of training programmes will make a financial contribution and in this sense represents a move away from the widening of full government funding as seen up to 2010. However, the potential conflict between boosting skills to benefit businesses (leading to a focus on bespoke and short courses) and measuring the impact of public investment (leading to a focus on qualifications) means the risk of a trade off between quantity and quality.

Devolving and re-centralising skills system

Traditionally the English skills system has, like many public services, been highly centralised. There was a relatively small role for sub-national authorities, such as London, and relatively little flexibility for providers to act outside their budget lines and plans. Targets were set by central government and the Learning and Skills Council (LSC – forerunner of the Skills Funding Agency) agreed delivery plans with colleges and other skills providers. The Labour government introduced a degree of devolution to London, passing a law that the LSC must pay due regard to the strategy of the London Skills and Employment Board⁶ in its adult skills plans. This was largely a supply-side role – scrutinising adult skills allocations between providers, levels and type of qualifications of the LSC. Subsequently, similar powers were introduced for a small number of other English cities. In practice, however, the national strategy still took primacy, giving London relatively little room for manoeuvre although one area in which London sought to

⁶. The London Skills and Employment Board began work in December 2006. Chaired by the Mayor and made up of leading employers, it had statutory responsibility to set the framework for Learning and Skills Council adult skills expenditure (around £650m per year at the time). It published its first strategy, London's Future, in July 2008 and a renewed strategy, From Recession to Recovery, in December 2009, which both set out the principles that the London employment and skills system should be focused on the needs of its customers (employers and individuals) and work in a more integrated way.

influence the budget was in shifting resources to support growth in apprenticeships and other employer-focused training.

Post-2010, the government repealed the devolved powers to London and other cities as part of a move to give skill providers greater freedom to deliver to local needs. This was also part of a broader philosophical shift away from what was seen as an overly strong focus on supply-side planning. In addition, the coalition government removed the LSEB's statutory role in mid-2011 and introduced new Local Economic Partnerships around the country, with the intention that through them the voice of employers on skills (though without statutory powers) will be heard.

SECTION 3: APPRENTICESHIPS IN ENGLAND AND THE LONDON CAMPAIGN

Reviving apprenticeships

Britain has had a long history of apprenticeships, dating back to the guilds of the Middle Ages. By the late nineteenth century, apprenticeships had spread from artisan trades such as building and printing to the newer industries of engineering and shipbuilding, and later to plumbing and electrical work. By the 1960s there were around 240 000 apprentices and apprenticeships were seen as the “gold standard” in vocational training. However, this had fallen to 53 000 by 1990, a product both of increasing participation in full-time education post-16, reductions in public funding, and declines in industries, such as manufacturing, which traditionally had higher numbers of apprentices.

Since the mid-1990s, governments have aimed to reinvigorate apprenticeships as a way to increase skills levels and ease the transition from education to the labour market. A Modern Apprenticeship Scheme was launched in 1995 by the Conservative government, born out of continuing concerns about the country’s poor skills supply system at craft, supervisory and technician (intermediate) level and “employers’ retreat” from apprenticeships as training places declined (Keep, 2002 in Brockman, Clarke and Winch, 2010). The minimum qualification level was set at NVQ Level 3.

Apprenticeships continued to be promoted under the Labour government in the late 1990s and the 2000s as the primary work-based vocational route for young people (Harris, 2003). The government carried forward the Conservative model and rebranded the Youth Training Scheme⁷ as a Level 2 apprenticeship in response to employers’ claims that young people applying for apprenticeships lacked the educational prerequisites for Level 3. Thus, while the number of young people selecting apprenticeships rose dramatically between 1996 and 2009, this was at Level 2 and the numbers completing Level 3 fell (Steedman, 2011). A National Apprenticeship Service (NAS) was created in 2008 with end-to-end responsibility for apprenticeships to provide a more joined-up approach for individuals and employers. Promoting and strengthening the apprenticeship route has included additional public funding and the development of apprenticeship frameworks in ‘non-traditional’ sectors through Sector Skills Councils in sectors such as retail and business administration. The result was a sharp rise in the number of apprentices nationally to 279 900 in 2009/10, with a rise in completion rates to 74% (double what they were five years before).

Toward the end of the Labour government, however, concerns over the approach began to crystallise, with the main fear being that quality had been sacrificed in the pursuit of quantity. The major boost in numbers had come at Level 2 rather than Advanced Level 3 apprenticeships, and existing jobs were being converted to apprenticeships rather than signalling new jobs at a higher skills level, which may have affected apprenticeships’ status. Evidence showed that there was a high degree of deadweight in training programmes, such as Train to Gain where oftentimes training was simply accrediting existing skills rather than boosting skills (Dolphin and Lanning, 2011). At the same time, it was often public and private sector employers with an already good record on training that were taking up training offers. Improvements in the UK’s skills profile had been delivered by significant increases in public investment and policy changes, but

⁷ The Youth Training Scheme was an on-the-job training scheme for young people. It faced criticisms for failing to provide training of an adequate quality and was generally seen as a low status option.

their combined impact had not been to change the culture of employers regarding training (hence employer demand for and utilisation of skills) and indeed this lack of change meant these skills approaches may not be sustained.

Apprenticeship policy under the coalition government

London's skill shortages and high unemployment are of major concern to the government and are being addressed as part of efforts to improve competitiveness and social inclusion. A core component of this is increasing the number of apprenticeships as part of more general work-based learning, by engaging more with employers and better promoting apprenticeships to young people (Brockman, Clarke and Winch, 2010). The influential Leitch Review had recommended substantial expansion of the apprenticeship system in England to 500 000 a year by 2020 and stated that "The Government should build on the success of the Apprenticeship route, expanding it to become a pathway which is open to every suitably qualified 16-19 year old" (HM Treasury, 2006, paragraph 66).

The coalition government set out in its skills strategy, *Skills for Sustainable Growth*, expanded provision for apprenticeships as its flagship programme. The 2010 budget announced a £180m package for a further 50 000 apprentices, aimed at helping young people into work or training. The Train to Gain programme was abolished and funding was transferred to apprenticeships to create additional places. Indeed, the apprenticeship programme is one of the few programmes to have received additional government funding in recent public expenditure announcements (LSEO, 2011). Between 2011/12 and 2013/14 funding for apprenticeships (within the overall declining FE budget) will rise from £644m to £726m. Apprenticeships are now the key route for public investment in employer training and continue to be promoted as the "gold standard" employer-orientated training route. The government has sought to accelerate the development of Higher Apprenticeships and focus growth in numbers on Advanced Apprenticeships, with clear progression pathways from Level 3 to Level 4 and higher education. There is a greater requirement for employer and individual financial contributions within a more market-based system.

Apprenticeships in England are work-based training programmes designed to suit the needs of employers and lead to nationally recognised qualifications. Apprenticeships generally consist of four key elements:

- **Knowledge-based.** The theoretical knowledge underpinning a job, accredited by a Technical Certificate;
- **Competence-based.** The ability to undertake an occupation, usually assessed by an NVQ;
- **Transferable skills.** Including literacy and numeracy and other key skills; and
- **Module on employment rights and responsibilities.**

An apprenticeship can take between one and four years to complete depending on the sector, the job role, level of apprenticeship (see Box 3) and the ability of the individual apprentice.

Box 3. English apprenticeship levels

In England, there are three apprenticeship levels, corresponding to the National Vocational Qualification framework:

- **Higher Apprenticeships (Level 4 and 5).** These are the equivalent of a foundation degree. Average length: three to four years. They were introduced in 2009 and are only available in a limited number of areas.
- **Advanced Apprenticeships (Level 3).** These are the level of apprenticeship traditionally associated with apprenticeships in the past. The equivalent qualification is two A-level passes. Average length: two years (one year if following an apprenticeship).
- **Intermediate Apprenticeships (Level 2).** These are equivalent to 5 GCSEs at grade C or above. Average length: nine to 12 months.

Source : Capital Ambition et al, 2011.

