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Witnesses: Professor Andy Green, Professor Paul Gregg and Professor Ken Roberts

USE OF THE TRANSCRIPT

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Members present

Baroness Corston (Chairman)
Baroness Berridge
Baroness Blood
Lord Farmer
Lord Holmes of Richmond
Baroness Howells of St Davids
Earl of Kinnoull
Lord Patel
Baroness Sharp of Guildford
Baroness Stedman-Scott
Baroness Tyler of Enfield

Examination of Witnesses

Professor Andy Green, Director, ESRC Centre for Learning and Life Chances in Knowledge Economies and Societies (LLAKES), Institute of Education, University College London, **Professor Paul Gregg**, Professor of Economic and Social Policy and Director of the Centre for Analysis and Social Policy, University of Bath, and **Professor Ken Roberts**, Professor of Sociology, University of Liverpool

Q28 The Chairman: Welcome to the second evidence session this morning of the Select Committee on Social Mobility in the transition from school to work. We are joined today by three eminent academics. I did say in a session we held previously that I did not know what the collective noun was for a group of professors, but whatever it is we are very pleased you are here this morning. I would just emphasise that this session is open to the public. A webcast of the session goes out live and is subsequently accessible via the parliamentary website. A verbatim transcript will be taken of your evidence and it will be put on the parliamentary website, but subsequently, a few days after this evidence session, you will be sent a copy of the transcript to check it for accuracy, and we would be very grateful if you could advise us of any corrections as quickly as possible. Finally, if after the session you wish to clarify or amplify any points that you have made during your evidence or you have any additional points to make, you are very welcome to submit supplementary written evidence to us. To start with, perhaps you could individually introduce yourselves before we move on to the questioning.

Professor Gregg: I am Professor Paul Gregg from the University of Bath. I am also a commissioner on the Child Poverty and Social Mobility Commission, which I just heard Nick Clegg talking about.

Professor Green: I am Andy Green, professor of comparative social science at UCL Institute of Education and director of the Centre for Learning and Life Chances.

Professor Roberts: Ken Roberts, professor of sociology at the University of Liverpool and researcher on young people's entry into employment since the 1960s.

Q29 The Chairman: Thank you very much. If I may start, could you tell us how you see the structural changes to the economy and the changing labour market affecting choices and employment outcomes for young people? You are very welcome to supplement each other's answers as you wish.

Professor Gregg: Young people are very susceptible to recessions, or to the economic cycle; their employment is very cyclical. When the last major recession hit, that prompted quite a lot of young people to stay in education longer because of the deteriorating opportunities within the labour market. At the same time we had the raising of the participation age, which is still working through. Those two things together substantially boosted educational participation. Whilst the economy is clearly recovering and employment is growing quite rapidly, young people still have an unemployment rate about four times that of adults aged 25-plus. We remain in a situation where young people's transitions from education into work are slow and erratic and where substantial groups have significant periods of time out of the labour market—NEET or what have you—before successfully making any kind of transition.

The labour market is also, in terms of its employment creation, being somewhat bipolar. We have strong employment growth at the top end of the distribution, particularly in research and professional type jobs, and we have strongish growth in the relatively low-qualified sectors, but a hole in the middle. In fact, it is a bit like the Nike whoosh, apparently, these days; rather than a U shape it goes down and rises rapidly like the Nike symbol. That means that graduate opportunities are growing quite rapidly but the number of graduates is also growing quite rapidly. Those two populations, if you like, are growing simultaneously, although there is a problem with those who graduated during the more depressed years; they tended not to move into the graduate labour market as richly because of the blockage in opportunities. Young people's transition from their first jobs up the career hierarchies has

also been blocked in this period, which means that a lot of people have been held back, if you like, by the lack of stepping-stone opportunities into the more progressive, affluent parts of the wage distribution. That is probably not going to be the case for the next arrival of young people, because of the improvement in the labour market. A cohort was blocked, but the next cohort will enter a much better circumstance and we will see much more progression. That would be my expectation.

Professor Roberts: I will not repeat what Paul has said, but looking back over a generation to when the parents of present-day 16 year-olds were 16, in 1985 there were no GCSEs; there were O-levels and CSEs. The careers service still offered careers advice probably over two years up to the age of 16, and there were still jobs, so employment, although diminishing, was still an option. At the time teachers and careers officers would see three broad routes ahead for young people at 16. One was A-levels. That was for the academic kids who did O-levels. Then there was full-time education involving other courses for young people who performed relatively weakly at O-levels or had done quite well at CSEs. Then there were training schemes. There was that hierarchy and training schemes were at the bottom. There were also some jobs, and pretty well any job was considered better than a training scheme, which was the one-year youth training scheme in 1985.

