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Covid-19 and Apprenticeship Policy for Ethnic Minority Young People

Ken Clark and Steve Nolan

Key points

- **Despite some growth in the number of apprenticeship starts by ethnic minority learners, their representation relative to the secondary school population remains low.**
- **Much of the growth in apprenticeship starts in the past decade has been driven by older apprentices.**
- **Ethnic minority apprentices tend to favour certain sectors: health, public services and care; business, administration and law.**
- **White apprentices are more likely to complete the training than their counterparts from ethnic minorities in all sectors except for hospitality.**
- **Following the COVID-19 lockdown, vacancies for apprenticeships fell dramatically, including in those sectors favoured by ethnic minority learners.**
- **The government's Kickstart programme runs the risk of undermining the push for greater ethnic minority representation in apprenticeships.**

Apprenticeships have been a key element of employment policy for UK governments of both main parties for the last three decades. Specifically targeted at school leavers without the qualifications to pursue an academic route, they are thought to be a powerful lever to improve intermediate skills and bring the UK's approach to training into line with that of other industrial countries. The costs of training are generally shared between trainee, employer and government. Under the most recent scheme, the Apprenticeship Levy introduced in 2017, UK employers in all sectors are charged 0.5 per cent on pay bills over £3 million (HMRC, 2016), part of a shift towards more skills-based training that is focused on the needs of the employer.

A step change in the number of apprenticeship starts – defined as the number of apprentices starting a new programme – came about with the creation of the National Apprenticeship Scheme in 2009. Starts increased from 279,700 in 2009/10 to

457,200 in 2010/11. Soon after this, the newly formed coalition government met its own target of 50,000 more apprenticeship starts for people over 19 in 2010/11 (Mirza-Davies, 2015). Part of the story of this rise is an increase in the proportion of ethnic minority apprentices. Starts in this group grew from 8 per cent of the total in 2009/10 to 10 per cent in 2010/11, and since then the proportion has risen to 13.4 per cent. While this compares favourably with the proportion of the UK population from ethnic minority groups (14 per cent; Gov.uk, 2020b), it is much lower than the proportion of pupils from these groups in secondary schools (25 per cent; DfE, 2019).

The transition from compulsory education for young people from non-white ethnic backgrounds presents an interesting and complex picture, and apprenticeships need to be understood in this context. School leavers from ethnic minority groups are more likely than their white counterparts to enter higher education (Gov.uk, 2020a); however, younger ethnic minority members of the workforce are more likely to be unemployed (DfE, 2019). There is therefore, potentially, a role for apprenticeships in providing a range of pathways into work for disadvantaged groups. Currently, that route does not appear to attract ethnic minority learners in the numbers we might expect. Numbers of applications from ethnic minority groups are strong – applications sat at between 20 and 25 per cent of the total in the early 2010s before rising to a remarkable 40 per cent in 2014 (DfE, 2018b). But according to our analysis of the Labour Force Survey, from 2015 to 2020 the proportion of working-age respondents in training or education on either a full- or a part-time apprenticeship scheme was 11 per cent for white learners compared with 4.6 per cent for ethnic minority learners. This contrasts strongly with data on the proportion of people in some form of education or training in the working-age population. Only 7.7 per cent of people in white census groups are in this category compared with 9 per cent of Indian or Black Caribbean people and 19 per cent of Black African or Chinese individuals.

Given this, improving the take-up of apprenticeships among disadvantaged groups in poorer areas has become a focus of government policy and part of its Social Mobility Action Plan (DfE, 2017). In 2017, while announcing a target of three million

apprenticeship starts by 2020, the government also committed to raising the participation of apprentices from ethnic minority backgrounds by 20 per cent (HM Government, 2015). While what was meant by participation was left unclear, a further increase in ethnic minority apprenticeship starts did follow – to 13.4% by the first quarter of 2020/21.

While the archetypal view of an apprentice is a school leaver, in practice most of the growth seen in the 2010s came from starters over the age of 25 (Mirza-Davies, 2015). This trend is equally true of ethnic minorities – in 2018/19, across all ethnic minority groups the highest proportion of starts was among those over 25. Those of mixed ethnicity and Pakistanis made up the largest groups of starters in the under-19 age category, although they were well represented in all age groups; Black Africans were much more likely to start an apprenticeship in early adulthood rather than directly after school.

