CHAPTER 2

Education, Education …Under-Employment: The Mantra That Failed

Young people today spend more time in education and gain higher qualifications than their parents did. Twice as many continue in upper secondary education and training and 50 percent more gain degrees than did so the 1980s. Whilst for several decades—from the 1960s to the late 1980s—the UK lagged far behind most OECD states in educational participation after lower secondary school, over the past generation the gap has closed substantially.[1] The UK has now championed 'lifelong learning' and become more like the 'learning society' advocated in so many reports from the OECD and the European Commission in the years after 1980s surge in the global 'knowledge economy'.[2]

This historic rise in participation was encouraged by governments exhorting young people to aim higher in education and by the provision a wider range of education and training opportunities for them to do so. 'Education, Education, Education' was Tony Blair's mantra in Labour's successful 1997 election campaign and a leitmotif of his three governments thereafter. Governments since 2010 had been conveying similar messages. But the rise was equally a consequence of the growing demand for education and qualifications from young people themselves. With the rise of the so-called global 'knowledge economy' since the 1980s,[3] it was becoming increasingly evident that western countries could only hope to maintain their economic competitiveness and living standards in the face of low wage competition in developing countries if they shifted their economies towards the high value-added sectors of production and services.[4] That meant competing through innovation and productivity gains

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based on high-skilled work. Employers were outsourcing low-skilled work to lower wage countries or keeping the low skill jobs at home at lower wage rates, but demand was high for well qualified school leavers and graduates. For young people born after 1980 the message was clear—if you want a decent job you have to get higher qualifications. Most have responded accordingly and we now have the most qualified generation of young people in history.

But how far does this increasing credentialisation of young people and jobs represent a genuine intergenerational gain in opportunities in—and through—education? Politicians have remained relentlessly upbeat about the benefits of education, and policies to expand education have always been electorally popular. But many academic commentators have been skeptical about benefits of educational expansion. Education researchers, Martin Allen and Patrick Ainley, for instance, have argued that educational expansion has just led to credential inflation for a generation which now has 'education without jobs.'[5] Phillip Brown and co-authors, looking more widely at the changes in global labour markets and the 'global auction of talent', argue that western governments have sold a false promise to workers generally and to young people in particular.[6] They contend that with the exponential increases in the output of graduates from fast developing countries, particularly in East Asia, western economies are unlikely to retain their global economic competitiveness through leading in skills, knowledge and innovation. Much more likely, they say, is that the rising world output of high skills in a globalised labour market, and a trend towards the 'digitalisation' of professional jobs, will lead to diminished opportunities for western graduates and a continuing downward pressure on graduate pay. The era of the high skill/low wage job, they say, is already at hand. The prospectus sold to young people will turn out to be no more than 'broken promises.'

In this chapter we explore these issues of rising qualifications and their implications for life opportunities in more depth, drawing on a range of sources, including the OECD's 2014 Survey and Adult Skills (SAS) and the UK Labour Force Survey. We find that increasing rates of participation in post 16 education and training in England has indeed led to a substantial rise in qualification levels for the current generation of youth compared their parents' generation. More inclusive participation has also narrowed inequalities in qualification outcomes and slightly reduced the social gaps in attainment of qualifications, at least

at the upper secondary level. However, the gains in educational opportunities for young people are to some extent illusory. Improvements in the skills we can measure, like literacy and numeracy, have not kept pace with increasing qualifications rates, and inequalities in skills outcomes have reduced less than those in qualifications, if at all. This suggests that much of rise in qualifications is indeed a question of credential inflation and yields few benefits to young people today in terms of future life prospects. Indeed our analysis of the occupational destinations of people qualified at different levels suggests a steady erosion of the value of qualifications of all levels on the labour market. At the same time career opportunities for young women have generally improved and, arguably, for most young people there is a sense that they are freer to aspire then was the case for their parents.

Increasing Participation in Upper Secondary and Higher Education

Education in England, and the UK more generally, has expanded substantially since the mid 1980s, both at upper secondary and tertiary levels. Participation in full-time education at 17—the age at which the majority in England complete upper secondary education—has more than doubled over the past 30 years, rising from around 27 percent in 1980, when the Millennials' parents were around the school leaving age, to 67 percent in 2008, when many of the Millennial generation were leaving school.[7] On DFE estimates for 2014, only around nine percent of 17 year olds in England were not participating in some kind of full- or part-time education or training.[8] During the course of 30 years upper secondary education and training has been transformed from a minority affair to a phase of education experienced by almost everyone, albeit for variable lengths of time.

Increases in tertiary education participation have been almost as impressive. Of the generation born between 1963 and 1972, who would have been of tertiary education age in the 1980s, 30 percent achieved tertiary qualifications. Of the later generation born between 1986–1995, who were of tertiary education age in the 2000s, 47 percent achieved tertiary qualifications, an increase of more than half over 20 years. Participation rates would have been even higher since a small proportion do not complete.[9] Overall participation rates in tertiary education by 2015 were higher still, nudging New Labour's original target of 50 percent.[10]

Staying on in education and training after lower secondary school has been encouraged since the late 1970s by a number of policy interventions. During the late 1970s and the 1980s a range of new youth training programmes for 16–19 year olds were introduced to deal with the then high rates of school leaver unemployment. The Manpower Services Commission (a government quango) introduced the Youth Opportunities Programme (YOP) in 1978 and replaced this with the more ambitious Youth Training Scheme (YTS) in 1983. These schemes were on a large scale, with the YTS alone recruiting 400,000 16–18 year olds in its first year of operation, representing almost a fifth of the cohort.[11] In 1988 the Government introduced the General Certificate of Secondary Education (GCSE) to replace the formerly divided qualification system—which included 'O' levels and CSEs—with a single integrated examination at the end of lower secondary education. With more assessment by coursework, and lacking the stigma attached to the old CSE exams, the GCSE became popular with students, teachers and parents and is often given the credit for raising the confidence of lower academic attainers and thus encouraging more of these to stay on in education.[12]

Further changes in the qualifications offer came in 1993 with the introduction of General National Vocational Qualifications (GNVQ) at Foundation, Intermediate and Advanced levels, the latter two nominally equivalent to GCSEs and 'A' levels respectively. These were broad vocational courses, organised on a flexible modular basis, with additional core skills, and offering a vocational alternative to the established academic pathway with the potential for progression to higher education. As such they were widely adopted in colleges, which recruited some 250,000 participating students in 1994/5, before they were phased out in 1997 and replaced by new vocational GCSEs and A levels. The Education Maintenance Allowance, introduced by the Labour Government in 2001, provided financial assistance to 16–19 years olds from lower income families to undertake education and training. This probably also contributed to rising participation until it was abolished for most young people in England in 2010.[13] Most recently there has been the raising of the participation age in England which requires school leavers to continue in some form of full- or part- time education or training until their 18th birthday.

