

CHANGING NATURE OF VET: ASSIGNMENT 2: EXTERNAL FACTORS AFFECTING VET SECTOR – Case Study for England

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**Fondazione
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PURPOSE

- The study addressed in England the following:
- To what extent are demographic developments influencing the need for and provision of VET?
 - To what extent are changes in the labour market, and notably occupational profiles, influencing VET?
 - To what extent are changes in VET based on targeted labour market intelligence, for example on skills needs analysis at national/regional, sectoral or local level)?
 - To what extent is the role and nature of VET influenced by changing policy priorities at national level?

THE VET SYSTEM IN ENGLAND

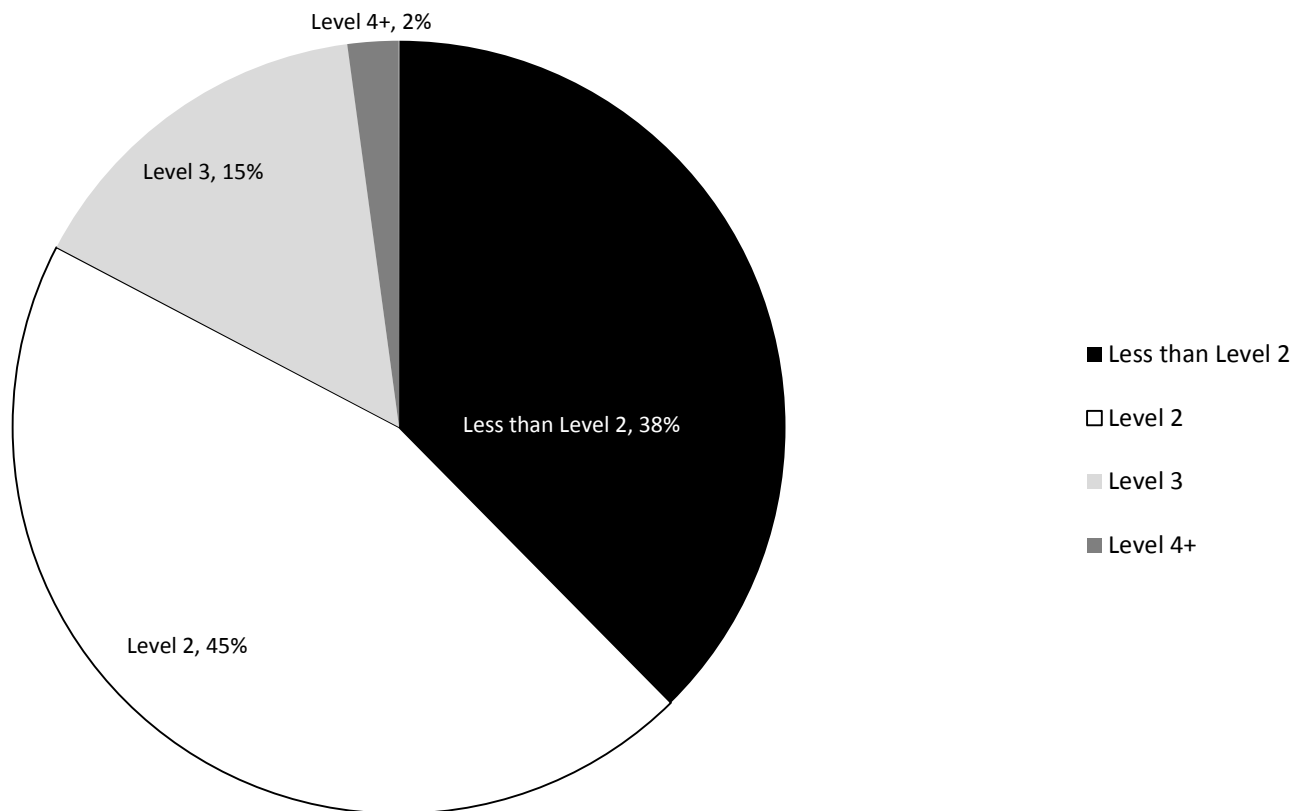
- “There is no formal definition of ‘vocational education’ in England, and the term is applied to programmes as different as the highly selective, competitive and demanding apprenticeships offered by large engineering companies and the programmes which recruit highly disaffected young people with extremely low academic achievement... Some qualifications are highly specific, oriented to a particular occupation. Others are more general, and are referred to sometimes as vocationally-related or pre-vocational. Some are very difficult and demanding, others not.”

