



# Poverty and social exclusion: Review of further education and skills

## Background

The Wales Centre for Public Policy (WCPP) was commissioned by the Welsh Government to conduct a review of international poverty and social exclusion strategies, programmes and interventions. As part of this work, the Centre for Analysis of Social Exclusion (CASE) at the LSE was commissioned to conduct a review of the international evidence on promising policies and programmes designed to reduce poverty and social exclusion across twelve key policy areas. This briefing summarises the findings on further education (FE) and skills.

## Introduction

The FE sector has much to contribute to a strategy to tackle poverty and social exclusion.

There is good evidence that post-16 vocational education and training and adult learning can improve employment outcomes and offer vital opportunities for progression for disadvantaged learners and workers. Different systems show differential capacity to deliver these benefits.

For the FE sector to foster inclusion, key elements are:

- Flexible and open educational structures e.g. linking FE and higher education (HE), and linking formal and non-formal activities within FE.
- Standardised routes leading to sufficiently high levels of qualifications, with recognised quality assurance mechanisms.

**Qualification pathways that enable the development of broad occupational competences improve the transferability of skills.**

## Evidence of policy effectiveness

In face of the labour market changes (e.g. digitalisation which is likely to affect the task content of most jobs), education and training policies, and lifelong learning, will be central to ensuring significant skill demands are met.

This review focuses on the design and delivery of post-compulsory education and FE, and their contribution to reducing poverty and social exclusion. Post-compulsory education is understood here as encompassing both upper secondary and tertiary education, including both HE and FE, as well as adult learning. The focus of the review is primarily on FE, including technical and vocational education and training (TVET), although the relationship between FE and HE is also addressed.

## Design of the vocational education and training system

Vocational education and training systems vary greatly internationally and can be characterised by:

- School-based general and vocational programmes in different institutions (Czech

Republic, Estonia, France, Finland, Greece, Italy, Japan, Poland and Russia);

- Comprehensive school-based general and vocation provision in one institution (Canada, Norway, Sweden and USA);
- Tracked school-based general education and Dual Systems of apprenticeship (Austria, Germany and Switzerland); and
- The use of mixed systems (Wales, Australia, Belgium, Denmark, England, Northern Ireland, Ireland, Scotland, Spain, the Netherlands and New Zealand).

Nordic countries, and countries with Dual Systems of apprenticeship (whereby young people learn through a mix of ‘on-the-job’ training as well as in the classroom), are particularly effective for developing literacy and numeracy skills across 15- to 27-year-olds, while countries with mixed systems (e.g. Wales) record a relative decline in these skills.

These dynamics are explained by the fragmentation of the system, characterised by a confusing array of sometimes low-quality, short vocational programmes, with weak links between workplace and classroom training, and a lack of sufficient, shared quality assurance mechanisms for workplace training.

International evidence shows positive short-term effects of TVET on school-to-work transitions including for those from socio-economically disadvantaged families. In the UK, the status of jobs obtained by vocational students is lower. This is likely the result of self-selection of lower socio-economic students into vocational programmes, and upper secondary educated students being more likely to enter higher education and obtain higher educational levels.

There is evidence that initial labour market advantages for vocational students decrease over time. This long-term penalty can pose challenges as the age of retirement increases, exposing workers to worsened employment outcomes later in their working lives.

Some studies find that employment advantages decline faster in work-based systems than in

school-based TVET systems, suggesting that the acquisition of narrow, job-specific skills may increase the risk of those skills becoming less in-demand, while transferable skills are more likely to promote worker flexibility and adaptability. These advantages decline less in systems where the link between vocational education and a specific occupation is strongest, like in Germany.

Employers’ continued investment in on-the-job training may mitigate the decreasing value of vocational education, and such systems may be better equipped to preserve employment advantages. Factors that contribute to skill development are standardised core curricula, high rates of participation, and completion of upper-secondary education and training.

Greater parity of esteem between academic and vocational education can also support skill development. Countries with weak vocational traditions are more likely to achieve this by developing more integrated school-based systems, which combine general and vocational programmes in a single institution with integrated examination frameworks. These findings support analyses of the Welsh system recommending clear, standardised pathways leading to Level 3 or higher qualifications.

So called ‘Dual Systems’ combine relative standardisation in the core skills curricula and duration of programmes, and relative parity of esteem between the general and vocational tracks. Apprenticeships are generally considered to be of high quality and attract many students from across the ability range – Austria, Germany and Switzerland see a third or more of young people participate in these.

Importantly, in these countries post-compulsory and upper-secondary education are shown to increase educational inequalities and reduce skills inequalities. The Dual System is more effective than school-based TVET in terms of employment outcomes.