An apprentice may be a new or existing employee, works at least 30 hours a week and many apprentices are offered a permanent job at the completion of their apprenticeship, though this is not guaranteed. Sector Skills Councils design apprenticeships, working closely with representatives from the particular industry sector to ensure that training will be relevant. Apprenticeship frameworks in England now cover most sectors and occupations, beyond their original concentration in manufacturing and craft industries and there are 156 apprenticeship frameworks (as of November 2011). Apprentices receive a wage and are initially entitled to no less than £95 a week, with this rising for London. Employers are advised to review apprentices' pay every six months and also to have different salary scales for Level 2 and 3 to reward progression. The English apprenticeship model has faced criticisms for paying apprentices too much compared to other payment systems in OECD countries, thereby classifying them less as "learners" and more as "employees" (see Ryan, 2011). Funding is available for training, partly provided by the National Apprenticeship Service, with the contribution depending on apprentice age and the framework being undertaken, and funding is generally provided directly to the organisation providing training. Significant changes to the funding mechanisms will take place in the coming year and there will be a greater obligation on apprentices to pay for their own training through income contingent loans (see Box 4).

Box 4. Apprentice wages and training contributions

Apprentices must receive a wage and are entitled to earn an amount of no less than £95 a week. Once they have worked as an apprentice for a year, if they have reached the age of 19 and are still working for the same employer, they are entitled to the national minimum wage for their age. Amongst London boroughs, the apprenticeship salary ranges from £110 per week up to £300 per week, depending on what has been agreed corporately and with trade unions. Net pay across different industries varies, for example with hairdressing at £109, construction and retail at £168, and hospitality reaching £187. Employers are advised to review apprentices' pay on a six monthly basis to encourage retention and motivation and reward progress. It is also recommended to have different salary scales for Level 2 and Level 3 apprenticeships to demonstrate progression and increase in responsibility and experience.

The National Apprenticeship Service provides funding, with the contribution size depending on the age of the apprentice and framework being undertaken. In general, between the ages of 16 to 18 the National Apprenticeship contribution is 100%, dropping to 50% for those aged 19 to 24. For those 25 and over there are contributions for specified places. The funding is provided directly to the organisation providing the training i.e. a college or training provider. In some cases large employers may receive funding themselves when they deliver in-house training. Funding is not available from the NAS for Higher Apprenticeships. There is currently on offer a grant for small and medium sized employers to help with the cost of hiring an apprentice.

From 2013-14 there will be significant changes to the funding for apprenticeships, in some cases requiring the apprentice themselves to pay for their training through an income-contingent loan. Funding will be structured to encourage Level 3 qualifications, with learners aged 25 and above expected to contribute 50% of the cost of their learning through a loan. This will be a significant change to the current model where apprentices are not expected to contribute to the costs of their training.

Source : Capital Ambition et al, 2011.

According to Ryan (2011) it is often difficult to differentiate between apprenticeships, on-the-job training and labour market programmes in Britain and the use of the term apprenticeship is often “confusing, cosmetic and objectionable”. “Apprenticeship has in effect come to denote in contemporary England any publicly-funded programme of work-based learning that satisfies the (frequently undemanding) requirements for public subsidy, however limited its educational content” (Ryan, 2011; p.6). The British apprenticeship model is characterised as market-led and work-based and has faced criticism for being low standard, low status and offering varying quality of provision. The lack of continual general education has also been criticised, with young people spending most of their time in the workplace with “perhaps occasional excursions into the premises of a training organisation” (Brockman, Clarke and Winch, 2010, p.121). The governance framework has been criticised for the lack of social partner involvement by unions, further education colleges and sub-national stakeholders.

The recent apprenticeship drive across Britain and resulting growth in the model has also faced criticisms that this growth has not necessarily resulted from additional apprenticeship places being created because of extra demand but rather from rebranding recently abolished training schemes or classifying existing schemes as apprenticeships and claiming the rise in apprenticeships as a result (McKinnell, 2012; Ryan, 2011). Also noticeable is that the current expansion has been driven significantly by training existing employees (and thereby impacting on the age profile) rather than creating new employment. It has proven difficult to stimulate new demand for apprenticeship jobs while also encouraging employers to recruit unemployed young people in this capacity (LSEO, 2011).

The London Apprenticeship Campaign

The London Apprenticeship Campaign was introduced in November 2010 by the Greater London Authority (GLA) and the National Apprenticeship Service to increase London’s apprenticeship numbers by

20 000 by September 2011. The aim was to generate an overall increase in the number of apprentices in London to 30 000 - 35 000. The campaign sought to improve the city's take-up relative to other English regions: London had 14% of the UK's population but only provided 5% of the annual total of new apprenticeships. Growth was planned as part of a national policy shift to invest more in creating additional apprenticeship places and the city target was set in addition to national targets. The capital's top companies were contacted to urge them to help Londoners into work and boost the economy by creating the new apprenticeships (coinciding with the launch of the NAS' London campaign which contacted 54 000 business across the city to encourage them to take on apprentices). In addition to improving the capital's training record, it also sought to raise awareness that opportunities are available across a range of sectors from hospitality and travel to fashion and media (GLA, 2010b).

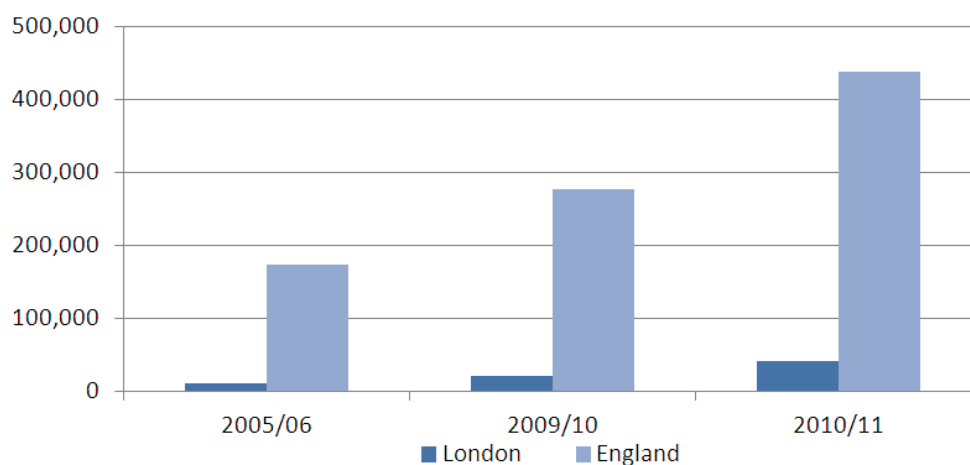
The campaign was also a way to respond to increasing demand among young people for apprenticeship places: on average there are 16 applications for every apprenticeship vacancy and for some apprenticeship places there is more demand than for Oxford University places (GLA, 2010b). The drive was part of a move towards a more demand-led system in which overall allocations would depend to a greater extent on employer demand and participation, and lower demand would mean that funding would be moved elsewhere. While a certain proportion of the increase would come from participants transferring from existing training programmes, nonetheless delivering an additional 20 000 places would be challenging.

Around 20% of total employment in London is in the public sector which gives significant opportunities to boost apprenticeships. In addition, the highest take-up of apprenticeships in Level 2 and 3 are predominantly in public sector organisations - for example, childcare, health and social care (LSEB, 2010). While this demonstrates public sector leadership, it also indicates a relatively low take-up in some of the service sectors which dominate the London economy and suggests a need to improve levels of employer training in large and growing sectors. The recent cuts in public sector expenditure have also meant in many cases significant public sector job losses, but high levels of job turnover meant employment opportunities were still there.

It was expected that the public sector would play a significant role in delivering the apprenticeship growth and lead by example. Two key commitments were made to increase the number of apprentices employed in London's public sector. London Councils (a cross-party organisation, funded and run by London's 33 boroughs) agreed to deliver 2 000 apprenticeships in London's boroughs and partner organisations. The second commitment was by the Mayor of London to employ 2 000 apprentices both directly and through supply chains over two years. Much of this would be delivered by GLA Group procurement but it also included direct employment within the GLA and its agencies. The London Skills and Employment Board won an additional £14m to fund the extra 4 000 apprenticeship places in London above the SFA London Apprenticeship allocation for 2010/11. The additional funding came with the proviso that London's local stakeholders would need to work together to generate sufficient employer demand to fill the places as if not, the money would flow elsewhere. Specific targets were also built in to maximise the potential benefits of the Olympic Games.