Wolf Review (2011)

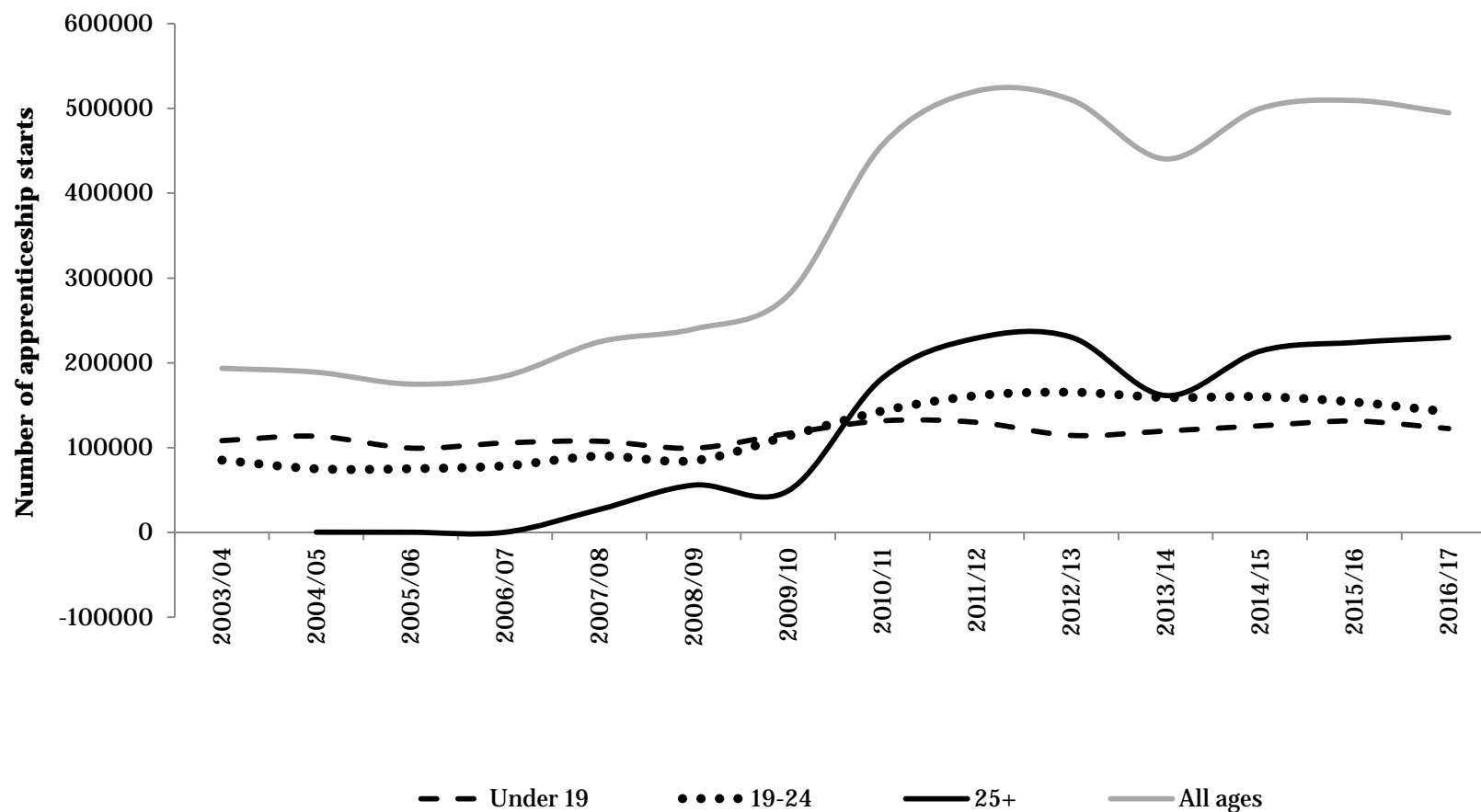
STRUCTURE OF THE VET SYSTEM IN ENGLAND

- Delivered to 14-19 years olds at lower and upper secondary levels (IVET)
- IVET concentrated in further education sector (typically 16-18 year olds).
- ... but Apprenticeships delivered to people of all ages
- And differences between IVET and CVET can become blurred