Each of these measures has no doubt contributed something towards the large increases in participation seen during the past 30 years. However, the main factor which drove expansion was the increasing

demand from parents and students for ever higher levels of qualification in response to the global changes occurring in labour markets. In the 1970s and 1980s early school leavers still had a reasonable chance, at least outside of periods of recession, of securing work in one of the many occupations which did not require qualifications for entry—or at least nothing more than a few O levels. By the 21st century it was clear to young people that there would be very few opportunities available for securing decent jobs if they failed to achieve an upper secondary (Level 3) qualification. With the decline of skilled work in traditional manufacturing sectors, and the downward pressure on wages in unskilled work resulting from global economic competition,[14] the jobs for the less skilled young were hard to find, and if secured tended to be poorly paid, with limited career prospects, and high levels of insecurity. Many of these were part-time, or increasingly on fixed term contracts or contracts without guaranteed weekly hours (Zero hours contracts).[15] Young people wanting decent jobs had little choice but seek better qualifications. That it was demand driving supply and was even more apparent in higher education, where demand for places increased steadily, even in the face of the barriers imposed by new policies on tuition fees. Credentialism came late to England but was clearly here to stay.[16]

Increases in Average Qualification Levels at GCSE, Upper Secondary and Degree Level

The massification of upper secondary and higher education has inevitably increased the qualification levels of young people today compared with those of their parents' generation. Qualification rates have risen at each level of education, as have the highest qualifications held by each successive generation. Figure 2.1 shows the trend in highest qualification levels by different cohorts, using the data for 2011/12 from the OECD's Survey of Adult Skills (sometimes known as PIAAC). Qualifications are classified according to the ISCED—97 classification system,[17] where a Level 5 or above qualification is a bachelor degree or higher, a Level four qualification a sub-degree or technician level qualification, and a full Level 3 qualification is taken to be one achieved through an upper secondary programmes of two or more years.[18] Level 2 qualifications are those pertaining to the completion of lower secondary education.

The proportion gaining a highest qualification at bachelor degree level or above increased the most, rising from 32 percent in the parental

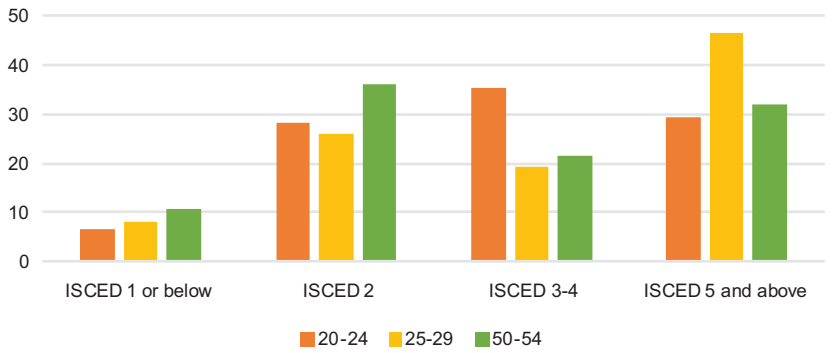

Fig. 2.1 Highest qualifications by age cohort. *Source*: Own derivation from OECD (2013b). *Skills outlook 2013: First results from the Survey of Adult Skill*. OECD, Paris. Data for England and Northern Ireland

generation to about 46 percent in the children's generation (based on the cohort aged 25–29 in 2011/12). The proportion whose highest qualifications were at Level 2 or below reduced from 10 percent in the age 50–54 cohort to around eight percent in the age 25–29 cohort. The proportion gaining a highest qualification at Level 3 or 4 has declined from 21 percent in the 50–54 cohort to 19 percent in the 25–29 cohort, reflecting the growing number of those gaining Level 3 who go on to achieve a higher level qualification. However, the proportion gaining a level three or higher qualification has increased substantially from 53 to 65 percent. Given that some of the highest qualifications held by the 50–54 age group were obtained later in life, and given also that the 25–29 age group would be less qualified than subsequent cohorts, this somewhat understates the difference in attainment rates of those young people going through post-16 education and training in the early 1980s and in the late 2000s.

Trends in Levels of Knowledge and Skill

How far these increases in participation and qualification rates represent genuine improvements in levels of knowledge and skill amongst young people remains a moot point. Many would argue that what we

have observed is little more than credential inflation, with much of the gain in qualification rates being attributable to examinations becoming easier.[19] While this may be the case it is almost impossible to verify since the content of examinations has changed over time, along with assessment methodology. Less easily refuted is the claim that levels literacy and numeracy competence have not improved in line with higher qualification rates.

PISA tests of 15 year olds show no overall improvement in numeracy, literacy and science skills in the UK during the 15 years from 2000. In fact there appears to have been a decline during 2000–2006 and little change thereafter. Even if we discount the first two waves, on the basis that skewed samples inflated the mean test scores, there is still no significant improvement over the years from 2006 to 2015. During this period mean scores in England, Scotland and Wales declined in Maths and Science, whilst in Northern Ireland they declined in Science and rose slightly in Maths. Scores in Reading increased marginally in England but declined in Scotland. The changes over time are small in most cases.[20] The general picture is one of flat-lining performance in all these skills domains over the period.

We only have PISA test score data from 2000, and so cannot compare the performance of the today's young people with that of their parents' generation. However, OECD tests of adult literacy in 2011/12 (SAS) do allow some comparison between generations in England. As Figs. 2.2 and 2.3 show, young people in England scored on average relatively poorly compared with those in other countries and, unlike in almost all other countries, mean literacy and numeracy scores for the 16–24 age group were no better than those for the 55–64 year olds.