Outcomes

By 2010/11 the number of apprentices in London doubled to 41 400, with significant increases occurring across England as well, as shown in Figure 3. This was a near doubling in the number of apprenticeship starts between 2005/06 and 2009/10 and again between 2009/10 to 2010/11. The London campaign had significantly exceeded its target and the specific targets set by the public sector have been met and, in many cases, exceeded. A self-evaluation of the jointly funded LDA-NAS campaign showed that it had also gained valuable learning about which approaches worked best in a range of sectors.

Figure 3. Numbers of apprenticeship starts in London and England

Source: The Data Service.

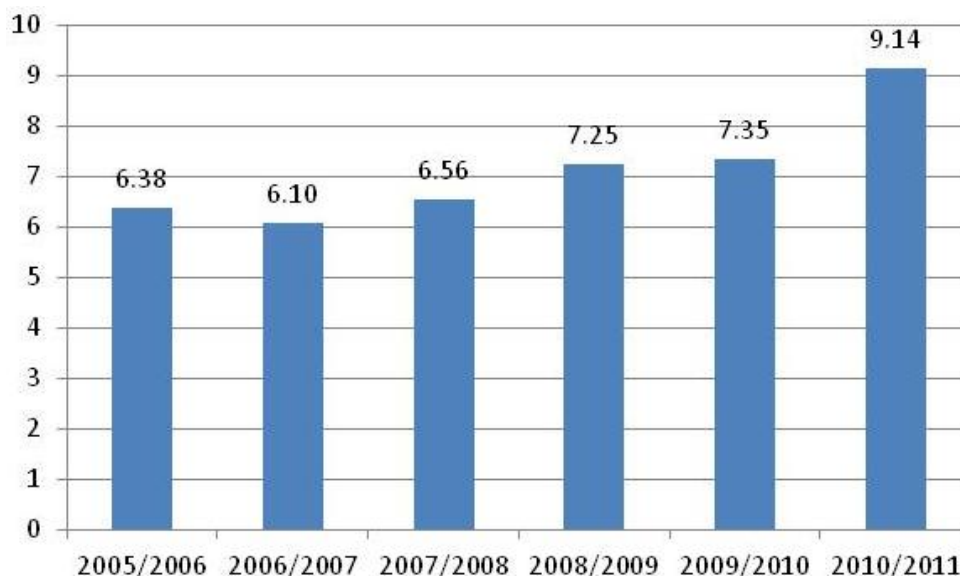
While London remained near the bottom of the league table in 2005/06, by 2009/10 it had moved up one place to eighth and by 2010/11 jumped to sixth place (Table 5).

Table 5. Apprenticeship starts by English region

| | 2005/06 | Ranking | 2009/10 | Ranking | 2010/11 | Ranking |
|--------------------------|----------------|----------|----------------|----------|----------------|----------|
| North East | 13 460 | 8 | 18 510 | 9 | 34 550 | 9 |
| North West | 29 630 | 1 | 47 280 | 1 | 78 660 | 1 |
| Yorkshire and The Humber | 22 420 | 3 | 36 530 | 3 | 55 800 | 3 |
| East Midlands | 16 920 | 6 | 24 620 | 6 | 40 860 | 7 |
| West Midlands | 20 760 | 4 | 31 720 | 5 | 54 290 | 4 |
| East of England | 15 940 | 7 | 23 730 | 7 | 39 760 | 8 |
| London | 11 010 | 9 | 20 350 | 8 | 41 400 | 6 |
| South East | 23 440 | 2 | 39 120 | 2 | 58 340 | 2 |
| South West | 19 050 | 5 | 35 020 | 4 | 49 330 | 5 |
| England Total | 172 600 | | 276 900 | | 453 000 | |

Source: The Data Service.

London's share of England's apprentices has risen from 6.4% in 2005/06 to 9.1% in 2010/11. While this is still below the share of England's working-age population in London, it nevertheless represents a dramatic rise. Apprenticeship take-up increased across all London boroughs but growth has not been evenly spread (LSEO, 2011). Meeting the targets made a significant contribution to incentivising more employers to offer apprenticeships; the proportion of London employers involved in apprenticeships doubled to 6 400 (6.1%), despite tough economic conditions. The proportion of London employers engaged in apprenticeships still remains lower than the national average.

Figure 4. Apprenticeship starts in London as percentage of total apprenticeships in England, 2005 - 2011

Source: The Data Service.

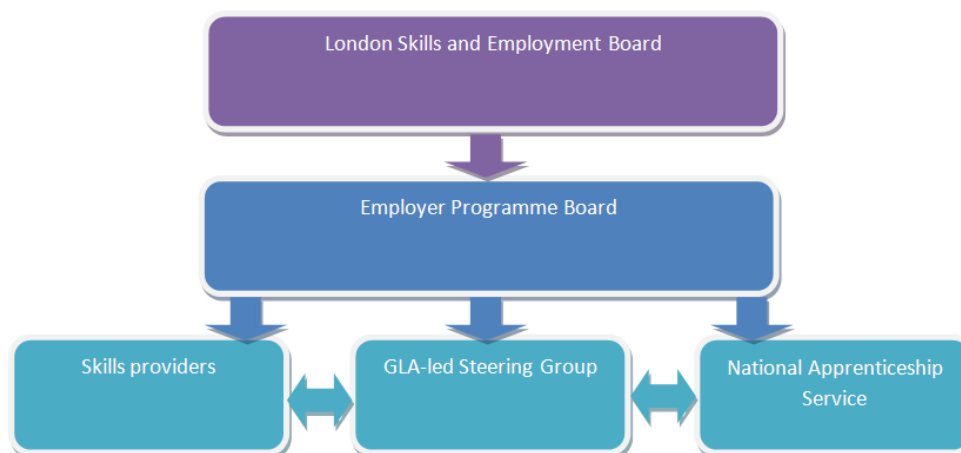
Based on the success of the London Apprenticeship Campaign in doubling the number of apprentices in less than one year, the Mayor of London set a new target of 100 000 apprenticeships in London by the end of 2012. The campaign is seen as a critical learning exercise in how to better engage with employers, attract more young people and ensure that apprenticeships are a high status, high profile and successful path into lasting employment.

Governance structure

A governance structure was put together to build and oversee the delivery plan for 2010-11 under the LSEB (Figure 5). The Employer Programme Board (EPB), a sub-group of the London Skills and Employment Board, was responsible for developing the London apprenticeship delivery plan and monitoring progress against it. The delivery plan had four key elements:

- Public sector leadership;
- Public procurement;
- Employer engagement; and
- Boosting quality.

Figure 5. Governance of apprenticeship delivery in London



The governance framework ensured wide partnership was established which included the Mayor, London Development Agency,⁸ National Apprenticeship Service, employer groups and local authorities. The Employer Programme Board was made up of leading employers, with key agencies and delivery bodies reporting to it as required, and as it consisted of major employers it carried additional weight. This aided communication with, and influence over, national stakeholders such as Sector Skills Councils, the Department for Business, Innovation and Skills, and other London employers and skills providers. The EPB liaised with skills providers, the NAS and a multi-agency steering group, chaired by the GLA, which co-ordinated action on employer engagement and met on a fortnightly basis.

⁸. The London Development Agency was the Regional Development Agency for Greater London and existed as a functional body of the Greater London Authority. The agency was closed in March 2012 as a result of the coalition government's spending review, with some of its functions being folded into the GLA, along with its assets and liabilities (LDA, 2012).

SECTION 4: HOW THE LONDON CAMPAIGN DELIVERED

Public sector contribution

The public sector was expected to play a significant role in the London Apprenticeship Campaign in driving up the number of apprentices, - “walking the walk” rather than just “talking the talk” - thereby encouraging private sectors employers to do the same. London Councils saw joining the campaign as an invaluable opportunity to bring more young people into an aging workforce, integrate those not in education or employment, and influence local businesses to do the same. It launched the London Councils apprenticeship project in 2009 and established a sub-group to support delivery of the target of taking on over 2 000 new apprentices in the city by 2012 within London Councils and partner organisations. The sub-group included representatives of boroughs, NAS, UNISON (a key public sector trade union), a Further Education representative and Sector Skills Councils. The body devised a London Borough Apprenticeship Plan which identified a number of key activities to be carried out, including sharing best practice, networking events, lobbying Sector Skills Councils and others to work towards apprenticeship frameworks, and putting in place more pathways to employment for skills shortage areas (London Councils, 2012). By March 2012 the boroughs had over-reached their target, delivering 2 714 apprenticeships in roles as diverse as animal attendants, social care and ICT, with many advancing to advanced apprenticeships and permanent jobs.