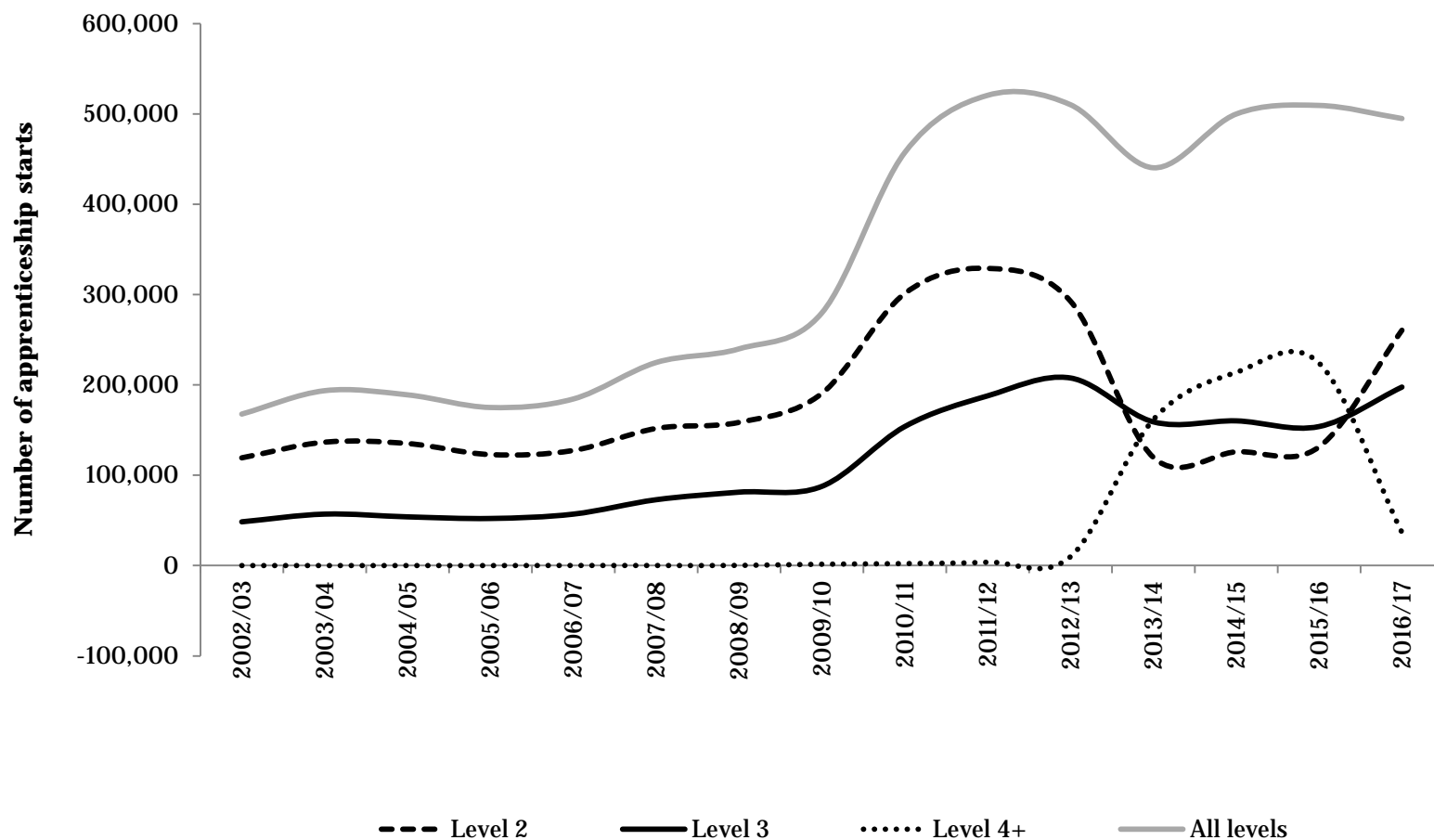
VET PROVISION



APPRENTICESHIP PROVISION BY AGE



APPRENTICESHIP PROVISION BY LEVEL



Note: Level 2 is equivalent to lower secondary level / Level 3 upper secondary level