This disparity across age groups remains despite government intervention. Beginning in 2012, the Apprenticeship Employer Grant for employers of 16- to 24-year-olds paid small businesses £1,500 to hire a young apprentice if they had not previously done so (SFA, 2017). Similarly, traineeships, which provide education, training or work experience to give young people the skills to gain an apprenticeship or another job, were introduced for the under-25s in 2014 (Gov.uk, undated). These interventions appear to have been unsuccessful, with over-25s making up 45.6 per cent of starts in 2018/19, up from 43 per cent in 2014/15. Ethnic minority over-25s are even more over-represented, with the proportion increasing from 52.6 per cent in 2014/15 to 55.5 per cent in 2018/19. It appears that apprenticeship policy is still failing to attract younger cohorts for ethnic minority groups.

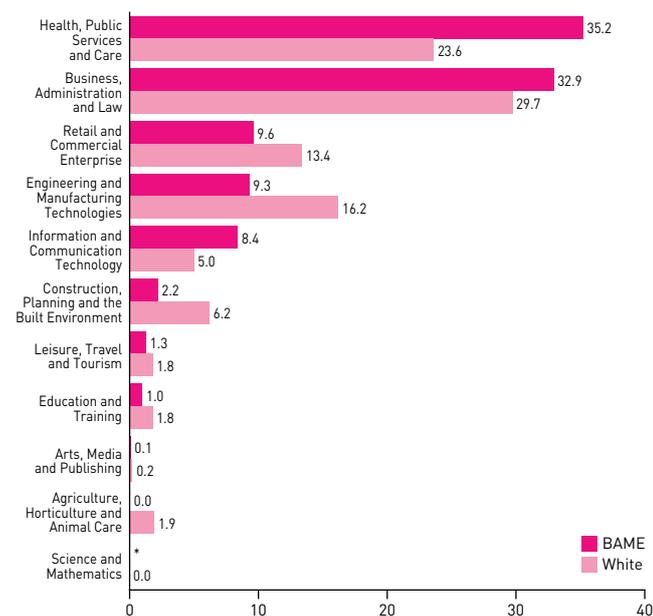
The traditional view of apprenticeships as a male domain no longer holds true: 2018/19 starts are close to gender parity

for most groups. Black African, Black Caribbean and Chinese starters are all more likely to be female than male, with Chinese women making up double the proportion of Chinese men – although the overall numbers are very small. Only among Bangladeshi starters are men better represented than women. These effects result from specific policy focus in the 2000s aimed at reducing gender disparities (Williams et al., 2013) and stand as evidence that sustained well-targeted policy can help to reduce inequalities in training provision.

Apprenticeships are offered across many different sectors of the economy (DfE, 2018a). Figure 1 shows the representation among starts across sector subject areas. Ethnic minority learners make up a higher proportion of starts in three sectors: business, administration and law (BAL); health, public services and care (HPC); and information and communication technology (ICT). These patterns are similar to patterns of employment in the economy, where there is strong ethnic minority representation in healthcare and the public sector, but they also reflect patterns of demand for higher and further education, where business and IT qualifications are sought after by students from ethnic minority groups.