For the middle group, who were doing other types of education, it would depend on the job, but for those who could do A-levels and progress to university, that was probably what they would do, except that some of the jobs that were still available were traditional apprenticeships, which gave you opportunities to train and get qualifications that would take you to a professional level. I think you want us to discuss why that is no longer the case and what has happened to that middle group. There have been two other changes. The route ahead has become much longer—the time when you can expect to find a job in which you might build a long-term career has gone further and further ahead—and from the point of view of young people, all the steps that you can take have become more risky, partly because the routes have become much more complicated. It is impossible to say, “If you take this step, this is where you will end up”. Young people now, as in 1985, are not bothered about what it was like in the past. The present is always the normal. Young people, no matter how far back you go, have always wanted to do the best they can for themselves in the world as they find it. Some have wanted to change the world, but even so, assuming that the world does not change, they have also decided to take the steps that seem best for

themselves. Comparisons with the past they probably do not know, and if you tell them they do not care. People like us make comparisons over time, but young people, whether today or in 1985, never have. They want to know what the opportunities are right now.

Q30 Lord Holmes of Richmond: Good afternoon. The “missing middle” makes up between 40% and 50% of 16 to 19 year-olds. What particular challenges do you see for this group in accessing good-quality employment?

Professor Green: It is necessary first of all to clarify what this “missing middle” is. To me the different pathways through this transition period clearly involve one fairly distinct group, and that is the 43%-odd, as you know, who are going down the A-level track. Part of the middle is the 20%-odd who do a technical level 3 vocational qualification. Then you have this 20% or so who are doing level 1 or level 2 qualifications, a small number who are doing apprenticeships and a certain number who are NEET—of 17 year-olds it is about 8% now. The NEET category is continually overlapping—going in and out—with the level 1 and level 2 category, so to me it does not make much sense to treat them separately. Really you are talking about a vulnerable group, which is the group that are not getting a full level 3 qualification. That to me would include some of the people who are getting the less prestigious, less recognised level 3 qualifications, but most people who are doing a level 3 vocational qualification have reasonably good chances.

The vulnerable group are the people who are not getting a full level 3 qualification—who are getting the level 1s and the level 2s and various other qualifications that DfE cannot even identify and people they cannot track. There is a group here of about 35% who are distinctly vulnerable. We have looked at the recent OECD Survey of Adult Skills data and tried to compute what proportion of the English cohort of 25s to 29s do not have a full level 3 qualification. By that I mean, taking the OECD’s definitions, a level 3, which is “A”—academic—or “B” or “C” long—which means courses of two years or more, so substantially level 3. We found that about 30% of those 25 to 29 year-olds did not have that full level 3 qualification. This is the group that I would define as vulnerable. It is a rather larger group than is sometimes identified.

Just to make the comparison explicit with some other countries, on that definition we had the largest proportion of young people in that age bracket who did not have a full level 3 qualification across all the 24 countries whose data we had in that survey. It is quite a worrying situation in England. We only have the data for England and Northern Ireland.

Northern Ireland did rather better on this; the figures are more like 20% who do not have a full level 3 qualification. The problem for those who do not have a recognised level 3 qualification in our context is that many of the qualifications that we have at level 1 and level 2 are not worth very much on the labour market. They are not even understood very well. Many of the people in that category who are taking only those qualifications have relatively low levels of literacy and numeracy. I would add that because they have been in and out of different programmes—they have dropped in, they have dropped out, they have gone into NEET, they have come back, they have switched around an awful lot—they do not have a very clear sense of purpose or of what they are aiming at, and certainly do not have a very clear sense of professional identity. We interviewed 100 young people aged 20 to 22 and there were quite a few of them who had gone through this route—the level 1 and level 2 qualifications—and there was not a single person of the ones we interviewed who could name their qualification. What they were doing had no identity for them.

Professor Gregg: I totally agree with Andy there, but I just want to add one point. Compared to many other countries we do not have a system of progression through those levels, so you do not see people starting at level 2 and then progressing to level 3, and you do not see people at level 3 going on to level 4 and level 5 very often, or at least not within a continuous stream of study. We have a series of trains that are going to different destinations and then people get off; it is relatively rare for them to see further progression. That is one of the big things I would like to draw out as a problem: we do not have systems of onward progression for young people to go through levels 2, 3, 4 and 5 and onwards.

Professor Roberts: Compared with nearly every other European country, Britain's labour market is unregulated by law. With the exception of some occupations in medicine and law, there is no legal requirement that says, "You must have this qualification to be employed". Regulation has been between professional associations, trade unions and employers. They created what you now call the middle route by creating courses—City & Guilds, national certificates—that were routes into professions and into middle-level skilled types of employment. If you go back to the mid-20th century, less than 5% of young people went to university, roughly 40% went along what you would now call the middle route, and the rest got nothing after age 15. Since the 1970s, most professions have been "graduatised", so the route into professions now is through A-levels and higher education and the middle routes into them have been closed off. Occupations where entry was regulated by trade unions