Box 5. Triple role of London boroughs

As an employer, boroughs can create a wide range of apprenticeships in different roles, in addition to attracting a younger workforce and new entrants to hard to fill roles. Apprentices can also replace expensive agency staff, for example in administrative roles, thereby retaining skills and experience in house.

As local leaders, boroughs are also able to influence and support local businesses to recruit apprentices.

As corporate parents, local authorities have an obligation to support young people in their care to make the transition to independent adulthood, which includes making work experience, vocational learning and apprenticeships available.

Source : London Councils, 2012.

Public procurement

The Mayor has a stated ambition for the public sector to provide leadership in public procurement and this was identified as a key opportunity to boost the number of apprentices. There is a highly significant level of public procurement of goods and services in London each year and this includes the Mayor of London’s office, whose largest budget expenditure is transport. For example, Transport for London (TfL) in 2009/10 had an operating budget of £5.8bn and capital investment of £3.1bn - much of this contracted out. London’s boroughs have average annual budgets in the order of £250m and while direct staffing costs are a significant part of this, substantial amounts of services are also contracted out for refuse collection, management of buildings etc. In addition, a significant portion of London’s housing is managed by Registered Social Landlords who procure services such as heating, maintenance and energy and have an

estimated annual budget of £500m, while major public projects, (such as Crossrail) also have very significant budgets. The substantial amount of public procurement each year both in capital and current expenditure brings with it substantial employment opportunities for those employed indirectly by the public sector. It was also hoped that this might leverage change in private sector contractors that could outlast contracts themselves.

Within the Mayor's commitment to employing 2 000 apprentices, the GLA has aimed to lead the way. The London Development Agency funded a Skills Supplier Team through the TfL Employer Accord to improve skills levels, employment support, apprenticeship opportunities and jobs for London's unemployed. Under the TfL Employer Accord a new approach to procurement (Strategic Labour Needs and Training) was developed and it introduced innovative performance-based clauses around skills and employment into new contracts. TfL procurers included apprenticeship and other employment and skills requirements in procurement processes and supported contractors in delivering on these commitments. The approach has an annual budget of £300 000. The total outturn for 2009/10 and 2010/11 for the GLA Group was 2 004 apprenticeship starts, of which 1 486 were generated through supply chain activity (GLA, 2011a). Support was expanded to other parts of the GLA group based on the project's success and the GLA Skills Supplier Team has developed a reputation as a best practice programme (GLA, 2011a).

This investment will deliver against the Mayor's Economic Development Strategy which aims to give all Londoners the opportunity to take part in London's economic success, access sustainable employment and progress in their careers. The project aims to correct potential co-ordination and information failures between employers and the employment and skills system to try and maximise the impact of public sector spend. Opportunities to provide employment and apprenticeships may also help to create positive externalities through a more competitive city labour market. The GLA Group is in a strong position to generate employment and skills opportunities through its horizontal work with other agencies, such as the Olympic Park Legacy Company, its Enterprise Zone activity and ongoing regeneration programmes.

Box 6. Leveraging the public supply chain

The London Development Agency funded a Retrofit Employer Accord Programme to support boroughs in making more employment and skills opportunities available to workless Londoners. As part of a pan-London scheme to improve the energy efficiency of social housing (RE:NEW) employment opportunities emerging from the project and its supply chain were made available to those out of work by linking vacancies to providers of welfare-to-work and training programmes, including apprenticeships. The main role played by the LDA was of signposting and managing the interface between employers and providers by acting as broker (GLA, 2011b).

Another example of leveraging the supply chain is Crossrail - a major rail project connecting west and east London, with an estimated cost of £18.4bn. Crossrail committed to creating at least 400 apprenticeships through its supply chain over its lifetime. Funded by a public-private partnership, during the construction phase alone Crossrail will generate 14 000 jobs at its peak, with ongoing job creation likely through regeneration of those areas on the route. To ensure that Londoners benefit from the employment and skills opportunities, Crossrail developed a strategy with a cross-agency steering group which included an action plan for delivering an apprenticeship target. It included an obligation for all main contractors to deliver one apprentice per £3 million spend (Crossrail, 2010). However, Crossrail has faced criticisms that the 400 target is too low - according to this apprentices would make up less than 3% of its peak workforce (Carmichael, 2010).

Growth sectors and engaging employers

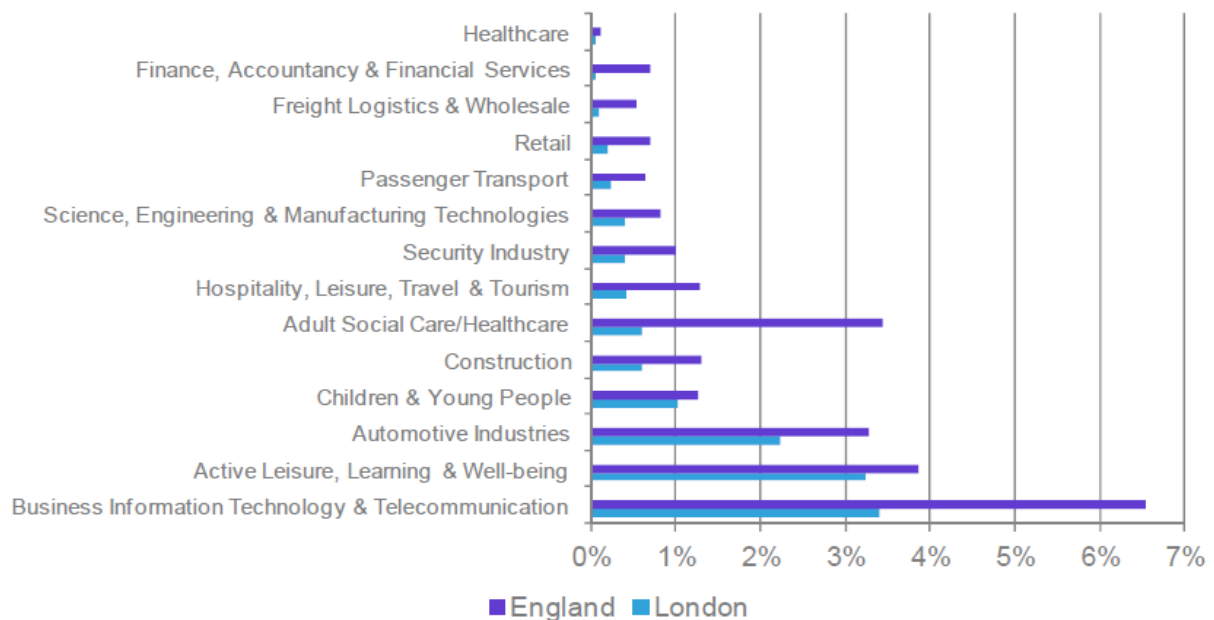
One of the key tasks in drawing up the London apprenticeship delivery plan was identifying target sectors and deciding how best to engage employers within those. Earlier analyses had been conducted on the degree of match between London's sectoral make-up and those sectors most like to engage in

apprenticeships. The London Statement of Skills Priority identified the following as potential priority sectors for London's skills and employment system generally (LSEB, 2010):

- Business services;
- Creative and cultural industries;
- Hotels and restaurants;
- Retail;
- Transport and communications; and
- Low carbon.

To ensure that apprenticeship frameworks covered the major and growing sectors of the local economy, the Employer Programme Board compared these sectors with the breadth of apprenticeship frameworks available through the NAS. This led to some frameworks that were under development being completed more quickly as they were sectors with high apprenticeship potential (such as in finance). There remain a number of sectors which are important to the London economy where take-up of apprenticeships remains low. The sector with the highest proportion of apprentices in London is business information technology and telecommunications, at 3.4% of all employees, a little over half the national average. A large gap remains between apprentices and the city's largest employment sectors. For example, finance, accountancy and financial services, and retail are sectors with high numbers of workers but low proportions of apprenticeships (Figure 6). The GLA aims to both grow the number of companies that employ apprentices and increase the range of sectors that these businesses operate in.