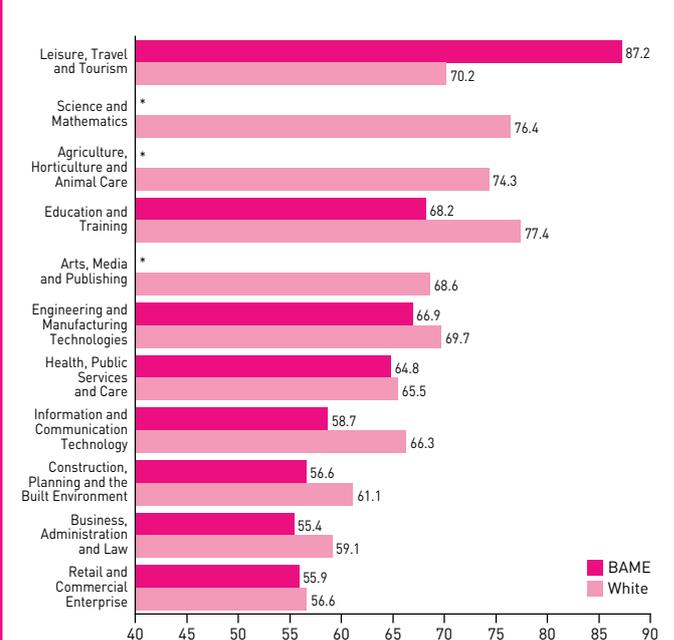
Figure 2 shows, by sector and ethnicity, the proportion of apprenticeship starts that lead to a successful qualification. Starting but not completing an apprenticeship programme has limited value both for the individual and in terms of increasing national skills levels. As in other aspects of the labour market and in education, there are ethnic differences in apprenticeship outcomes. In 2018/19, with the exception of the Chinese and Indian groups, every minority group had a lower achievement rate than white groups. As well as being over-represented in apprenticeship starts, white groups have a lower rate of drop-out from apprenticeship programmes across most sectors. While all sectors have relatively high drop-out rates overall,

Figure 1. Percentage of total apprenticeship starts, by sector and ethnicity (2018/19)



Source: DfE, 2020a

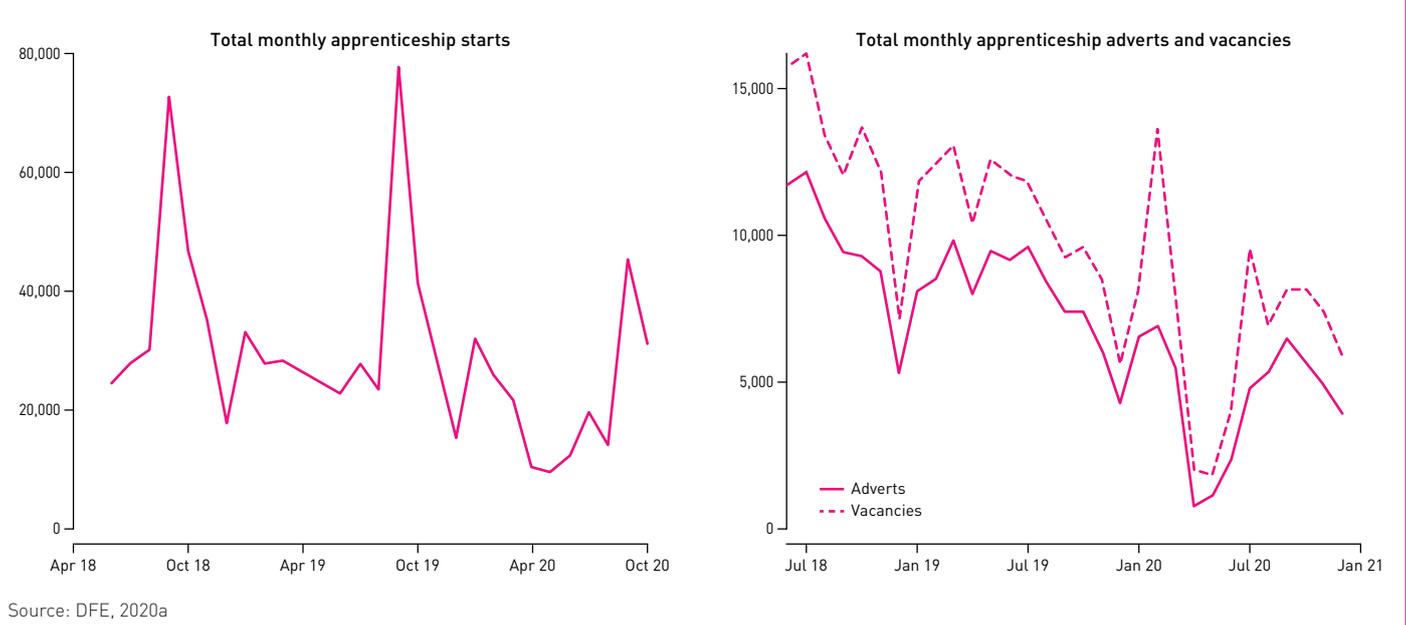
Figure 2. Overall apprenticeship achievement rate (2018/19)



Source: DfE, 2020b

*The absence of a value is because the data is restricted in the publicly available dataset to avoid the risk of disclosure due to the very small the number of BAME apprentices in this sector.