have declined in numbers, and where the industries and occupations still exist the trade unions have become weaker. This weakens what you now call the middle route. It has never really been the middle. At one time it was middle and upper middle. Now it is middle and everybody who is not NEET. The problem is that it is no longer possible to say, "If you get this qualification, that will qualify you to do that job". Whether it does or not you just do not know. This is the nature of the labour market in Britain. If you look at most other European countries, there are firmer links between types of training, education, qualifications and employment. In Britain there are not, so a lot of young people, as you have said, get a qualification and cannot remember what it was. It is not worth the paper. The problem in the bottom group in Britain is that it is a great disadvantage to lack basic skills of literacy and numeracy. Somehow Britain now has a higher proportion of graduates entering the labour force than pretty well every other European country, but we also have more young people who lack basic skills. That is quite a remarkable performance. The reason is because it is demotivating from age 12 to age 16 to be aiming for a D. It means that you have failed. If you allow so many young people to be in that situation, they will be demotivated and they just will not learn. Enabling them to catch up after 16 will assist them if they get basic skills. It is the basic skills that matter. It is not a C. It is the wrong age to get it. This is the problem for our young people now who are going along this middle route: there are no guaranteed destinations for them and there is this great danger that you drop down into the bottom. This is because, as Paul has said, the occupational structure has become hourglass shaped. There are fewer positions in the middle, and there is the danger that you drop down into a position from which there are no ladders. You might find one, but possibly you do not and you become trapped at the bottom.

Baroness Berridge: On a point of clarification, Professor Green, when you talk about achieving a level 3 qualification, by what age do you mean: 24, or 18 or 19?

Professor Green: The proportion I gave you was based on the sample of 25 to 29 year-olds in the Survey of Adult Skills. It is what they have accumulated by their age within that age range.

Baroness Berridge: So that would really be the predictor. You want somebody by the time they have reached their mid-20s to be at that level 3 qualification level, and that is the indicator that you are really pointing to.

Professor Green: It is one way of measuring it, because we have the data across countries to make the comparison. It would seem reasonable to say that what is most important is that somebody reaches that level by the point at which they are entering the labour market or soon after they have entered the labour market, so it seems a reasonable point to take, yes.

Lord Patel: One of the things that it is suggested contributes to opportunities for upward movement is this so-called “opportunity hoarding”. Do you have a comment on what opportunity hoarding might be? If it is real, what can you do to remove it? It was said by one of our witnesses in evidence, Dr Abigail McKnight.

Professor Green: I listened to that earlier session and remember that discussion. Our education systems are about positional advantage now. Every parent and student is looking to do as well as they can, and the value of their education depends to a large extent on how well they do relative to others. There is an issue about systems that put a very high stress on choice, because it makes an awful lot of different strategies available to families at different points in the career of their children to get an advantage by making savvy choices and so on and so forth. I think your earlier speakers referred to this hoarding of advantages; it is basically people trying to make the best they can within the system. The more choices you give people in a system like ours, in some ways the more opportunity you allow for that kind of competitive behaviour within the system.

Professor Gregg: In our labour market, university attendance is the big access point that more affluent families try to get their kids to achieve, and it is worth a lot even if they are not that bright. However, as a country, compared to the more egalitarian in terms of social mobility, even amongst those with the same levels of qualifications—not with university qualifications or not below university qualifications—those coming from more affluent families succeed in the labour market more. There is evidence that people going to the same university and achieving the same degree and the same degree class come from more affluent families and are more likely to go into the professions early in their careers. For those who do not go to university but come from more affluence, there is still a massive relative wage gain from coming from a more affluent family even if you do not attend university compared to peers with the same levels of qualifications. That is what I interpret as your opportunity hoarding. There is a lot going on that is not the education system. The education system is really important, but it is not just there; there is a lot beyond that where affluent families are more successful in advancing their children. We do not know too much

about how it is achieved. We may think it is about language and communication skills. It may be regional accents, if you like. It may also be about social networks and getting your kids, through contacts and so on, into better careers and so on. In, say, the Nordic countries, getting to university matters a lot, but for those who get there it does not matter what your background is once you have made it, and if you do not go to university it does not matter what your background when it comes to your future earnings capacity. For given education, it is pretty well equal. Here, for given education where you come from is still a massive social gradient.

Q31 Baroness Blood: Thinking about the bottom group that you were talking about there, are there any active labour market policies that could be put to specifically to help that type of young person?

Professor Roberts: Yes. The great success since the 1990s has been apprenticeships, partly because traditional apprenticeships never died out. They were introduced as a logo for government-supported training in 1994. Apprenticeships are successful in terms of young people moving upwards and improving their earning capacity. It is not entirely the government scheme that did it, because apprenticeships were always there, but has now become a government brand name and the Government now promote them. If you can get more apprenticeships, this is good for these young people in the middle group, but they need to be real apprenticeships. The danger is that you trash the brand by applying the label to all types of training. From 1994, the number of apprenticeships was governed by the number of employers who wished to recruit and retain. The danger of saying, "We will have 3 million by 2020" is that the label becomes meaningless, like being a youth trainee. If we can get more genuine apprenticeships, this was very good for these young people.

Baroness Blood: How does a young person get into an apprenticeship if they lack basic skills? You said that for some of these young people numeracy and literacy is a big problem. They are not going to be considered for an apprenticeship.