Figure 6. Apprenticeship starts as a proportion of employees, London versus England, 2009 - 10



Note: Excludes apprenticeship sectors that could not be reasonably matched to standard industrial codes and those with fewer than 200 starts.

Source: The Data Service and BRES (via Nomis) in LSEO, 2011.

Engaging employers

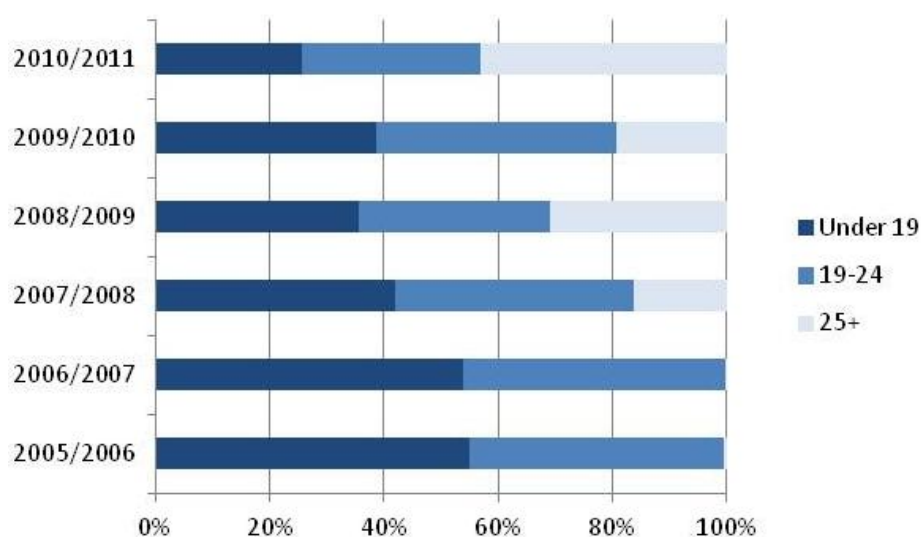
The GLA is seeking to change how businesses see apprenticeships, convincing them that “there’s more to apprenticeships than blue overalls” (GLA, 2011b). In order to raise awareness among employers of the benefits of taking on apprentices (and also meet funding requirements), a joint marketing campaign was launched and joint funded by the LDA and NAS. Call centre capacity was developed so that employers could be contacted directly. In addition, a number of business engagement activities were undertaken to make maximum use of the Mayor of London brand in drumming up support for the apprenticeship framework. These included media interviews, events, letters from the Mayor to major employers and business breakfasts, hosted by business groups such as the Confederation of British Industry and London First, (a non-for-profit organisation representing the capital’s leading employers in key sectors). The delivery plan estimated the number of employer leads generated by each of these activities, the best time to launch them (e.g. to coincide with the peak in apprenticeship enrolment in September) and where to focus activities. Outcomes were carefully tracked to see which methods of contacting employers would convert into the most apprenticeship starts, with resources reallocated to those methods proving most effective.

A range of firms responded positively to the London Apprenticeship Campaign, including Channel 4, BskyB, Virgin Media, the National Theatre, HSBC, Accenture, Microsoft, Visa Europe, Reed Group, Capgemini, Veolia and BT all committed to creating apprenticeships. Sky created almost 30 apprenticeships based at its west London offices as part of its commitment to offer more opportunities to young people (NAS, 2011). The best responses tended to come from employers in the same sector which had engaged in apprenticeships in the past but it has proven difficult to bring SMEs on board. Approaching employers directly and using case studies based on the business case for taking on apprentices proved most successful. Engaging and convincing employers meant having to address their concerns over the ease of engaging with the scheme and the potential bureaucracy, before a more positive business case could be sold.

A changing age profile

The growth in apprenticeships in 2010/11 has predominantly come among those aged 25 and over, as Figure 7 shows.

Figure 7. Apprenticeship starts by age in London, 2005 to 2011



Source: The Data Service.

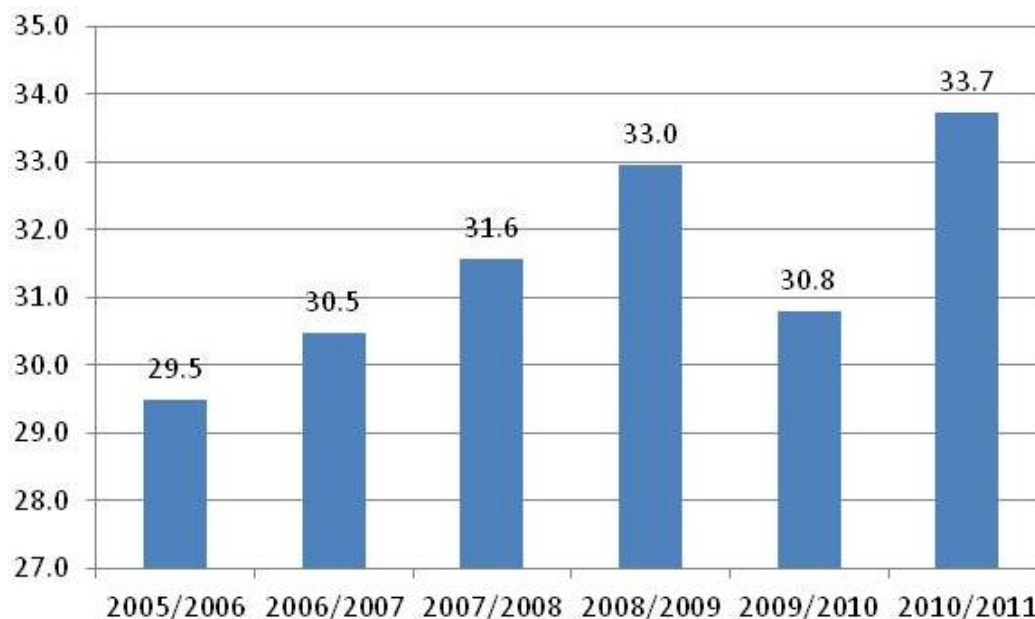
The increased age profile is partly a consequence of the abolition of other training programmes, especially Train to Gain, and the subsequent switch by employers to apprenticeships. Indeed, some have suggested that the apprenticeship campaign is merely a “rebadging” of previous work-based training programmes (e.g. McKinnell, 2012). The volume of work-based learning in London outside apprenticeships fell by around 5 000 starts⁹ (The Data Service, 2011). Nevertheless, even if the entire decline was converted into apprenticeships, the 20 000 rise in apprenticeship numbers suggests that this still only made up a quarter of growth. Apprenticeships also offer increased content and training requirements compared to Train to Gain (around 20% of Train to Gain starts were below Level 2) so it is unlikely that all Train to Gain participants would have moved into apprenticeships.

It is interesting to note that while the London Apprenticeship Campaign has been marketed as a mechanism to get more “young Londoners” into jobs, new apprentices have come predominantly from the 25 and older age bracket. Apprenticeships in other countries tend to be taken up by young people and ease the move from education to work (see p.31). The emphasis of apprenticeship policy in the UK has shifted from enabling young people to access skills and jobs through apprenticeships to raising workforce skill levels without any special regard to age (Steedman, 2011). Possible contributing factors to the rising age profile is that adult apprenticeships attract a smaller government contribution to training costs compared to the under 19s, therefore allowing government to reach its targets at lower cost. Employers are also attracted as adult apprenticeships allow them to train their own employees. As Steedman points out, this sets up an interesting dichotomy between UK apprenticeships as a youth employment mechanisms and as an upskilling tool and she warns of the dangers of “crowding out” younger people (2011).

Focus on quality: raising the level of apprenticeships

While the overriding objective of the London Apprenticeship Campaign was to increase the number of new apprentices, both the GLA and NAS were clear that quality could not be sacrificed. One method to maintain quality was to ensure that a disproportionate amount of the increase in apprenticeships came in Level 3, which was also the skill level where London has a shortfall. As the campaign beds down, there are signs that suggest that quality has at least been maintained, if not improved. This is evident in the fact that the sharpest rise in apprenticeship numbers has come in Advanced Apprenticeships, compared to the previous dominance of Level 2 apprenticeships, as Figure 8 shows. While 29.5% of apprenticeship starts in London in 2005/06 were Advanced Apprenticeships (slightly below the national figure of 30%), by 2010/11 Advanced Apprenticeships accounted for 33.7% of apprenticeships in London. Just over 36% of the rise in London between 2009/10 and 2010/11 were in Advanced Apprenticeships.