It can be objected that those in the older age group may have improved their skills during their life course—and there is some evidence for this in England for people in their 20s and 30s[21]—and that they may have been less skilled than the younger age group when they were 16–24. However, a comparison of the average levels of literacy skills of young people SAS, conducted in 2011/12, and in the OECD's predecessor International Adult Literacy Survey (IALS), conducted in the mid 1990s, shows no significant changes over time. The mean test score of 16–24s was 273 in IALS and 265 in SAS. The mean test score of 25–34s were slightly higher, at 277 in IALS and 280 in SAS. But neither change is statistically significant.[22] Furthermore, the analysis conducted by National Foundation

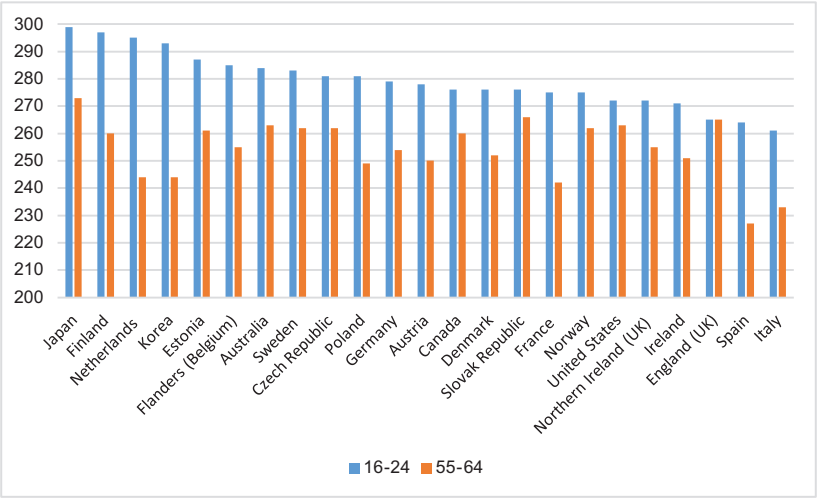

Fig. 2.2 Mean country literacy scores by age group, 16–24 and 55–65. *Source* Green et al. (2014) derived from data in OECD (2013b). *Skills outlook 2013: First results from the Survey of Adult Skill*. OECD, Paris

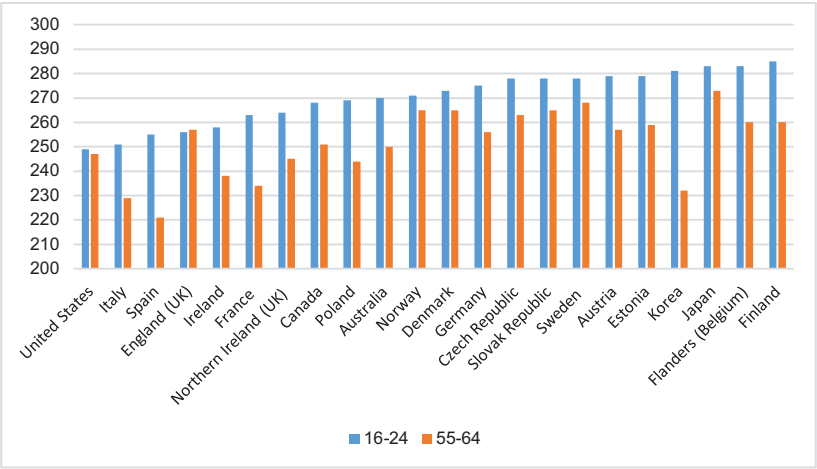

Fig. 2.3 Mean country numeracy scores by age group, 16–24 and 55–64. *Source* Green et al. (2014) derived from data in OECD (2013b). *Skills outlook* 2013*: First Results from the Survey of Adult Skill*. OECD, Paris

for Education and Research (NFER) for the Government Department of Business, Innovation and Skills (BIS)[23] shows that the mean literacy scores were lower in SAS than in IALS at each education level.

Declines in Educational Inequalities?

Trends in Inequalities of Qualification Levels

A further case that is made for the increase in educational opportunities over time, both in England and in other developed countries, is that inequalities in attainment (qualifications gained) has reduced, both in terms of a narrowing in the distributions (equality of outcomes) and a reduction in the effects of social background on educational attainment (equality of opportunity). The literature on the subject is large and complex, and at times contradictory, and results depend somewhat on the measures used, but the balance of studies show declines in inequality in most developed countries, at least over the decades since the 1950s. Thomas, Wang and Fang (2000), using data on years of schooling for 85 countries from 1960–1990, found a decline for most countries in the Gini measure of inequality in educational outcomes.[24] Meschi and Scervini, using a variety of data sets going back over 70 years, observe a Kuznets type inverted U curve pattern over time with inequalities in educational outcomes tending to rise with initial educational expansion and declining slightly thereafter.[25] In terms of social origins effects on educational outcomes, although some older studies[26] found evidence for a number of countries of persistent inequalities in educational opportunities, more recent studies[27] have pointed towards small declines in social background effects in most countries, particularly at the upper secondary level.

For England, a recent analysis by Sullivan and co-authors,[28] using Youth Cohort Study data for the years between 1990 and 2006, finds declining social gaps in participation at the upper secondary level, as well as reductions in social background effects on attainment. The proportion of places on A and AS level courses going to students from working-class backgrounds increased between 1993 and 2006 from 17 to 20 percent for girls and from 14 to 17 percent for boys. They are not able to provide evidence on social gaps in attainment at A level, but show substantial declines in social background effects on overall GCSE performance, based on a GCSE points score measure and the position of students