Professor Roberts: The problem is that there is a shortage of apprenticeships. I know this is anecdotal, but I have a grand-daughter who has just done A-levels and I wanted to point out that there are opportunities other than university, so I went on the national apprenticeship website and looked at the apprenticeships that were available in the Merseyside region, where we are from, at advanced and higher levels. What were the alternatives to university for her? The number of apprenticeships available at those levels on Merseyside was nil. The

problem is that there are not enough. If at the local level or any level you can get more employers to create these routes again—it is a matter of recreating routes that were there in earlier generations—this is the best labour market policy that will help those young people.

Professor Green: I still think it would be right to say that even with an excess of apprentice places available there would be quite a lot of young people whose literacy skills and numeracy skills are not good enough to get the benefit out of a high-quality apprenticeship scheme. We know that we have a very long tail of low-skilled young people. Something like 25% of people in their early 20s score at the lowest level—one or below—again on the six-level scale of the OECD, when the average is 19% across the OECD. We have an exceptionally large number of people who have very low levels of skill, particularly in numeracy. One of the reasons for that is quite likely to be that until very recently—things are beginning to change now—there has been no mandatory element of learning English and maths in the further education and training curriculum. For a lot of people it has just not been there. We are quite unique in that respect. Almost every other country I can think of has a mandatory element of dedicated, classroom-based teaching of the national language and maths by teachers qualified to teach those subjects, and the young people at the end of their upper-secondary courses are assessed on those subjects, and since they are grouped awards, typically they will not get the award unless they have reached a certain standard. We just have not placed a very great emphasis on that until now in the vocational provision post-16. That needs to change, and it is beginning to change now.

Baroness Blood: These young people are in the education system for 11 years, from five to 16. What is missing that means that they come out at 16 and do not have numeracy and literacy skills?

Professor Gregg: There is a lot to be said here.

The Chairman: But no time to say it.

Professor Gregg: We are running short of time to say it. It is generally kids from more deprived families and deprived backgrounds who are not achieving these kinds of qualifications. London is a standout success in the improvement in educational attainment of poor kids. Birmingham and Manchester have also moved quite a long distance. All the evidence was that this was occurring in primary schools. Nick Clegg talked earlier about early years and stuff. That is probably overcooking it, but you certainly need to be getting there

before secondary schools. London's success is definitely happening in primary schools—in improving basic literacy and numeracy at those early ages to allow later learning. But it does not stop at 16. Andy is dead right: we have two big opportunities running now, which we need to build on. The first is this raising of the school participation age, which is now pushing up to 18 next year, which is enabling lots of young people to re-sit GCSEs, but we also need, as Andy says, to make sure that for those who are going into continued further education study, as opposed to A-levels, there are continued maths and literacy components within that.

The second is the traineeships programme that the Government are developing, which could be argued to be almost a pre-apprenticeship. It is taking those who do not have the kinds of qualifications necessary for entry. We are probably not talking about the very bottom but about the people who are sort of there but not quite, who can be pushed forward through that kind of programme. Crucially—I would emphasise this—we need the kinds of progression routes that we talked about at the beginning. The traineeships need to be clearly linked to progressing on to an apprenticeship and recognised routes for doing so, rather than, in a sense, a side line that people go along and do not come back from.

Q32 Earl of Kinnoull: I would like to go back to something that Professor Gregg was saying a moment ago and probe that a bit by asking the same question I asked of Mr Clegg. Considering the UK and its post-16 arrangements and your knowledge of the OECD countries, where do you put us roughly in the league table? Naming specific countries, who are you envious of and why?

Professor Roberts: If you ask, “Who has the best transition arrangements?”, everybody who does comparisons of transition regimes would say Germany. Agreed? I think so. I would also add that the communist countries of eastern Europe had decent transition regimes, because they copied Germany. You are either going to say that you do not want the context that made these regimes possible—communism—or we will decide that we are not Germany and we cannot do it. There are two systems that can broadly work. One is the continental system, best exemplified by Germany, where you divide young people into different tracks from age 10 in Germany but let us say 14—that is the most common age across Europe—and you give them all an appropriate curriculum on which they can succeed, so you do not have these young people aiming for a D; they are all aiming for a qualification that they can get. It would be very good if we could move to this. This is not reinventing the 11-plus, by

the way; it is going to a continental system. Or you can do it the American way, which is what we are moving towards, where you keep all young people on the same broad highway, and we talk about levels 1, 2 and 3 and some get there quicker than others. If you want to do that—I think we might well—you need to lower standards. I am not trying to get elected, but the benchmark has to be set at a level that pretty well all can attain. Some might leap ahead, but the benchmark of what they are aiming for in America is graduating high school. That is the basic attainment for getting into college, which nowadays two-thirds do. If you graduate high school, the bands play at the end of the year and everybody celebrates. Admittedly, 10% to 15% of young Americans drop out. They have a bottom end and it is concentrated among their ethnic minorities in the inner cities, so I do not want to say it is perfect, but both ways are better than the British way. We are especially bad—not a model to mimic.