⁹. There were 63 930 Train to Gain and other work-based learning starts in 2009-10 and this fell to 58 720 in 2010-11.

Figure 8. Share of Advanced Apprenticeship (Level 3) in London, 2005 to 2011

Source: The Data Service.

Despite the growth in the number of Level 3 apprenticeships, the coalition government has faced criticisms that the rapid increase in numbers has come at the cost of quality and that the structure of London's labour market is still weighted against intermediate skills. Sectors such as customer service, retail and hospitality frequently do not provide long-term training at a higher skills level, and instead use the apprenticeship badge and accompanying funding to train existing staff or certify their skill levels. A further focus on boosting Advanced Apprenticeships in the 2012 targets could help to tackle this and provide more opportunities for apprentices to progress in the labour market.

Apprenticeship completion and progression

Improving apprenticeship completion rates so that any increase in starts translates through to completed apprenticeships is a critical component of quality provision. Raising completion rates¹⁰ is essential if the boost to numbers is to be of benefit to employers and individuals and good value for public investment. In the London Apprenticeship Campaign this entailed regular reporting by NAS to the Employer Programme Board on the matching process to ensure an effective match between employer and apprentice (see Box 7), as well as making completion rates one of the Key Performance Indicators for the joint employer engagement campaign. There has been a rise in apprenticeship completion rates and the number of Londoners completing an apprenticeship framework rose by 152% between 2005/06 and 2010/11, compared with an 84% rise across England as a whole (LSEO, 2011). This suggests that the quality of match has at the very least been maintained, despite tough economic conditions impacting on the city's labour market.

¹⁰. Non-completion generally occurs if an apprentice leaves one employer to join another (either in the same occupation or a different one), returns to school, college or university, or drops out of the education and training system to enter unskilled work, unemployment or inactivity (LSC, 2009).

Box 7. Matching employers and apprentices

A free online service is provided by the National Apprenticeships Service that matches apprentices with prospective employers. Employers and training providers advertise vacancies and potential apprentices can search, apply and then manage their applications for Apprenticeship and Advanced Apprenticeship opportunities anywhere in England.

In addition to seeking to raise the level to which learners aspire, a priority is creating progression routes to higher level apprenticeships to ensure that it is a genuine vocational alternative to university. There need to be more opportunities to progress from an apprenticeship to further and higher education, university and middle management roles and higher. In 2007-08 only 0.2% of apprenticeship learners progressed to further or higher education, and few moved directly into the professions, suggesting that there are major silos in the education and training system (LSEO, 2011) and that apprenticeships do not offer sufficient flexibility and advancement opportunities (see p.32 on German methods to creating promotional opportunities in apprenticeships).

Findings from the London Apprenticeship Campaign have led to thinking that in London's 'hot spots' of particular sectoral activity (e.g. the Silicon Roundabout, Canary Wharf) economies of scale could be achieved through targeting the Higher Apprenticeship Fund¹¹ and linking this to the creation of new apprenticeship frameworks and more promotional work (LSEO, 2011). Other learning points include the high cost of transport faced by apprentices when travelling to work, which acts as a possible disincentive to completion. It has been suggested that providers place apprentices with local employers where possible and that the GLA subsidises travel for 16 to 18 year olds on the apprenticeship wage. It has also been proposed that apprentice support networks be set up in the city to allow apprentices in different sectors to share their experiences (LSEO, 2011).

Critical response to the London Apprenticeship Campaign¹²

The London Apprenticeship Campaign is one of many recent attempts to revitalise and reinvent apprenticeships in OECD countries and is of particular interest as an example of a sub-national approach. There are a number of striking differences between countries with strong apprenticeship systems and the UK approach generally. These include the lack of statutory regulation, such as the definition of generally recognised occupational profiles, the setting of low minimum training periods and loosely regulated curricula, and the weak commitment of strong social partners (unions, employer's organisation and chambers of commerce) at national, regional and local level. The UK VET system is also characterised by low quality standards, missing links with the occupational labour market and work organisation, and the low reputation of an apprenticeship, which is often seen as a last chance for poor school performers. This was evident in the Modern Apprenticeship Scheme, a major revitalisation initiative launched in the UK in 1995, characterised by a strong dependence on the individual employer which prevented the development of generally recognised certificates (Ryan, 2000).

- A remarkable innovation evident in the London campaign has been supplementing the supply-side approach with a demand-side policy. This was made possible by the strong commitment of the public sector, the use of public procurement to employ more apprentices and the involvement

^{11.} A Higher Apprenticeship Fund of £25 million has been made available by the coalition government to develop new Higher Apprenticeship frameworks (equivalent to degree level).

^{12.} This response has been prepared by Professor Gerhard Bosch, Director of the Institute for Work, Skills and Training at the University of Duisburg-Essen, Institut Arbeit und Qualifikation (IAQ), Duisburg.

of many local stakeholders in the then London Skills and Employment Board. However, strong public sector commitment has been only partially transmitted into the private sector and apprenticeship training in the UK remains subsidised. Because of the lack of employer and union commitment, the British government has become a dominant actor in the funding, management and promotion of apprenticeships (Steedman, 2011). As a result, there runs the danger of an artificial creation of demand (Hartley and Richmond, 2010) and a lack of sustainable interest among employers in apprenticeship training.

- While London still has fewer apprentices than the rest of England, the London initiative succeeded in doubling apprenticeships numbers and it was considered that the quality was at least maintained, if not improved. However, Level 2 apprenticeships still accounted for 66% of London apprenticeships in 2010-11, comprising a wide range of training which is often low quality. The status of apprenticeships will remain low if the quality offered under this banner is extremely variable. It seems that there are limits to solving these quality issues at regional level as all countries with strong apprenticeship systems define minimum duration and quality standards at national level. Reliable quality standards are also the necessary condition for the formation of occupational labour markets in which the acquired skills are really used.
- The main focus of the London apprenticeship campaign was on persuading employers to train but if further increases in the number of apprentices are planned the focus should be extended to reaching out to young people. To convince good school performers to take the apprenticeship route, the status of apprenticeships has to be raised and this will depend on improving quality. It will also depend on good perspectives for promotional training and strong career opportunities. Therefore, more information is needed on the reputation of apprenticeships among school leavers, and also on the quality of jobs secured, what further training is available and the likelihood of promotion after completing an apprenticeship in different industries.
- Changing the training culture of companies is only possible with the strong commitment of important actors over a long time and a stable institutional framework. It remains to be seen if the dissolution of the LSEB and changes in the funding of apprenticeships without statutory power can guarantee this stability. It is also difficult to understand why important actors like the unions are not included, bodies which play an important role in all countries with strong apprenticeship systems, especially given that union learning representatives already play an important role in encouraging employees to participate in training in many companies. In the London context, the commitment of the public sector and the use of the supply chain to commit other firms can be understood as functional equivalents to compensate for the weak role of employer's organisations and unions with multi-employer collective agreements. The reinvention of apprenticeships in England seems most possible if the initiators create sufficient support for important stakeholders and enough institutional support, and if crucial institutions are missing, or too weak, then functional equivalents have to be created.

Box 8. How to generate more apprenticeships in a large city economy: success factors from London***Public services in big cities can deliver***

London has long had lower employment than elsewhere in the UK and lower take-up of training initiatives. Some viewed this as an inevitable consequence of London's position as a global city as employers are able to recruit "ready made" skills from around the world so there was less incentive to employ and train locally. London's experience shows that it is possible for public services to deliver in big cities and engage employers in training.

High ambitions set out in a clear plan

London succeeded by having a strong sense of what success looked like. It had an overall ambition set out in a clear plan and tracked on a regular basis progress against this. Ambition and implementation were closely linked and outcomes monitored throughout.

Partnership working, including employers

There are a wide range of stakeholders involved in the London skills and employment system which makes it challenging both to develop a coherent approach and to ensure a joined-up journey for employers and individuals. The London Apprenticeship Campaign has been based on a clear sense of partnership working and had a clear sense of employer input as employers were the ultimate target. It also gave a degree of independence, allowing agencies a space to work more collaboratively and resolve any potential issues. A well structured governance arrangement gave a very clear set of responsibilities for delivery.