Dual TVET Systems can be established sustainably only if there is significant institutional support and acceptance by major actors. Strong

social partnerships see employers and unions actively involved in the assurance of the quality and relevance of on-the-job training. Dual Systems have been successful at ensuring participation of both big and small businesses, for instance by engaging small and medium sized enterprises (SMEs) as in Nordic countries.

Policy transfers are not straightforward, however – Dual System conditions, such as strong social partnerships and sectoral infrastructure, have long been undermined in Britain.

These Dual Systems include a wider range of academic subjects and civic education than 'core skills' models that focus on literacy and numeracy. Well-designed and effective dual training complements firm-specific technical skills acquired by learning on-the-job within a training company with general skills that are transferrable across employers.

## **Boosting participation in adult learning**

Ageing populations, the demands of a globalised economy and technological change have led to widespread acknowledgment of the need for systems that are flexible and support the continuous development of workers throughout their working lives. At the same time, higher adult learning participation rates do not necessarily lead to lower social/educational inequalities in participation.

In all countries there is evidence of the so-called 'Matthew effect' (accumulation of advantage), whereby people with the most education and skills participate more in learning opportunities than their less advantaged peers. There is also evidence that employers tend to support already skilled employees in their competence development. This suggests that some level of public intervention and support is required in order for the disadvantaged to benefit from these programmes.

Disparities in participation in adult learning across countries are large. In Nordic countries, Canada and the US, more than a quarter of the population attained their highest qualification as

an adult student. Employer-supported organised adult learning is also witnessing fast growth in many countries.

What works to ensure greater participation among disadvantaged groups is less clear. Welfare spending alone does not explain why Nordic countries are the most successful in extending organised adult learning opportunities to disadvantaged learners and have the highest levels of overall participation. Countries with low spending show both less general participation and less participation among the most disadvantaged. There are exceptions, with countries (e.g. the Netherlands) that enjoy both wide participation and distribution, despite low spending; and countries that despite high spending do not see wider participation among disadvantaged groups (e.g. Austria, Belgium, France and Germany).

Comparative studies suggest that open and flexible education structures are important to produce more inclusive systems and widen participation to disadvantaged groups. For instance, there are strong associations between the openness of education systems and the employment rate among mature (or 'non-traditional') students who return to education after delaying completion. Open systems can better adapt to workers' needs and improve outreach by linking non-formal adult learning activities to formal qualifications (e.g. through recognition of prior learning mechanisms).

Establishing these links increases motivation to undertake training because of the recognition of common formal qualifications among key stakeholders (e.g. employers) but also because it reduces the potential stigma among learners associated with establishing parallel, distinct systems. In an open system, active labour market programmes can also contribute to wider participation, when they are planned so that they can ensure access to organised adult learning and lead to formal qualifications.

## Promising actions

The review concludes with promising actions to consider in the Welsh context as emerging from the analysis of the international literature:

Achieving **greater parity of esteem between academic and vocational education** can support FE's role in improving the life chances of disadvantaged groups. However, systemic changes are required, including:

### 1. Rebalancing resources between FE and HE and between full- and part-time study.

- Funding mechanisms need to support the acquisition of higher levels of qualifications (e.g. Levels 4 and 5), while maintaining flexibility and options that can better support disadvantaged learners.

### 2. Links within FE (e.g. between formal and non-formal activities), and between HE and FE, can bridge the divide between sectors.

- **An integrated system can introduce the openness and permeability**

**necessary for greater inclusion** of disadvantaged groups. Simple processes and adequate advice and support services can further aid learners navigating the system.

3. Qualification pathways that enable the development of **broad occupational competencies** improve the transferability of skills, and can make vocational education relevant to a range of occupational fields.
4. Inclusivity of post-16 programmes and apprenticeships can be improved by revising **entry requirements** (e.g. linked to specific grades at key stage 4), as the current system risks excluding those more likely to benefit.
5. **Quality assurance mechanisms** are essential to respond to employers' and learners' concerns about the relevance, quality and transferability of vocational qualifications, which shapes users' participation and employers' engagement.

## Find out more

For the full report see Bucelli, I., and McKnight, A. (2022). *Poverty and social exclusion: review of international evidence on further education and skills*. Cardiff: WCPP.

## About the Wales Centre for Public Policy

Here at the Centre, we collaborate with leading policy experts to provide ministers, the civil service and Welsh public services with high quality evidence and independent advice that helps them to improve policy decisions and outcomes.

Funded by the Economic and Social Research Council and Welsh Government, the Centre is

based at Cardiff University and a member of the UK's What Works Network.

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