Professor Green: I do not think that exhausts the best examples from across the world. Probably we would all agree that countries with dual systems of apprenticeships, such as Austria, Switzerland and Germany, have the best success rates in having smooth transitions into work and high youth employment rates and so on and so forth, and, according to our research, they also manage to reduce skills inequality during that phase more than most other countries, which is quite interesting, starting from quite a high baseline. But there are other models within OECD countries, and within European OECD countries, where the upper-secondary systems work quite well. These are countries that have highly structured, relatively standardised, school-based academic and vocational education, either in separated tracks, as is more typical, or sometimes, in some of the Nordic countries, in more comprehensive systems. This includes some of the central and eastern European countries. Some of these countries are relatively successful in getting young people into work afterwards, and several of the Nordic countries have low youth unemployment rates as well. A number of countries are rather successful in reducing skills gaps during this phase.

You have to ask what it is about certain countries that are able to achieve this with a school-based system, because a lot of countries with school-based systems are not very good at this. What I would say about the more successful countries, which would include countries like Norway and perhaps Finland, some of the central and eastern European countries that are rather good at this, and some of the east Asian countries that have rather effective upper-secondary education and training systems, is that they have fairly standardised systems, but the vast majority of young people do three-year courses that are either

academically inclined or vocationally inclined. They have relatively intensive provision: three years in which about 30 hours a week on average are spent in classroom instruction, compared with the 15 hours or so which a typical full-time student in further education in Britain gets. They have relatively simple, slim-lined and transparent qualification systems—not nearly as many and as complex a system of qualifications as we have—and the qualifications tend to be better understood. The structure of the systems, being more standardised, develop more normative expectations of all students. That would be my understanding of why they get higher graduation rates at upper-secondary: they have people staying on longer than we do and they get more people getting a proper level 3 qualification, which is really the necessary passport into the labour market now.

It is a different option from the apprenticeship option, which is arguably the best but is very hard to copy with our labour market conditions, but it is an option that works pretty well in several countries in getting young people into work and raising standards of literacy and numeracy and so on amongst the lowest-skilled. It is a different option for us, but there are exemplars of where this works.

Professor Gregg: I would like to add two things to that conversation. The first is that Switzerland and some other countries more recently—Belgium and Holland are moving in this direction—are moving away from the idea that you go into a track and you are on an apprenticeship route or a university route, but the apprenticeships can lead on to university and that is a recognised route towards university. It is not, “You are going here”. Germany still tends to be, “You are going this far”, and it is hard to go much further, but lots of other countries are trying to move away from that and are recognising that an apprenticeship-type route is a successful equivalent route into university to A-levels in this country.

The second point I wanted to make is to think about what the ingredients are in these models that work rather than just talking about the countries. What the apprenticeship route offers is a combination of improving functional skills, a recognised qualification, an experience of working with employers or being in an employment relationship, which employers value, and a system of contacts and networks with which you can find employment if that employer does not keep you on. That is a basket of what this kind of route offers. If we are thinking about it, we might try to think of what ingredients we can get from that basket within our kinds of systems—the traineeships or what have you. Rather than saying, “Let us follow Germany”, we could say, “This is the basket that we need to put

together". You need the qualification but you also need improvements in functional skills—literacy and numeracy—alongside it, and you need that work experience or employer experience. Employers will tell you again and again how they find young people difficult to manage. They are just not socialised in the world of work, in a sense, when they first arrive and employers find it difficult. Apprenticeships break all that open and establish the contacts, the networks and the experiences that employers value. We should be looking at how we build those experiences for young people.

Q33 Baroness Sharp of Guildford: Picking up on that particular point, do the panel think that if we had we implemented the Tomlinson report, we might have moved in that direction? Should we be thinking of that broader type of curriculum for our young people? Can I also take up this question? We have a cohort of youngish people who, quite frankly, do not have the qualifications that they require to be successful in the labour market. I believe that I am right in saying that the LLAKES research has indicated that in other countries these inequalities can be mitigated by further learning. How far do you think that in this country the system of being able to develop your skills through your 20s is sufficient? Should we be looking to that as well? Should we be looking to improve the ability of young people in their 20s—and 30s, for that matter—to supplement their qualifications?

Professor Green: It is always important. The UK has always done relatively well in adult training and adult continuing education, and that tradition goes on. It has suffered under cuts and so on to some extent, but relatively speaking we have quite a good record on adult training and adult continuing education. When we made this analysis recently of the OECD data from the Survey of Adult Skills and found that skills amongst adults in England are more unequally distributed than in most other countries, excepting a few other English-speaking countries, we looked at whether the adult learning could be contributing to those rather high relative levels of skills inequality. We could not find any evidence of that at all. Nor did it have anything to do with differences between age groups, which might explain it, or with the skills of adult migrants. Our conclusion was that the relatively high levels of inequality, both of opportunity and of outcomes in literacy and numeracy skills in England and Northern Ireland, which was also in the survey, are largely a result of very unequal outputs relatively from the education systems over the last 50 years. These inequalities relative to other countries are greatest in numeracy and greatest amongst younger people. In numeracy, for people around 25 years old, we had the widest distribution in scores of any country, and the

influence of social background on achievement was also one of the worst of any country. This is quite an exceptional thing about some English-speaking countries, particularly England and the US. Other countries in the UK are not much better in this respect, but they are not all in the survey. It would appear that the upper-secondary systems exacerbate this. There were some countries in our survey that seemed to reduce skills gaps during the upper-secondary period between years 15 and 25, say. These were the countries with dual-system apprenticeships, interestingly, from quite a high baseline, but they managed to reduce social gaps in skills and the width of the distribution of skills. Some of the central and eastern European countries, east Asian countries and Nordic countries that had these relatively standardised, highly universalised, school-based upper-secondary systems were doing this as well.