Figure 3. Total monthly apprenticeship starts, adverts and vacancies



ethnic minority groups in BAL and ICT have a completion rate lower than that of white groups by roughly six and eight percentage points respectively. HPC completion rates for ethnic minority starters are only slightly less than those for white starters. The notable exception to this overall pattern is the leisure, travel and tourism (LTT) industry, which has an 87.2 per cent completion rate for ethnic minority apprentices, 17 points higher than that of their white counterparts. This difference is driven by Black African, Black Caribbean, Mixed and Other ethnicities.

Judged on this evidence, apprenticeships are struggling to achieve the hoped-for outcomes for ethnic minorities. The representation at the level of starts broadly mirrors the wider labour market, suggesting that the recruitment process alone is not rectifying existing imbalances. More concerning, the picture painted by the achievement statistics shows that once in apprenticeship programmes, ethnic minority participants are less likely to reach the end of the training, suggesting that the policy may be widening rather than narrowing existing labour market inequality. That the only sector to buck this trend is leisure, travel and tourism raises concerns about the impact of COVID-19.

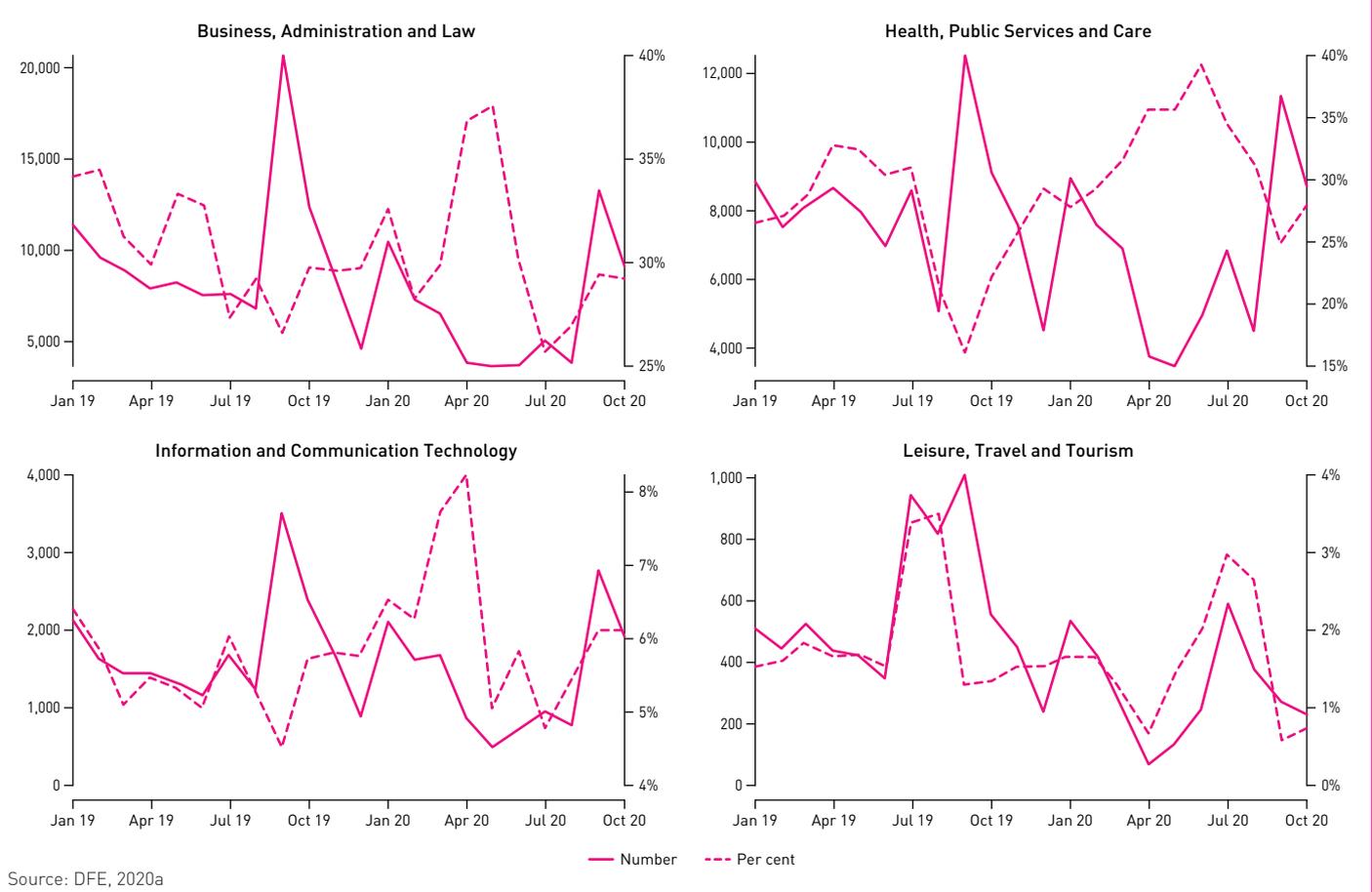
The impact of the government-imposed shutdown in the face of the coronavirus crisis can already be found in the apprenticeship statistics. Figure 3 shows a noticeable drop following the initial lockdown both in the numbers of starts and, further down the pipeline, in the number of adverts and vacancies on the Find An Apprenticeship website. These drops go beyond the usual cyclical fluctuations, marking a noticeable fall in supply of apprenticeship opportunities compared with the same point in the previous year. There is some evidence that the loosening of the lockdown unshackled some employer demand for apprentices, with all three measures increasing rapidly in the summer. It is not yet clear whether the falls we see from late 2020 are due to the second lockdown or are normal cyclical movement.