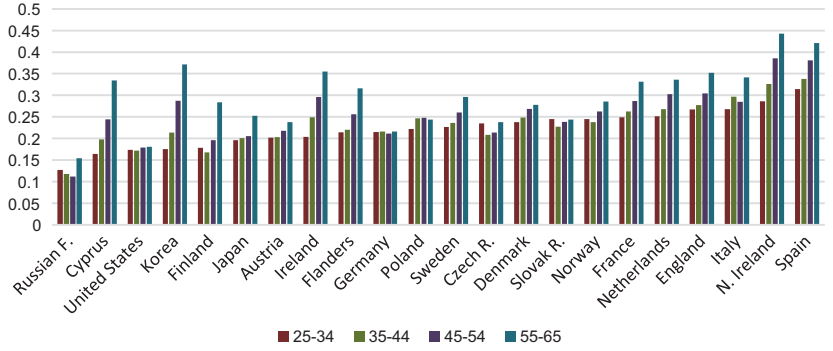

Fig. 2.4 Inequalities in highest qualifications in different age groups. *Source* Green et al. (2015) derived from data in OECD (2013b). *Skills outlook 2013: First results from the Survey of Adult Skill*. OECD, Paris

from different social backgrounds in the distribution. They find that the chances of working-class boys relative to middle-class boys being in the bottom third of the distribution declined from 2.3 to 1.9 between 1990 and 2003. The odds ratios for working-class girls of being in the bottom third declined from 2.6 to 2.4 over the same period.

Inequalities in educational attainments, at least at the upper secondary level, do seem to have reduced in England over the past 40 years, both in terms of outcomes and opportunities. But the narrowing of the distribution of qualifications across all levels appears to have declined rather less than in many other OECD countries. Comparing across cohorts, using the SAS data, allows proximate comparison of changes in inequalities over time across 24 OECD countries and country regions. Overall inequalities in educational attainment can be measured using education level Gini coefficients for the distribution of highest qualifications (by ISCED levels). As Fig. 2.4 shows[29] there is a marked narrowing in most countries of the distribution of education levels between each of the 10 year cohorts from the 55–65 years olds to 25–34 year olds. Given that the majority of qualification are gained before the age of 25, this suggests a marked reduction in inequality of educational outcomes between the 1970s, when most of the older cohort would have gained their highest qualification, and the 2000s, when the younger cohort would have gained theirs. However, inequality in attainments for the youngest age

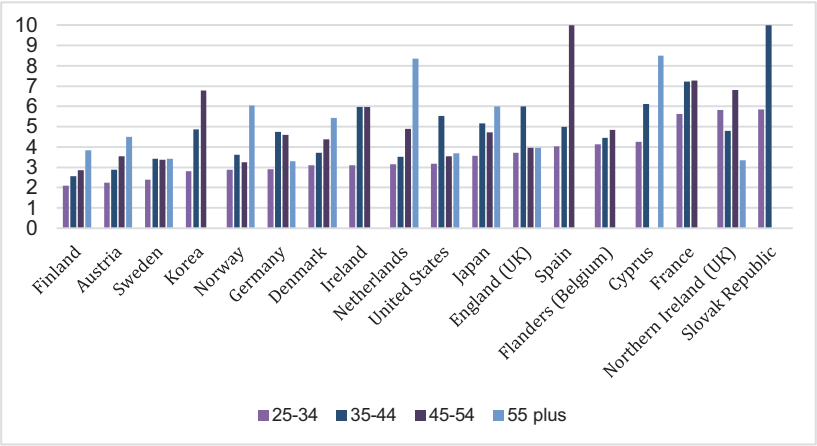

Fig. 2.5 Probability of gaining HE degree of children of graduate parents compared with those of non-graduate parents (odds ratios) by age cohort. *Source* Green et al. (2015) derived from data in OECD (2013b). *Skills outlook 2013: First results from the Survey of Adult Skill*. OECD, Paris

group, and several older age groups, is higher in England than in most other countries and the reduction in inequality across the cohorts is rather less than in a number of countries, including particularly the historically less affluent countries (such as Cyprus, Korea Finland, Ireland, Northern Ireland and Spain) in which educational expansion has probably been more rapid over the period.

We can also use the SAS data to compare the changes across cohorts in inequalities of opportunity at the higher education level. Figure 2.5 gives the odds ratios of gaining a degree between children of graduate parents and children of non-graduate parents for each cohort and across countries. Most countries show very large declines through the cohorts in the relative probabilities of children from more and less educated backgrounds gaining degrees. However, in a few countries, including England, Germany, and the US, the social gaps in higher education attainment change very little between the 55+ cohort and the 25–34 cohort. The pattern in England seems to represent a traditional inverted U curve with inequalities of opportunity rising sharply during the early years of expansion, between the 55–64 cohort (graduating in 1970s) and

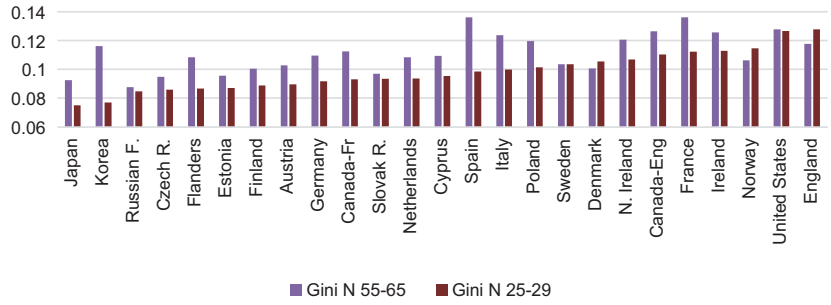

Fig. 2.6 Numeracy ginis for younger and older age groups. *Source* Green et al. (2014) derived from data in OECD (2013b). *Skills outlook 2013: First results from the Survey of Adult Skill*. OECD, Paris

the 35–44 year old cohort (graduating in the 1990s), and then returning to the original level with the 25–34 cohort (graduating in the 2000).

Trends in Skills Inequalities

The expansion in education participation has led to higher average levels of educational attainment and a reduction in inequalities of educational attainment, at least at the upper secondary level. We have seen that the distribution of highest levels of educational qualifications has narrowed and the effects of social background on attainment at GCSE level has reduced over time. However, some of these changes may be due largely to credential inflation. More people get qualifications at any given level because these are easier to get than they used to be. Because attainment at each level is more inclusive, there appears to have been a significant decline in inequalities in educational attainment below degree level. If we look at the trends in skills inequalities we may get a somewhat different picture of what has happened.