Baroness Sharp of Guildford: The question I was asking was whether our adult training systems can mitigate the inequalities that emerge out of the schools system.

Professor Green: They can and they do.

Baroness Sharp of Guildford: We have seen a substantial drop in the number of adults participating in adult education in this country.

Professor Gregg: I think Andy's point—and I think it is right—is that our big weakness is among people aged 16 to 25. The gaps widen massively within that period in the UK compared to most other countries. Beyond that, the investments are generally fairly low and infrequent. Yes, there are people who come back and do Open University—I was one of those second-chance people—but it is relatively rare. We are trying to emphasise that 16 to 25 is the crucial period that we are not getting right.

Professor Roberts: On the Tomlinson report, I would say yes and yes to your questions. We should have done it in 2005 and we should still do it now.

Baroness Sharp of Guildford: The problem of demotivation that you identified is one that we have been grappling with for a very long time. In many senses, Tomlinson was set up to try to do something about that.

Professor Roberts: Yes, exactly. We should make something of our strengths. I do not think you can regulate the British system in the manner in which other countries can, but it is incredibly flexible and people can learn new things at any time in life, as I know. People can learn at any age. It is important that they get basic skills when they are young. Just look at the number of apprenticeships that have been created for adult workers. I do not complain

about this. If you have a demand for labour from employers, they will recruit and they will train, and people can learn skills and pick up qualifications at any age, and they will do it; they will be motivated if the opportunities are there. We do have this problem with the structure of the labour market, where there are a lot of jobs that are low-level, low-skilled and low-paid, in which training is minimal. If you could go back to genuine full employment, the same thing would happen to these jobs as happened to the dead-end jobs of the 1930s after the Second World War. You have to create more attractive opportunities, including opportunities to get on, in order to hire young people. But I calculate that we are about 8 million jobs away from that at the moment and it will be very difficult to get back to it.

Q34 Baroness Berridge: Can I just pull you back to a comment you made about the social networks and work contacts of apprenticeships? You have identified for us the two groups: one who get the level 3 qualifications and one who do not. Is it just the lack of qualifications that is affecting this group and their social mobility beyond that? We have heard a lot about social networks in terms of law, the professions, internships and so on. Have you identified this factor for these two groups as well in terms of their progression?

Professor Gregg: Yes. Work experiences are valuable and valued by employers. If they are looking to hire, if they see people who have work experience, that is valuable. If they can see a good reference from another employer, particularly if they know them, that is worth acres compared even to GCSEs. It is really valuable. You start to know who the employers are as well. If you are working in an area in an apprenticeship, you know who is recruiting those kinds of skills and so on and so forth. It is not peculiar to apprenticeships; it is just that work experiences are valuable for young people in the labour market. The transition is difficult and it is valuable to be able to give signals that are positive to employers. Employers like listening to other employers' signals rather than those from schools, which they do not necessarily think of as being particularly strong signals, other than some recognised qualifications. Other routes through which you can give work experiences to young people alongside functional skills and qualifications are valuable. That is, in a sense, what we need to be thinking about here.

Baroness Berridge: Are these open, or is it a matter of the informal networks that give you the contact?

Professor Gregg: A lot of it is informal, yes.

Baroness Berridge: Is that a problem?

Professor Gregg: Yes, it is. Knowing people is how you get round it. If you work in an organisation, you have not just family networks but work-colleague networks. The people you are working with are people who have already done it. The people who have made transitions themselves can put in words for you and so on and so forth. That is why it is very hard for kids who are trying to find work in depressed labour markets where they do not have those experiences to put on show when lots of other people—older people—have.

Baroness Howells of St Davids: Listening to what all of you have said, it seems to me that we are blaming the students rather than the people who are supposed to educate them. I just wonder whether I am misinterpreting you or whether there is something in the teaching. From poorer countries, less money and less availability, lots of kids do make it and do take the jobs. I just wonder what is happening with the teaching in the schools. Do they have too low expectations? What is going on?

Professor Roberts: I do not know what is going on in London exactly, but a lot depends on the opportunities in the labour market. There is London, which is buoyant. If you are in Liverpool, it is different. If you are in a quite small town in the north-east it is different again. How motivated young people are very much depends on the opportunities that they can see ahead. I would just add in relation to work experience that we used to have a careers service that could organise it for everybody until they were 18.

Professor Green: Young people are more inclined to stay on at school for longer than ever before and they are more inclined to chase qualifications. It would be very hard to say that this generation of young people going through their transitions now were not motivated and keen. On the whole they are an exemplary generation.

Baroness Howells of St Davids: It is the routes in that I am interested in. You do not build up the networks that you talked about if parents and friends do not have them. I just wonder how the school is helping that. How are the careers services—whoever they are at the moment—doing? I feel that a lot of it is about the young person's lack of interest.