Focus on quality

Quality was a particular concern when aiming for a rapid rise in apprenticeships. It was understood that a rise would only deliver an economic benefit to employers, individuals and London as a whole if quality was maintained. Maintaining and boosting quality was mainstreamed as part of the delivery plan and here leadership by employers was crucial.

Identify growing and strong sectors

The action plan identified a number of priority sectors with the potential to significantly increase the number of apprenticeships. A range of techniques were used to engage employers in these, including mass media campaigns, business breakfasts and use of case studies.

Maintaining momentum for future targets

The Mayor of London has set a new target of having 100 000 apprenticeships in London by the end of 2012, an expansion which will be difficult to achieve given the current economic climate. To achieve this, it is important that the momentum which London has built up over 2010 and 2011 in promoting apprenticeships is maintained and that policy makers and decision makers do not lose sight of the long-term objective over short-term targets - that apprenticeships are a high quality, high status and successful instrument for labour market integration, upskilling and progression in the workforce.

SECTION 5: THE APPRENTICESHIP FRAMEWORK IN GERMANY

Good practice in strengthening the apprenticeship framework in Germany

Improving work organisation: access to career advancement training and granting autonomy

According to a number of comparative case studies of German, British and American companies with similar products and production technology, the standard form of work organisation in Germany has proved to be more efficient than a more hierarchical form of work organisation with polarised qualification structures (Prais and Wagner, 1983; Wagner and Finegold, 1997). Not only does Germany have high shares of skilled workers but many middle managers are recruited from the shop floor because of the widespread provision of training for career advancement. Indeed, a core element of the German apprenticeship system is that initial training can be supplemented with training that enables participants to advance to the grades of master craftsman, technician or business administrator.¹³ Besides advanced technical skills in the specific occupational field, all programmes contain courses in business administration - including human resource management which enables graduates to apply for middle management positions in companies or to set up their own business.¹⁴ These advancement courses are similar in level to those provided by higher education institutions in many countries and are ranked in the German and Austrian qualification frameworks at Level 6 (equal to Bachelors degree), and some professional specialists, for example in IT occupations, are even ranked Level 7 (equal to Master degree). This ensures that apprenticeships contain real career possibilities and as a result many capable young people are attracted to the apprenticeship stream.

Completing advancement training allows shop floor workers to progress into management positions and over time ensures a mix of management types between those entering from universities and skilled technicians moving up from the shop floor. In the UK it is more likely that managers are recruited directly from university and as a result they tend to be simultaneously over-qualified (knowledge is too theoretical) and under-qualified (lack of practical knowledge of shop floor) which can hinder work organisation and thus impact on productivity.

Measured productivity increases from apprenticeship training also depend on more decentralised forms of work organisation, with workers being granted a degree of autonomy which can improve communication flows between the shop floor and management and lead to improved work organisation.

Broadening apprenticeship occupations to increase flexibility

An important point which signifies a strong difference between the dominant Anglo-Saxon and German approaches is that in Germany training takes place in occupations rather than sectors. Within these occupations some are industry based (e.g. insurance clerks), some are sector specific (e.g. metal trades

^{13.} In Germany promotional training courses for master craftsmen and business administrators are standardised at national level and last between one year (full-time) and three years (part-time), while the technician's programme takes between two years (full-time) and four years (part-time).

^{14.} The master courses also provide qualifications in vocational pedagogy which qualifies them to train apprentices.

across all manufacturing industries), and others are crosscutting (e.g. office workers, IT staff). The basic idea driving this is not only to promote external mobility into another sector but mobility across occupations.

There are moves in Germany to transition to broader apprenticeships which enable more mobility and flexibility between pathways. This modernisation of occupations is needed to increase internal flexibility (multi-tasking), external flexibility and facilitating further training to preserve employability over working life. It is facilitated by the fact that the average age of apprentices has increased and apprentices now have a higher level of education before taking the apprenticeship route. In addition to developing more transferable skills (and thus being less vulnerable in the face of slowdowns in particular industries), this also ensures that apprentices and future workers have a better understanding of how their role fits into broader work processes.

A good example of the broadening of occupations can be found in Germany's industrial metal trades which were revised twice because of fast changes in technology and work organisation. In 1987, 45 metalworking trades were combined to form six new occupations with 16 different specialisations. In 2004, a second reform occurred which abolished the occupations and specialisations and training is now provided in five broad occupations only¹⁵ and the division between joint basic training and later specialisation has also been abolished. Instruction in joint core competences (such as teamwork) and occupation-specific competences is provided throughout the entire training period. In a more decentralised form of work organisation the skilled trades increasingly have responsibility over a broader array of areas (such as quality and environmental management, cost calculation and customer contact) and thus the related competences belong to the new joint core qualifications.

Ensuring employers' remain committed to providing training

The proper functioning of an apprenticeship system depends on the readiness of firms to provide training. Firms in Germany can be said to have assumed a "social obligation" to offer a training place to all young people seeking one. A commission set up by the British Ministry of Education to analyse German industrial training in the 1980s was astonished by this attitude and wrote in one of their reports: "They (German employers) appear anxious to retain as much control as they can over training and are willing to pay for training. In Britain we are faced by a completely contrary position where companies are reluctant to train above the minimum and would welcome increased attention paid by the schools in preparation for employment and the specific requirements of individual companies" (British Ministry of Education, 1983: p.11).

Box 9. Ability of firms to adapt to change: better in market-led or consensus-led systems?

Rubery and Grimshaw (2003) argue that the ability of firms to adapt to change tends to be stronger in market-led systems, as decentralised decision-making allows companies to react independently and more smoothly to a changing environment. In consensus-led systems, negotiation procedures may slow down change. However, the involvement of social actors and the state in the modernisation of (and even creation of) new occupations can be an advantage when it comes to disseminating modernised VET curricula in the labour market (Bosch and Charest, 2008; Bosch and Charest 2010). For example, this can be seen in a comparative study on the introduction of apprentices into the IT industry in the UK and Germany. In Germany certificates from apprenticeships were recognised by IT companies, presumably because employer associations, unions and the state spread information about the newly created occupations and offered assistance in their implementation. In the UK, however, certificates from VET in the IT sector never achieved wide acceptance in the industry, so companies were more likely to employ graduates from universities with general degrees and offer training on the job (Steedman, Wagner and Foreman, 2003).

¹⁵. Industrial mechanic, plant mechanic, construction mechanic, toolmaker and milling machine operator.

Such differences between the two countries still exist but one can no longer take the social obligation of German employers to train¹⁶ as a given. Over the last 30 years the German apprenticeship system has been through several major crises with high levels of young people not finding an apprenticeship, but various initiatives at national, regional, industry and local level have continually revitalised employers' willingness to train. At the beginning of the 1980s, the Federal Chancellor Helmut Kohl was able to guarantee every young person a training place, and a record number of more than 700 000 new training contracts were concluded for what were then very large age cohorts. Since then national and regional training pacts have been signed between employers' associations, unions, chambers of commerce and the state. However, since 2002, employers' associations have agreed to create a certain number of new training places but not to replace those that have been lost.

In times of economic crisis and the severe impact of economic stagnation on companies, firms are seeking to reduce costs and their first target is often training costs, while structural changes on the demand side also influence training decisions. In light of the emergence of new forms of corporate governance that focus on the short-term (shareholder value), the privatisation of public services, labour market deregulation and the weakening of collective bargaining, long-term thinking has lost ground among German employers, and some companies, especially in deregulated industries, have reduced how much they are investing in training. As a result of these pressures it has been debated for years whether a training place levy should be introduced as a means to maintain training levels. The levy would be paid by all firms and would be used to defray the costs incurred by firms providing training and has already been introduced in a few industries (e.g. construction). Fierce opposition by employers' associations to a compulsory levy led to both Conservative and Social Democratic governments proposing voluntary training pacts as an alternative approach and indeed, the threat of introducing legislation for a compulsory levy was used to put pressure on employers' association to sign the new training pacts. However, overall reductions in the numbers of apprentices and training have not been significant due to national and regional training pacts.