The SAS data show that skills distributions for England in both literacy and numeracy were wider amongst 25–29 year olds than amongst 55–65 year olds (See Fig. 2.6 for numeracy), but this may be explained partly by a narrowing in skills distributions during the middle years of the life course in countries with exceptionally unequal skills.[30] The best evidence we have on the trends in skills distribution amongst young

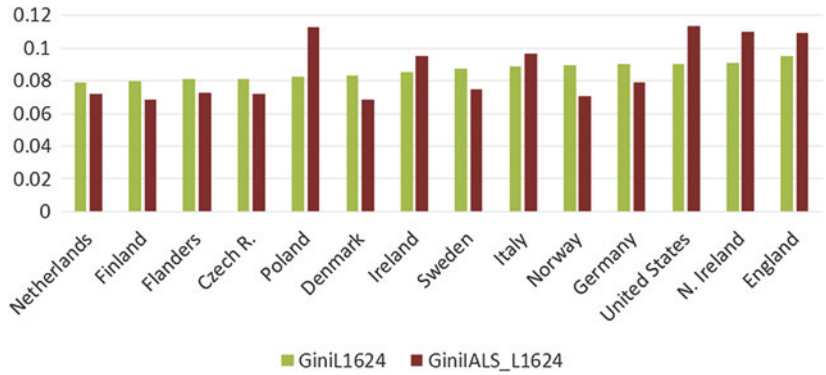

Fig. 2.7 Literacy ginis for 16–24 year olds in IALS and SAS. *Source* Green et al. (2014) derived from data in OECD (2013b). *Skills outlook* 2013*: First results from the Survey of Adult Skill*. OECD, Paris

people is from a comparison between skills distribution for literacy in IALS, conducted in 1996 and in SAS, conducted in 2011/12. What this shows is a very slight narrowing of the distribution for 16–24s in England during the period from 1996 to 2011. However, literacy skills in England were still more widely distributed than in any of the other OECD countries in both IALS and SAS surveys (Fig. 2.7).

The trend in social background effects on skills, however, is much more negative in England. The SAS data show that inequality of opportunities in numeracy and literacy skills is much higher amongst young people (aged 16–24s) than older people (aged 55–65).[31] Again some of this difference may be due to a decline in the social gaps in skills over the life course which we are unable to verify. But this seems unlikely to account for an increase in the social gap in scores in numeracy of the magnitude we see for England. Here the difference between the mean scores of respondents with graduate parents and those with non-gradate parents increases by 28 points, from 39 points in the 55 + generation to 67 points in the 16–24 generation (See Fig. 2.8). Across OECD countries, an additional 28 points is equivalent, on average, to four years of schooling.[32] Inequality is also much higher on average in England and other English-speaking countries than in Nordic, Southern European and East Asian countries.

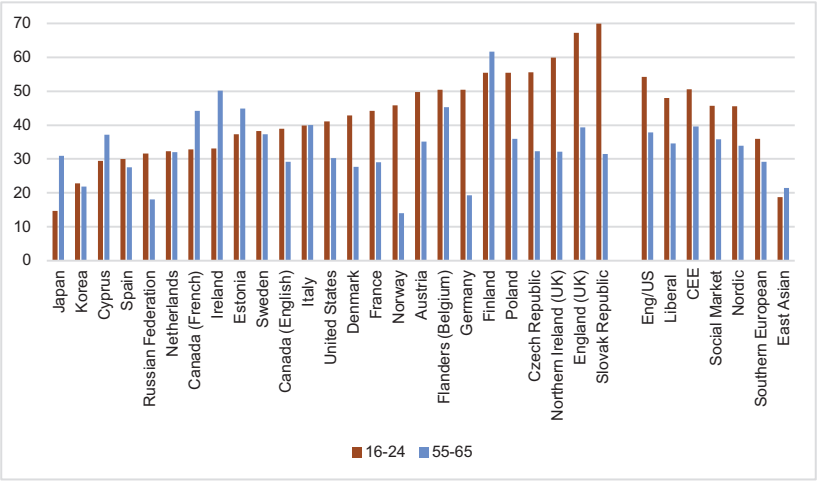

Fig. 2.8 Social gradients for numeracy for younger and older age groups. *Source* Green et al. (2014) derived from data in OECD (2013b). *Skills outlook 2013: First results from the Survey of Adult Skill*. OECD, Paris

Explaining the Trends in Skills Inequalities

The evidence on trends in skills inequalities in England presents a much less sanguine picture of declining inequalities than we get from looking at qualification levels. Whilst the latter suggests a significant reduction in inequalities of opportunities and outcomes, particularly at the upper secondary level, the skills evidence suggests that inequality of opportunity in skills has risen substantially, even if there has been a slight narrowing in the skills distribution for young people over time. In many ways this conforms better to the dominant theories that seek to explain trends in educational inequalities.

According to Raymond Boudon's influential 'positional' theory, social inequalities in education are reproduced in two ways which he refers to as the primary and secondary effects of social stratification.[33] Primary effects occur as a result of the transmission of cultural capital within the family, so that children who experience high levels of cultural capital at home achieve better in schools that value the same forms of cultural capital. Secondary effects occur as a result of children from different backgrounds making different choices within the education system, whereby

children from higher status families, for instance, are more likely to choose pathways that lead to higher status qualifications, even when they are the same level of tested achievement. The first process tends to occur, arguably, in a similar way in all societies and education systems.[34] However, the second process may be more conditional on the nature of the particular education system. As Boudon cogently argued, in societies structured by class and other inequalities, the greater the variety of different routes through the education system—i.e. the more 'branching-off' points—the greater the likelihood that socially differentiated aspirations and expectations, engendered from outside the education system, will structure student choices, even in a situation of ostensibly meritocratic access, so that educational opportunities and outcomes will be structured along class, race and gender lines.