Professor Green: There is a lot of research that points to the importance of networks, trust and local communities, which is generally called social capital, in helping people to get jobs. There is an awful lot of evidence for that. In some areas these networks that used to exist I think we have to agree are breaking down to some extent. In some rather poorer communities, networks of influence among skilled workers where those labour markets are hollowing out to some extent are probably not as good for a lot of young people as they

might have been 20 or 30 years ago. That is probably another disadvantage that they face—some more than others—in addition to all the problems of the poor labour market situation, the appalling housing situation and all these other obstacles.

Professor Gregg: Again, lots more could be added there. The first thing is that there are parts of the country where things are improving and have improved a lot, and that says that it can be done. London, Birmingham and Manchester have moved, so we have models, in a sense, of things that have made big improvements in educational attainment for deprived kids.

The second point I would like to add is that schools are focused on qualifications, not on the employment opportunities that follow afterwards. They have no interest in that. It is not part of their *raison d'être*. The careers service point has been made already. There is a lot more that we could do to try to make schools think more about employment, not just qualifications. We have league tables for loads of stuff. We can have league tables for employment rates of people beyond school. The employer-educational linkages are almost non-existent in this country. My daughter has just done a week's work experience, and that is all she will encounter, typically, until she leaves university, if she goes there. Young people are not working Saturday jobs at 16 and 17. It has gone right through the floor. The level of work experience that kids have by the time they are 18 is vanishing before our eyes. The schools not being focused on it, the kids not getting it via other routes and the employers not being involved with schools all just sounds as though we are missing something here, which is not about the kids' ambitions or abilities or whatever but about the blockages or the lack of connections and experiences for young people.

Lord Farmer: Just picking up on that, there has been some noise about having too high standards and lowering standards. We have too many graduates, and they are having to borrow money to pay for their further education. There was a headmistress of a girls' school here—a very high one—saying that her girls were thinking of going to straight to work at 18. This whole area could be growing. That is what we are studying here: this transition from school to work. What would you say are the main elements of a successful transition system for school leavers into the workplace? Could these be embedded in the UK system? What would you recommend? What would the potential challenges be of implementing such a system?

Professor Roberts: For the middle group?

Lord Farmer: Yes. We are talking about leaving school at 18 and going into work.

Professor Roberts: Implement Tomlinson. Have a route through education where these young people can succeed. At the other end, get more apprenticeships and get employers involved in recruiting and training young people. In between, have work experience and a careers service that can advise young people and guide them through this. That will work in Britain. We cannot be exactly like Germany or anywhere else, but those are the three things that I would do in Britain. It will not work for everybody, but it will be better than it is now.

Professor Gregg: I have already talked about that basket of what you are trying to put on the table, so I will not repeat it. It is apprenticeships and we should be looking at traineeships as offering that basket of experiences to young people. The additional point is that we should be pushing aggressively for the return of non-graduate routes. Most accountants used to be non-graduate A-level kind of people studying, and it has disappeared. In early-years child education, we have a system where you have to have a person who is a graduate trained teacher parachuted in and there is no route of working through, so you can be at level 2 or level 3 as a young person going into childcare but you cannot go up higher unless you go off to university. There is no non-graduate route. There is a huge range of potential professions and higher-level jobs where we could rebuild non-graduate entry or, as I said, apprenticeships that lead on to going to university so there is more than one route. It is not just university to profession but you have two other routes: you can do the non-graduate route or you can do an apprenticeship and then into university as a recognised route. If we can build those other two routes, they will work a lot better for the young people in the sense you do not have the first round of educational success. They will work for people to get there a bit later.

Q35 Baroness Sharp of Guildford: You have talked about Manchester and Birmingham and so forth, but how far do you feel that working at the regional level and picking up, for example, the local enterprise partnerships and integrating the schools and colleges to a much greater extent into their local communities through such things would be a successful route?

Professor Gregg: Absolutely central. We have local authorities who are responsible for knowing where the kids are, even though they do not half the time. The schools do not know where the kids have gone on to. We have no tracking system, unless you are doing A-levels and university, so that somebody knows where the kid is and, if they are disappearing, that

there can be interventions of the kind that Baroness Stedman-Scott does with her organisation to try to bring them back. You need a system that brings the employers and the schools closer together and to offer the traineeships and the careers service. I would strongly advocate something along the lines of a local transition partnership of schools, the local authority, employers and the FE sector, who know where the kids are and work with them, track them and nag them if they are disappearing, and making sense of the complexity of the system. We need something akin to a UCAS system—a clearing system—to go into non-graduate type qualifications. “This is the range of qualifications and places. This is how you apply for them”—something that works along the lines of what UCAS does successfully for the graduate routes, available locally.

Baroness Sharp of Guildford: One of the problems that we face with the LEPs is that they cover sometimes enormous areas. There is one that covers the whole of Kent and Sussex, for example. I live in Guildford and we fall right at the edge of the M3 LEP, but there is very little, really, that links us in Guildford with Basingstoke, Southampton and so forth. How far are the LEPs local enough? You have the metropolitan communities, which work, but when you are outside the metropolitan communities you need perhaps a variable centre of the community. LEPs are not always necessarily the right organisation.