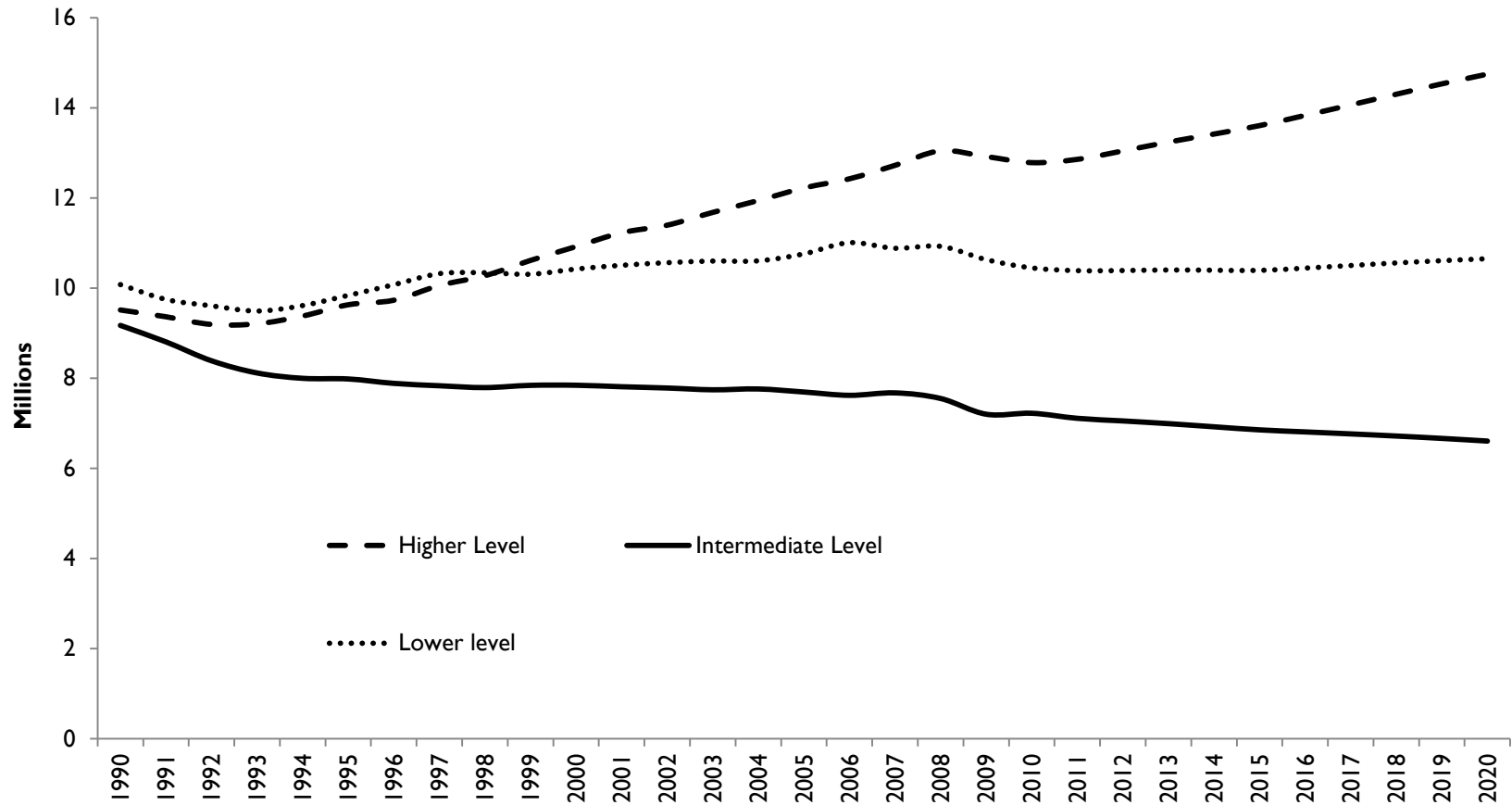
VET POLICY REVIEW AND REFORM

- Aim
 - Skills supply matched to demand
 - A high skill equilibrium
- An long-term aspiration
 - 1882 Royal Commission
 - 1938 Spens Report
 - 1963 Newsom Report
 - 1989 Training In Britain
 - 1997 Kennedy Review of FE
 - 1999 National Skills Task Force
 - 2006 Leitch Review
 - 2009 Banks Review
 - 2011 Richard Review
 - 2011 Holt Review
 - 2011 Wolf Review
 - 2016 Sainsbury Review of TVET
 - 2017 Apprenticeship Levy