In more recently elaborated theories of 'persistent inequalities' in education, elite social groups maintain their educational advantages as education systems expand in two ways. According to the theory of Maximally Maintained Inequality (MMI),[35] as a phase of the education systems expands, higher social groups can maintain their advantage so long as their participation in that phase of education grows as fast as, or faster than that of lower social groups. However, when participation by elite students reaches saturation levels, participation rates for children from lower social groups catch up, thus equalising opportunities at that level. Positional competition by social groups then tends to shift to higher levels of education. At the same time, according to the Effectively Maintained Inequality (EMI) theory,[36] mass provision at the lower level develops more differentiated pathways, increasingly organised into a status hierarchy, with elite students tending to colonise the most prestigious tracks with the best progression routes to higher levels of education.

Both of these processes can be identified in the evolution of further and higher education in England. As rises in participation in further education since the 1980s led to near universal participation by the 2000s, social gaps in participation have declined and positional competition has focussed increasingly on higher education, thus driving rising enrolments there. The equalisation of participation in upper secondary education and training has reduced inequalities in educational qualifications at that level, while elites have maintained their advantages at the higher education level. This has most likely been achieved through the processes described in EMI theory whereby as each level has expanded it has become increasingly differentiated into multiple pathways defined in

a status hierarchy, with elite groups dominating the highest status pathways that provide access to the best opportunities at the higher level. The process has been very evident in the development of upper secondary education and training in England over the past 40 years.

During the 1970s, when barely a third of young people stayed on in education and training after 15/16, there were just two main pathways. One was the A level studies in the Sixth Form or Sixth Form College which constituted the 'royal road' to higher education. The other was the vocational route, consisting then mainly of craft apprenticeships which, before their decline in the mid 1970s, enrolled up to a third of working-class boys, but very few girls. Both pathways had relatively clear progression routes and predictable future opportunities in the labour market. With the expansion of participation since the late 1970s there has been a proliferation of new programmes and qualifications of very unequal duration and status and with very different prospects in terms of progression to higher levels education and training or into the labour market. A similar diversification of pathways has been observed at the higher education level, not only with the status distinctions between institutions—such as between those belonging, respectively, to the Russel Group, the 94 Group, and the Local Million Plus Group—but also between students studying full- and part-time, and those studying at the local institution and those going away from home to university.[37] In the face of the great diversity of qualifications, national qualification frameworks have been adopted to establish equivalences between academic and vocational qualifications at different levels, and university first degrees are all theoretically equivalent. This has contributed towards an apparent equalisation of attainment at different levels. However, it disguises the fact that in terms of measured skills inequality persists to much the same degree as before.

Recent comparative research, using quasi cohorts drawn from the PISA and SAS surveys, estimates the life course changes in skills inequalities between the ages of 15 and 27, and suggests that upper secondary education and training mitigates skills inequality much less in England than in most other OECD countries which participated in both surveys.[38] Numeracy skills inequality actually increased substantially in England during this phase of education. The research also shows that relative failure in reducing skills inequality is associated across countries with systems which have a proliferation of different types of programme,

of varying quality and duration, and which do not have a mandatory common core of learning in maths and the national language. All of this casts doubt on how far educational opportunities for the current generation of youth are actually better than they were for their parents, 30 years before. In the following section, we examine the anatomy of the different pathways as they exist today.

Pathways in Post 16 Education and Training

Upper secondary education in England has traditionally been understood to start at 16, after most students have complete their GCSEs (or previously 0 levels) and when they move into the Sixth Form or transfer to a Sixth Form College, or Further Education College. There are currently over three thousand different qualifications which can be taken during this phase,[39] and different modes of studying each, but we can broadly distinguish between four main pathways corresponding to different levels of qualification. Annual data from the DFE (2015) gives the best estimates of the proportion of each age group studying at each level. The median age of students leaving upper secondary education and training is 17, so it is best to use this age group to identify the proportions following each pathway (even though some may have been in different pathways at 16). Two pathways constitute what may be called 'full' upper secondary education and training—that is the one that meets the OECD's criteria for ISCED Level 3 (long).

The 'royal road' remains the A level academic pathway which included 43 percent of 17 year olds in 2014, enrolled, normally full-time, either in sixth forms, Sixth Form Colleges or FE Colleges. Compared with other pathways this one has the clearest identity and is still the best known to the public and politicians. A levels are still considered the 'gold standard'. Those of our interviewees who had followed this route, tended to describe relatively smooth transitions from lower secondary education into upper secondary with progression paths thereafter as fairly linear and predictable. They had quite clear goals, generally supported by high parental aspirations, and planned their routes towards achieving these goals. They were able to recall the successive steps in their educational journeys with ease, noting the names of the courses they followed and the grades they achieved. Overall, they possessed relatively strong identities as students following an established

and respected path, whose outcome was more or less predictable providing they worked hard.

In addition to the A level route—or sometimes combined with it—is the Level 3 vocational pathway which enrolled about 21 percent of 17 year olds in 2014. This pathway consists mainly of students studying full-time in sixth forms or colleges for long-standing vocational qualifications, such as the BTEC National Diploma, or on courses leading to the recently re-styled Applied General or more vocationally-specific Tech Level awards. It also includes a small proportion of apprentices and trainees taking Level 3 NVQs who enrolled in programmes organised by employers and private training organisations. Graduates from this pathway will either progress into higher education or go directly into the labour market. We may call this the 'higher vocational pathway.' This type of upper secondary education and training lacks the clear identity of the A level route, not least because it includes such a plethora of qualifications and different ways of studying. Nevertheless, its more prestigious qualifications, such as the BTEC National Diploma, and some Level 3 NVQs, such as City and Guilds qualifications, are well known and students generally have a clear vocational orientation. Some 25 percent of those gaining these qualifications make it into higher education.[40]

Taken together, these two pathways account for the two thirds of young people, most of whom achieve qualifications which will allow progression to further study or career path jobs.

There remains a third of young people who take other pathways which do not generally lead to Level 3 qualifications and which offer much poorer prospects of progression into further education or career path jobs. These include around 8.1 percent of 17 year olds who are taking Level 2 academic qualifications, such as GCSEs, or vocational qualifications such as BTEC Intermediates, now often re-styled as Tech certificates, who are mostly enrolled full- or part-time in colleges. Their courses are normally designed to last for one year or less, but many remain on such courses for several years.[41] A further 4.1 percent were taking courses leading only to Level 1 qualifications. In addition to this 6.9 percent are classified as being in 'work-based learning', who are mostly on Level 2 Apprenticeship programmes, and 7.5 percent in other private training. The majority of these two groups will not get qualifications above Level 2.[42] In addition to those above in education or training there were 5.4 percent of 17 year olds not in education, employment or training (NEET) and 3.6 percent who were employed but receiving no training. This latter group tends to move in an

out of education and so cannot really be considered to constitute a discrete pathway.