Professor Gregg: I genuinely do not know what the right level of geography is.

Professor Roberts: Look at what employers are doing: Ernst & Young, British Airways. Investment bank JP Morgan has halved its intake of graduates and replaced them with apprentices, which it takes at 18. These are people who could have gone to university. They get applicants from all over the country; they do stretch out. This is one of the strengths of our system. Employers now, because university is expensive and risky, find that they can recruit very well qualified 18 year-olds, and they are going to do it. This is one thing that will happen. Government does not instruct them to do it. Schools are very successful at the moment at plugging into universities, but they also need plugging into employers locally, regionally and nationally. Again, it was helpful when we had a careers service to help them.

Baroness Stedman-Scott: We have got the message.

Q36 Baroness Tyler of Enfield: We have already covered some of the aspects of the question I had wanted to ask, which was about the factors that government should take into account when coming up with policies to improve social mobility and particularly

employment opportunities for school leavers. If you have anything to add there, please do, but you have already given us your ingredients and everything.

Then, just to introduce a slightly different element, I would like to focus on whether you think that the Government, as some people have suggested, also need to address directly some of the factors that limit downwards mobility. There is this issue of there being only so much room at the top. I know it is a very contentious issue. Do you have any thoughts about whether policy should actively intervene in that?

Professor Green: It is right to curtail the rampant spread of internships and so on that are based purely on networks and so on, because this is the kind of extra-educational channel through which advantage is exercised in getting better positions. The idea that you can only get into certain professions, as in the media, through internships for which you will not be paid and which only those who have wealthy parents can access is appalling for social mobility. I do not quite know how you tackle that, but it is clearly not a good development that this way into work is spreading like wildfire and becoming a new avenue for the perpetuation of advantage through generations. That needs to be tackled, I would say.

Professor Roberts: I do not think that there is much you can do to change what we would call the rate of relative social mobility. How do you prevent parents doing all that they can for their own children? Sometimes new regimes come to power and shoot the existing elite. That works, for one generation. How do you change social mobility? None of us who study it knows. It does not change much whatever you do. The basic problem is that parents who can do so will pass on whatever advantages they can. Incidentally, in the middle of the class structure, the self-employed are a group with a surprisingly high degree of intergenerational continuity. How can you stop that? You cannot stop that, can you?

Baroness Tyler of Enfield: I recognise that other countries have very different labour market structures, different systems and all that, but are you aware of any attempts in other countries to do anything about the downward mobility as well as the upward mobility?

Professor Roberts: China had a good record in the 1960s.

Professor Gregg: The answer is essentially no. We and the US are some of the worst countries, so in a sense we have the problem. Other countries do not have the problem to the same degree, so they do not perceive it essentially as a priority to address. Brazil and some other Latin American countries do. Just to push it the other way, you cannot, in a sense, stop the parents trying to use what advantages they can, but you can talk to the

employers about their recruitment practices—internships and other kinds of things—and get them to recognise an issue. We at the commission are encouraging professions to look at the social background of their recruits and at the universities that they are recruiting from to open the door wider and to know and be aware of what they are doing. To be slightly controversial, the Civil Service needs to do the same, particularly at the fast-stream level. The university entry route into the fast stream of the Civil Service is incredibly narrow. All the kids come in with 2:1s from decent universities, but social background is still kicking massively. These kinds of things need to be exposed and recognised and thought given to how to deal with it. As has been said, lots of employers are thinking about it and then trying to offer non-graduate routes as an alternative, or pre-courses, pre-training exposures and open internships that are based not on networks but on competition. If you get employers to engage with it, think about it and recognise what they are doing, often without thinking or subliminally, then you can get some change.

Q37 The Chairman: Finally, could I have a one-sentence response from each of you to this question? Given that we are looking to improve upwards mobility, employment outcomes and opportunities for school leavers, what one key suggestion would you make that would advance the cause? You might just want to say “implement Tomlinson”.

Professor Roberts: I have three, but of those—

The Chairman: Okay, give us three.

Professor Roberts: I would say Tomlinson has to be the first. You have to start at the younger end. If I can only have one, it is Tomlinson.

Professor Green: Find the funding for the expansion of high-quality apprenticeships. Alison Wolf’s proposal for a new training levy on companies is one way in which you might achieve an expansion of high-quality apprenticeships rather than the mixed bag we have now.

Professor Roberts: That is my number two.

Professor Gregg: Yes, plus we need to bring a coherence to the non-A-level post-16 route. Apprenticeships are part of that, but there just is a lack of coherence to it. The Government have lots of initiatives but they do not yet have a coherent structure in which to place those initiatives.

Lord Holmes of Richmond: Was that your number three?

Professor Roberts: No. Number three was careers guidance.

Professor Gregg: Which includes careers guidance.

The Chairman: Thank you very much. This has been a very interesting session and very useful to us. I will draw the session to a close giving you our thanks.