As could be expected when large swathes of economic activity are shut down, this drop is seen across all sectors (Linford, 2020). The two biggest sectors, BAL and HPC, both register large falls in starts, with HPA going from 7,000 to 4,000 starts between March and April – half the number of starts for the same point in 2019. For ICT, the numbers of starts are just over half of those from the previous year. LTT starts fall to exceptionally low levels in April 2020. This shows that apprentices in certain sectors saw their options severely limited, at least in the initial complete lockdown (see Figure 4).

As an industry, LTT had its doors shuttered – hotels, resorts and travel destinations do not lend themselves to the Zoom economy that sprang up in response to the COVID-19 regulations. There is some evidence that the government’s commitment to reopening the hospitality sector (HM Treasury, 2020) once the initial wave of the virus was considered to be under control bore fruit, with starts beginning to recover in in May, June and July. However most of these gains were reversed in the next quarter, suggesting that apprenticeship activity in the hospitality industry is suffering in line with the sector as a whole. ICT, HPA and BAL follow the same tentative recovery pattern, but the level of starts does not reach that seen previously in any of the sectors. What is clear is that in the face of a national lockdown the opportunity to start an apprenticeship falls rapidly. Given that there have been a further two national lockdowns since these figures were recorded, one would expect this restriction to be repeated.

The implications for ethnic minorities are still unclear, given the high level of uncertainty this crisis produces on an almost daily basis. The data we do have suggests that policymakers should be concerned about the risk of widening inequality. Business, administration and law is one of the big hirers of apprentices, but many firms in the sector have been forced by the crisis to move their workforce out of the office and online. What implications does this have for apprentices? The government advice to firms is to provide training remotely if possible (DfE,

Figure 4. Monthly apprenticeship starts by sector subject area, 2019/20



2021a), and while that may suit some in the sector, there is a question as to benefits to both the firm and the apprentice of this form of delivery. Is there an incentive for firms to find more efficient ways to train and hire younger employees? An optimistic reading of the plateaued start figure for BAL from spring to early summer is that firms paused apprenticeship hiring until they could either figure out the best way to deliver online training or safely welcome apprentices into the workplace.

Online provision of apprenticeship training may work for certain sectors, but on-the-job training in sectors such as the hospitality industry requires in-person interaction. The news regarding the UK hospitality industry continues to be grim, with large job losses announced on a regular basis. A recent report from Oxford Economics (2020) predicted a third of jobs in the pub sector were in danger. While not the largest sector in attracting ethnic minorities, hospitality has proven strong in retaining apprentices. The effects of COVID-19 endanger this route to success for young members of ethnic minority groups, and with it the institutional memory that led to such successful outcomes.