Together these two routes represent the least prestigious pathway through 16–19 education and training, including many of the most vulnerable students. Our interviewees who had taken this route tended to come from poorer families with more disrupted home lives and less parental support. Their goals were often not very clear and they often switched between different courses, or from a course to a job and then back to college, or in and out of education and NEETdom. Many courses were left unfinished and qualifications abandoned. What was most striking in young people's accounts of their studies was the sheer lack of identity and purposefulness of their studies. Most could not give the actual name of the qualification they were taking and were not sure where it would lead. For some young people the route is a stepping stone up to a higher level education and training but for too many it represents an early and undistinguished exit from the education system. The likely labour market destinations of students on these three different pathways are very different.

Almost all of those taking A levels and many taking general vocational programmes at Level 3 will now go into higher education or some form of tertiary education. For this group the employment prospects are still relatively good, although they may be declining in absolute terms. Tertiary educated adults are not all securing graduate jobs—in fact a recent analysis from the Chartered Institute of Personnel and Development,[43] based on European Social Survey data, suggests that between 2004 and 2010 58.8 percent of UK graduates were not in graduate jobs—the third highest rate after Greece and Estonia for all the countries in the survey. However, graduates still do considerably better on the labour market than those with lower level qualifications. OECD estimates for 2011 show that tertiary educated adults across the OECD countries earn on average 1.5 times as much as those with education only to upper secondary level.[44] This wage premium applies to both tertiary Type A (general) and tertiary Type B (vocationally oriented) graduates. Men in OECD countries with Type B tertiary education earn on average 26 percent more than those with only upper secondary education and women 32 percent more. Tertiary educated adults in the UK had a wage premium at the average for OECD countries. For most OECD countries these wage returns to tertiary graduates held up during the 2000s, but in a few countries, including the UK and New Zealand, there was a slight decline between 2000 and 2011.

Those on the higher vocational pathway will either go into tertiary education or enter the labour market directly and, in either case, are relatively better positioned to acquire good jobs than less qualified people. For those with a vocational Level 3 qualification as their highest qualification the wage returns are positive on average but quite variable depending on the qualification. Using LFS data for 2007, one study estimates that the wage returns to those with NVQ 3s, compared to those with only Level 2 qualifications, is 13 percent for males and 10 percent for females.[45] The returns for City and Guilds Level 3 qualifications are similar. However, some vocational Level 3 qualifications, such as BTEC and ONC/OND, shower higher returns. A later study finds average wage gains for holders of Level 3 vocational qualifications, compared to similar individuals qualified only to Level 2, of 10 percent for an NVQ Level 3, 16 percent for RSA Level 3 and 20 percent for a BTEC Level 3.[46]

Those on the lower status Level 2 route have much poorer job prospects. Level 2 vocational qualifications show much lower wage returns. According to one study, the return for those with NVQ 2 as their highest qualification, compared to those with only Level 1 qualifications, is nil for males and only three percent for women, although BTEC, City and Guilds and RSA Level 2 qualifications show somewhat higher returns. Likewise, another study finds that the wage return for those with Level 2 vocational qualifications, compared to similar individuals with qualifications below Level 2, is one percent for those with NVQ Level 2, 12 percent for those with BTEC Level 2, and 16 percent for those with RSA Level 2.[47]

Education and Jobs: The Declining Value of Qualifications on the Labour Market

Like their parents' generation, young people today are a far from homogenous group. Their lives are shaped by the different barriers and opportunities which they face according to their gender and ethnicity and social class background. This is reflected in the very different routes they take though an upper secondary education system in England which is exceptionally segmented.[48] Compared to their parents' generation, all groups have, on average, received more years of schooling and gained higher level qualifications but this does not necessarily translate in better job prospects.

Our own research comparing occupational destinations of people qualified to different levels in the mid 1980s and in the late 2000s, suggests

Table 2.1 Occupational destinations by level of qualifications: 28–32 years, 1992

	Professional and managerial (%)	*Associate professional and technical (%)*	*Clerical and craft (%)*	*Semi and unskilled and other (%)*	*Unemployed (%)*	*Inactive (%)*	*Missing (%)*	*Total % in each qualification level (%)*
Tertiary	42.7	26.1	9.2	8.5	3.3	8.9	1.2	20.5
Upper secondary	16.4	8.1	33.4	21.9	7.7	11.1	1.4	21.2
Apprenticeship	8.5	5.0	35.2	28.0	10.8	11.3	1.3	5.3
Lower secondary	13.1	4.3	28.4	26.6	6.0	20.4	1.1	21.7
Below Level 2	4.4	1.0	15.8	31.7	13.1	32.6	1.4	28.1
Other qualifications	9.8	4.6	14.8	37.4	10.7	21.9	0.8	3.0
Missing	0.0	5.3	21.1	31.6	10.5	15.8	15.8	0.2
Total % in each occupational category	17.1	8.7	21.9	23.7	8.2	19.1	1.3	12.17

that there has been a decline in the occupational status on average for people qualified at each level. Using data from the Labour Force Surveys, we looked at occupational destinations at 28–32 years of age by qualification level, in 1992 and 2015. We took 28–32 year olds since this is an age when most are likely to have reached a relatively stable career path, if they are going to at all. The 28–32 samples were divided into those with qualifications at five different levels: tertiary, upper secondary (NQF Level 3), apprenticeship, lower secondary (NQF Level 2) and below Level 2. Apprenticeship is taken as a separate category because of the discontinuities in what constitutes a completed apprenticeship between the 1980s, when most apprenticeships led to a qualification equivalent to what today would be classified as Level 3, and the 2000s when some 70 percent of apprentices only qualify at Level 2. We use a simple classification of occupational destinations into: (1) Professional and Managerial; (2) Associate Professional and Technical, (3) Clerical and Craft, and (4) Semi- and Unskilled. For reporting purposes here we combine (1) and (2) into a single category of 'graduate jobs'. The full data are shown in Tables 2.1 and 2.2 below.