POLICY APPROACH

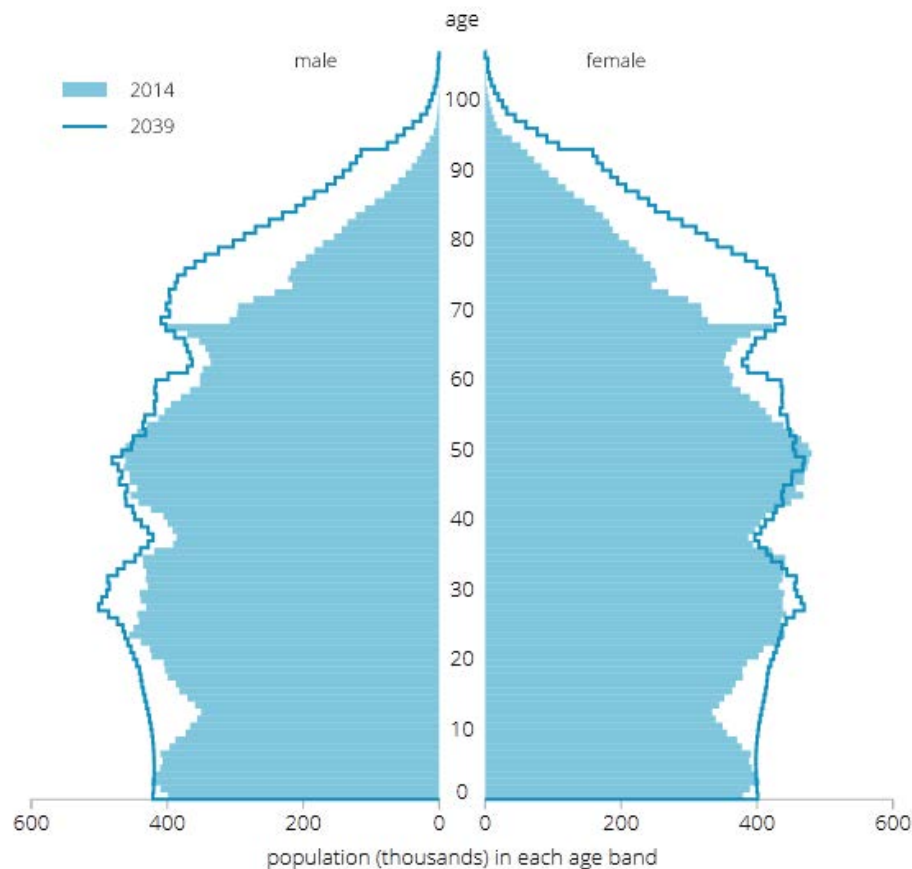
- The State's role is to address market failures. This includes:
 - underwriting the costs of training faced by young people (to overcome the difficulties young people face in meeting the costs of their training);
 - providing a VET infrastructure including the regulation of qualifications and awarding bodies;
 - subsidising the costs faced by employers in funding young people via apprenticeships (to fund general training that employers typically are unprepared to fund);
 - but expects beneficiaries – especially employer to contribute more to the costs of training (co-investment in training / the Levy) in return for which they are given more influence over training content and structure (c.f. Apprenticeship standards)
 - providing information on the returns to completing various qualifications (to overcome the information market failure) and ensure that people have access to that information.