As in many other areas of the economy, the consequences of the COVID-19 pandemic are felt on both the demand and the supply sides. Labour Force Survey data from the last five years shows that for those aged 16 to 24 whose highest qualification is at GCSE level, full-time employment or study – either at college or university – is the most likely destination. Few in the survey defined themselves as unemployed, but even fewer –

0.01 per cent – were currently opting for apprenticeships. With unemployment already rising and expected to go higher, will this increase demand for apprenticeships among this group? In 2015, changes were made to the Education and Skills Act 2008 to ensure that any child under 18 was in schooling, training or employment. In a recession, this seems likely to increase demand for apprenticeships. As research shows, economic slumps can exacerbate unemployment gaps between white and ethnic minority workers, so increased demand for training among the latter seems probable.

Recognising the looming unemployment threat for younger people, the Treasury introduced the £2 billion Kickstart programme in July. The scheme is aimed at this younger group, specifically those at risk of long-term unemployment. Employers are to be funded to create new jobs with a training element. The government promises to cover the wages for up to 25 hours at the National Living Wage for six months. By the criteria of the scheme, employers may not use it to replace current workers, including apprentices. Further, applicants cannot apply for both the Kickstart scheme and an apprenticeship. Some education providers have argued that there is a missed opportunity here to design a scheme that works in tandem with existing apprenticeship provision rather than risk the drift of employers away from apprenticeships. The Association of Employment and Learning Providers worries that employers will struggle to distinguish between the '[Kickstart] cohort and potential level 2 apprentices' (Camden, 2020). Such concerns are echoed by the Economics Affairs Committee in the House of Lords. In a report

from December 2020, they argue the scheme should be used as a stepping-stone to an apprenticeship. In the absence of such a link, with the levels of vacancies and starts currently low, the publicity of a new scheme, and the attendant focus on new funding, may further undermine the supply of apprenticeships at a time when demand can be expected to rise. This has led the BAME Apprenticeship Alliance to raise concerns about the ethnic minority representation target being 'pushed to the back of the queue' (BAME Apprenticeship Alliance, 2020). Such worries are valid given that the documentation on Kickstart is noticeably silent on the implications for ethnic minority groups (DWP, 2020).

The recent white paper from the Department for Education on 'skills for jobs' (DfE, 2021b) similarly avoids going into any

great depth regarding issues of ethnicity and diversity – the report fleetingly mentions the need for diversity in terms of training providers' management and workforce. Regarding apprenticeships, the paper sets out three aims: increased support to encourage more starts; improvements to the scheme based on feedback from employers; and raising the quality of provision. On the first aim, the lack of any acknowledgement of the low level of ethnic minority representation in apprenticeship starts is striking. For the other aims, the emphasis is on the outcomes for employers rather than for apprentices. Indeed, the framing of policy is very much employer-driven throughout the paper. However, the welcome recognition of the need for better ethnic minority representation in the decision-making of training providers is not matched by a similar commitment for employer bodies.

Recommendations

We have highlighted some of the issues that the existing apprenticeships scheme has in both attracting ethnic minority apprentices and guiding them towards a recognised achievement. The government needs to introduce policy that both monitors and combats the threats to equality and ethnic minority participation in apprenticeships posed by the COVID-19 crisis, in terms of increased demand coinciding with reduced supply. The recent rise in apprenticeship starts among these groups represents progress. However, without continued focus on the needs of ethnic minority learners, there is a danger that the impact of COVID-19 will be to steer this trend off course.

Given this, our recommendations are:

- All stakeholders should undertake to actively monitor and combat the adverse equality implications of COVID-19.
- The Department for Education should renew its commitment to reaching the target of raising the participation of ethnic minority learners in apprenticeships by 20 per cent.
- The government should ensure new employment measures have the same targets as apprenticeship schemes for ethnic minority representation.
- The government should ensure that the commitment to greater representation in apprenticeship programme decision-making extends to employer bodies.

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