Our analysis shows that amongst 28–32 year olds at each level of qualification occupational status declined overall between 1992 and 2015. This is most evident in the proportion of those qualified to each level who find themselves in semi- and unskilled jobs at age 28–32. The proportion rose between 1992 and 2015 from 8.5 to 14.7 percent for graduates; from 21.9 to 32.9 percent for those qualified to upper secondary level; and from

Table 2.2 Occupational destinations by level of qualifications: 28–32 years, 2015

	Professional and managerial (%)	*Associate professional and technical (%)*	*Clerical and craft (%)*	*Semi and unskilled and other (%)*	*Unemployed (%)*	*Inactive (%)*	*Missing (%)*	*Total % in each qualification level (%)*
Tertiary	44.5	18.2	12.1	14.7	1.8	8.6	0.1	44.7
Upper secondary	11.7	15.1	25.3	32.9	3.1	11.6	0.3	16.3
Apprenticeship	5.7	2.9	45.0	34.3	4.3	7.9	0.0	2.3
Lower secondary	8.2	11.4	21.1	33.8	5.7	19.4	0.5	14.6
Below Level 2	4.5	4.8	13.2	38.2	7.9	30.8	0.6	14.5
Other qualifications	5.3	2.8	21.7	45.0	4.2	20.1	0.9	7.2
Missing	9.1	13.6	13.6	9.1	4.5	36.4	13.6	0.4
Total % in each occupational category	24.2	13.3	17.2	26.5	3.7	14.8	0.4	59.8

28 to 34.3 percent for those with completed apprenticeships. Across these groups, an increasing proportion found themselves employed below their level of qualification and skill during this period. For those qualified at the lowest level, the proportion in low skilled jobs at 28–32 years also rose, from 26.6 to 33.8 percent, suggesting that over time fewer of these had been able to progress to jobs beyond their initial qualification levels.

Growing rates of over-qualification and under-employment are most evident amongst graduates. Whereas 68.8 percent of graduates in 1992 progressed into 'graduate jobs' by age 28–32, only 62.7 percent did so in 2015. Of those who did not, a larger proportion now found themselves in craft and clerical jobs (12.1 compared to 9.2 percent), and a much larger proportion than before were in semi- and unskilled jobs (14.7 compared to 8.5 percent). The trend amongst those with highest qualification at upper secondary level is slightly more complex. A slightly larger proportion in 2015 (26.8 percent) than in 1992 (24.5 percent) had progressed to graduate jobs, perhaps because of the rapid expansion of jobs classified as associate professional, and fewer were in craft and clerical jobs (25.3 compared to 33.4 percent), but the major shift was in the substantial rise in the proportion finding themselves in low skilled jobs (from 21.9 percent in 1992 to 32.9 percent in 2015).

The average occupational status of apprentices has also declined overall during the period. Considerably fewer apprentices are now

progressing beyond their qualification level (from 13.5 to 8.6 percent) and more end up in semi- and unskilled jobs (from 28 to 34.3 percent). But this does not necessarily represent an increase in 'under-employment' since fewer of the recent apprentices will have reached a Level 3 qualification level than in the 1990s. Also fewer of the former apprentices were now unemployed or inactive (from 22.1 to 12.2 percent). Amongst the least qualified (those with below Level 2) slightly more found their way into graduate jobs than before (19.6 from 17.4 percent) and fewer were unemployed or inactive (from 45.7 to 25.1 percent), the latter trend probably reflecting the increasing proportion of lower qualified women now working, albeit that many of these would be in part-time jobs. But more than before were now in semi- and unskilled jobs (from 26.6 to 33.8 percent).

These inter-generational changes in labour market outcomes for people qualified at different levels are quite substantial but they probably underestimate the real decline in labour market opportunities for young people today for two reasons. Firstly, the sample aged 28–32 mostly entered the labour market before the financial crash of 2008, when conditions were better than for young people entering the labour market after the crash. Secondly, since the LFS records all those working at least one hour per week as employed, the employment figures mask the increasing incidence of part-time working amongst young people, many of whom would wish to be full time jobs. We discuss this in the next chapter.

The Education Opportunity Balance Sheet

How can we summarise the intergenerational balance sheet on opportunities for young people in and through education? Opportunities to study for young people today are certainly much better than they were for their parents' generation. There is a greater range of provision and more support from governments for young people to take up these opportunities. Consequently young people have better qualifications than their parents had and inequality of opportunities and outcomes for qualifications appear to have reduced, at least at the upper secondary level. Many young people—and particularly young women and those from immigrant families whose parents had very few educational opportunities in their countries of birth—perceive this as a genuine improvement in opportunities over the generations.

However, in terms of future life chances this is something of a mirage. In the first place, while young people are better qualified and have a broader education than their parents had in many respects, in terms of competences in basic skills they fare no better than their parents and inequalities of opportunities for these skills are now much higher than they were. Education is, of course, not only about developing literacy and numeracy, but these skills do matter, and increasingly so in our digital age. Skills in numeracy are still one of the best predictors of future earnings. In the second place, it is clear that better qualifications amongst today's generation of youth are not necessarily translating into better job prospects. This probably has more to do with changes in the labour market than with the skills of young people themselves, even though the latter, in terms of literacy and numeracy at least, may have improved less than one would have wished.

Over the life course of today's youth, it is likely that those who are best qualified will attain occupational positions and earnings comparable to similarly qualified people in their parents' generation. However, the least qualified and most vulnerable on the labour market, and particularly those without a Level 3 qualifications, will almost certainly fair worse than their equivalents in the parental generation. So in life course terms it is likely that there will have been an overall increase in inequalities in socio-economic opportunities by educational levels amongst this generation compared with their parents' generation. Will this amount to an overall decline between generations in life course returns to education? The predictions of Brown and his co-authors with regards to returns from degrees suggest that this might be the case, but we cannot yet know for sure. The next chapter discusses what the existing data tell us about intergenerational trends in employment for young people.