National, regional and local training pacts

In the current national training pact 2010 to 2014 (*Nationaler Ausbildungspakt*) (BMBF, 2010) employers' associations and chambers of commerce committed to creating 60 000 new apprenticeship per year and to convincing 30 000 companies which did not yet train to offer apprenticeships. In addition, 30 000 internships lasting between six and 12 months will be offered by companies for less qualified young people. These are subsidised by the employment office and are designed to help young people to get an apprenticeship contract afterwards. The federal government also undertook to ensure that 7% of its workforce is employed as apprentices and the education ministers of the *Länder* and the federal employment office (*Bundesagentur für Arbeit*) promised to improve career guidance in lower secondary schools. Special initiatives for quality improvement, training in SMEs and the training of young people from a migration background or with disabilities were agreed upon, with regular monitoring built in. The national training pact is supplemented by regional and local training pacts.

While training pacts in the past were mainly targeted to help school leavers who did not find an apprenticeship, the current pacts aim to improve the general skills of the potential pool of applicants and to make an apprenticeship attractive for good school performers. This reflects demographic changes in Germany; because of shrinking young age cohorts the main concern is now about skill shortages. Over

¹⁶. German training content, curricula and examinations are regulated by social partners at national level with the support of the Federal Institute of Vocational Training, an institute which has been responsible for modernising existing occupations and has created new occupations. The German Training Act (*Berufsbildungsgesetz*, 2005) defines a minimum duration of two years for training which includes one or two days per week in vocational schools but about 90% of German apprentices are trained in an occupation which requires three years training.

time training pacts have included more issues and increasingly concentrate on pre-apprenticeship courses. Besides agreements on the numbers of apprenticeships and quality issues, they address elements such as joint marketing for training and schools' responsibility to provide the necessary general skills for modernised training. They also seek to improve links between schools and firms and between initial training, further training and tertiary education to improve the general skills of school leavers and reduce training costs. The regional pacts are also designed to make the transition from school to an apprenticeship more transparent and effective, as currently there are many competing pre-training preparatory courses offered by both vocational schools and public and private training providers. The transitional system mainly caters for young people with poor school records, those who have not found a job (mainly lower secondary school-leavers) and a disproportionately high share of young people from immigrant backgrounds. There are often long waiting lists and slow referrals.

Box 10. Training Consensus between social partners at the local level, North-Rhine-Westphalia

The state of North-Rhine-Westphalia in West Germany is Germany's most populous state and contains four of the country's ten largest cities. In 2011 the social partners (union and employer umbrella organisations), chambers (chambers of commerce, handicraft and professions), different ministries, the state employment office, and county and municipal representative organisations agreed on a Training Consensus (*Ausbildungskonsens*) for vocational training.

The goal of the consensus is to offer a training contract to each school leaver who has the necessary general skills and is searching for an apprenticeship. Those who do not find an apprenticeship in a company will be offered training in a recognised occupation in an external training centre, financed by the *Länder*. The partners also agreed to improve career guidance in schools, provide internships for pupils, and offer school leavers competence assessments and the possibility of acquiring university entrance qualifications in vocational schools. The aim of the Training Consensus is to use the existing programmes of the employment office and the state for vocational guidance and pre-training preparatory courses (which are often not very transparent and uncoordinated) more effectively by avoiding costly waiting time. It also seeks to prevent school drop-outs through support and vocational guidance in the last years of secondary schools.

A steering committee is responsible for monitoring and reporting to the *Ausbildungskonsens*. A regional consultancy agency, financed by the state, advises the municipalities and counties and is responsible for monitoring the pact. There are agreements in place on concrete action until 2016. There is no additional money for the consensus, with the expectation being that existing funds should be better used to deliver it, but there is possible flexibility for changing priorities in existing programmes.

In seven municipalities a better coordinated local transition system will be developed in 2011 - 2012 and this will be extended to all NRW municipalities and counties by 2013, and by 2016 to all secondary schools. The municipalities and counties will, together with local representatives of the same organisations, coordinate the implementation of the Training Consensus at local level. Some municipalities, such as Dortmund for example, and counties, like Siegen-Wittgenstein, have already developed new local transition systems which served as models for the initiative at state level.

Ensuring apprentices are kept on in difficult economic times

Germany's high youth employment rates during the financial crisis are the result not only of the various training pacts but also of initiatives by social partners at industry level to maintain apprenticeship numbers. Because of pressure from unions and work councillors,¹⁷ around 566 000 new training contracts were concluded in 2009 - 50 000 (8.2%) fewer contracts than in 2008. However, as the age cohort entering

¹⁷. Works councillors can be elected in companies with more than five employees and have participation and co-determination rights regarding vocational training in the companies. See section 96-98 in the Works Council Constitution Act, www.gesetze-im-internet.de/englisch_betrvg/englisch_betrvg.html#p0546.

the labour market in 2009 declined by around 50 000, the situation for young people looking for an apprenticeship did not deteriorate.

In 2009 and 2010, the focal point of collective bargaining (besides avoiding dismissals through the use of short-time subsidies) was recruiting new apprentices and ensuring the continuation of employment after training was completed. For example, in spring 2010, social partners in the metal industry agreed to continue employing all apprentices after completion of their apprenticeships for at least one year. The social partners also agreed on an 'emergency plan' in case of a double dip of the economy. As part of this, to avoid being let go young people who have completed an apprenticeship can choose a Future Training Contract in which they receive two thirds of their salary for four years. They work for two years full-time, go on a further training programme for 12 months and then return to full-time work in the fourth year. Another good example is found in the chemical industry. In April 2010, the social partners in the industry signed an agreement that employers undertake to recruit 9 000 apprentices each year until 2013, similar to the numbers recruited in previous years. It was also agreed that sector employers set up a fund to help companies in economic difficulties to continue employing apprentices who have completed their training for up to one year. Around 150 SMEs claimed money from the fund for the training of 225 apprentices in 2009 - significantly less than the predicted 1 000 because of the industry's rapid recovery. The remainder of the fund will be used in the next few years to finance pre-training programmes for less able school leavers who want to take up an apprenticeship in the chemical industry (Bosch, 2011).

Box 11. Success factors from the German model

A more transparent, simpler transition for young people

- Make the apprenticeship route an attractive option for good school performers but also ensure entry mechanisms for weaker school performers;
- Ensure schools have good links with firms and further training and tertiary education institutions, alongside strong career guidance;
- Pre-apprenticeship courses can serve as means to better prepare young people for a vocational route and to integrate more young people from disadvantaged backgrounds into apprenticeships;
- Training contracts can be offered to each school leaver with the necessary general skills and who is seeking an apprenticeship. Those not offered an in-company apprenticeship should be offered a recognised alternative by an external provider.

Improving work organisation

- Ensure good work organisation in firms. This includes having high numbers of skilled workers and recruiting managers from the shop floor, thereby ensuring they have the technical skills and good insight into the company. This in turn can promote access to training and results in a mix of management types;
- More decentralised forms of work organisation and giving workers more autonomy can bring about better quality work and allow apprentices to more fully utilise their skills, thus resulting in productivity increases.

Access to career advancement training

- Supplement initial vocational training with advancement training to enable apprentices to progress to higher level jobs. In addition to specific occupational courses, general components could be included in this training, such as business administration and apprenticeship pedagogy;
- It is critical that advancement courses are certified and fit into national qualification frameworks so that apprentices who complete them can widen their professional prospects and are more mobile in the internal

and external labour market.

Broad apprenticeship occupations

- Broader apprenticeship occupations mean more mobility and flexibility for apprentices. They also ensure more transferable skills, meaning workers are less vulnerable to unemployment in the face of an economic slowdown;
- Provide a mix of training for apprentices in joint core competences (such as teamwork) and occupation-specific competences.

Commitment to providing training and safeguarding apprenticeships

- An effective apprenticeship system is dependent on employers being committed to providing training. Agreements between the key social partners at all government levels can be crucial in re-engaging employers, particularly as more seek to reduce training costs following the economic crisis;
- Training pacts at the national, regional and local level can be a good way to ensure involvement by social partners and strong employer representation (e.g. via employers' associations, chambers of commerce, as well as unions and government). These do not necessarily require additional financing;
- Put in place mechanisms to keep apprentices on in times of high unemployment and to provide employment after completion, if even for a limited duration.

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