CHALLENGES: OCCUPATIONAL CHANGE



CHALLENGES: DEMOGRAPHIC CHANGE

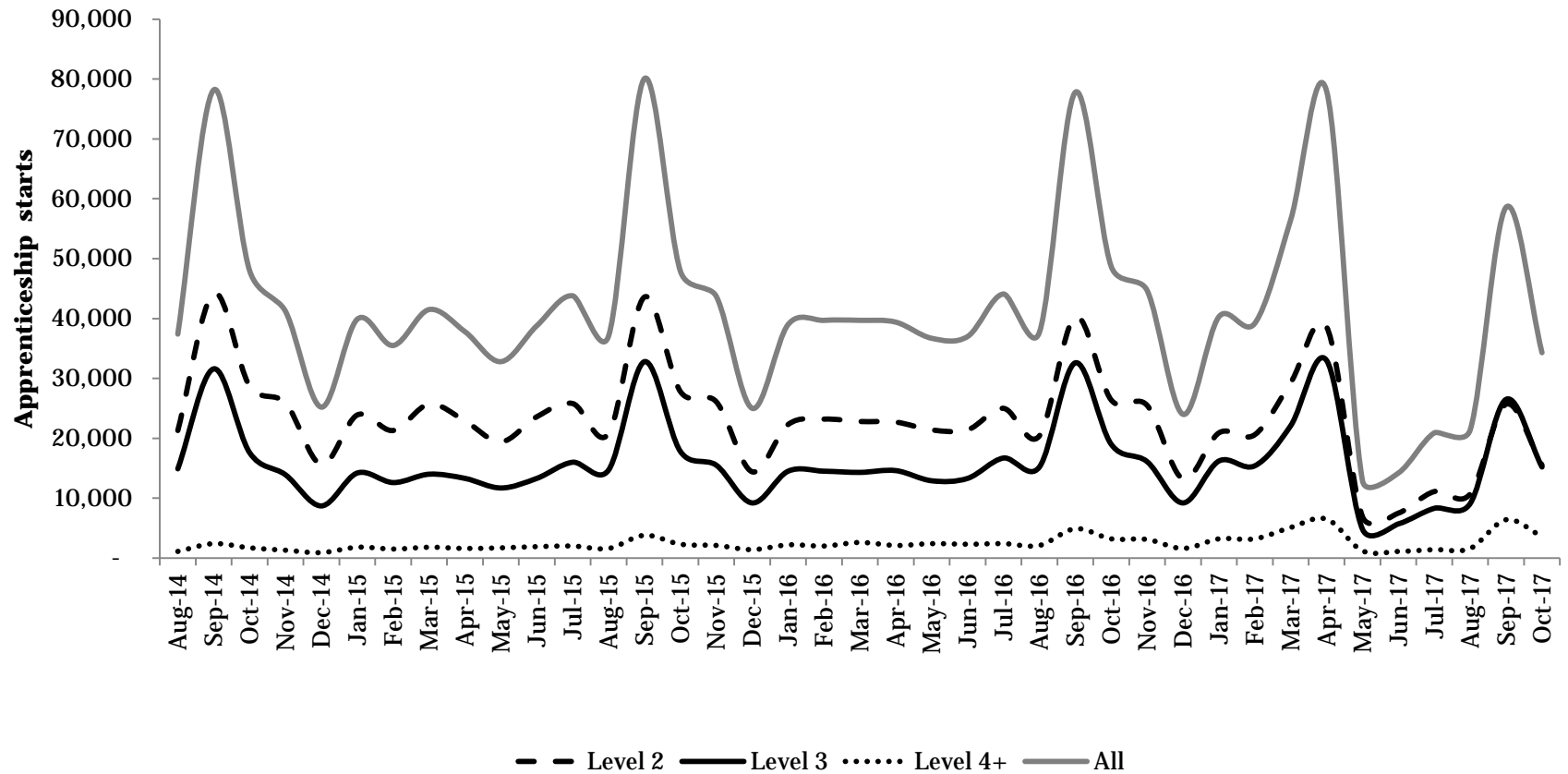
**Age structure of
UK population,
mid-2014 and
mid-2039**



DOES IT WORK?

- A highly flexible system and responsive system has been produced
 - Skills shortages are relatively modest (supply more or less meets demand)
 - But not necessarily at equilibrium policy makers want (c.f. low skills equilibrium)
 - Employer participation in Apprenticeships still modest
 - In a highly flexible labour market employers may well be risk averse to making investments in relatively high cost VET provision

APPRENTICESHIP STARTS PRE- AND POST-LEVY



CONCLUSION

- After years of policy innovation...
- ... and after years of employers articulating a demand for vocational / technical skills...
- ... and the development of a system that is designed to be responsive to employers' skill needs..
- ... it has proven difficult for grow VET beyond a certain level. The introduction of the new technical qualifications (T levels) may provide the fillip needed.

Thank you

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