Thousands of UK apprentices paid below minimum wage

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One in seven apprentices in Britain are paid below the minimum wage, according to official figures.

The government published its "Apprenticeship pay survey 2014" last month. The research involved more than 9,000 interviews and analysed pay and work conditions for apprentices.

It reports that 120,000 out the 850,000 apprentices in Britain are affected. Many earn £2.94 per hour or less. Fully 42 percent of hairdressing apprentices are paid under the minimum wage, while a quarter of child care and construction trainees are illegally underpaid.

Of the 220,000 workplaces that use apprentices, half do not comply with National Minimum Wage laws.

David Hughes, head of the National Institute of Adult Continuing Education (NIACE), warned, "These figures are a cause for concern, especially as the government is now putting more power into the hands of employers. It's wrong that apprentices aren't even being paid the minimum apprentice wage."

Younger trainees are hardest hit, with a quarter of those aged 16 to18 paid under the legal limit. The report stated, "20 percent of 19 to 20 year olds, 17 percent of those aged 21 to 24, and 8 percent of those aged 25 or older" were illegally underpaid.

The minimum wage for apprentices is far below even the miserly £6.50 per hour minimum other workers are legally entitled to. This rate is further stratified by age. 16-to-18-year-old apprentices qualify for a minimum hourly rate of just £2.68, increasing to £3.72 for under-18s, £5.03 for the 18-to-20 age bracket and £6.31 for over-21s.

This rate was increased by all of 5 pence in October by the Conservative-Liberal Democrat government.

The survey found that, while most youths were aware of the general minimum wage laws, only three fifths knew about the specific apprentice rate. Just a quarter knew the pay rate they are entitled to.

A typical apprentice at Level 2/3 is paid £6.79 per hour, although the median of £6.31 is a more representative figure. This poverty-level wage is half the average pay rate in Britain. The small numbers of trainees that pursue higher-level qualifications (Level 4+) typically earn £9.68 per hour. These figures include overtime, tips and time spent training.

Pay levels vary widely by sector and skill level. Trainee hairdressers fare worst, with a £152 mean weekly pay, while management and accountancy apprentices typically earn £393 per week. Common trades such as social care, manufacturing and construction pay around £6 per hour.

Working conditions are dire. Excluding higher-level trainees, 27 percent of interviewees worked unpaid overtime. The number of unpaid overtime hours worked rose to 4.6 from an average of 4.4 in 2012. Some 28 percent lacked a written contract, and 29 percent depend upon tips from customers, the study concluded.

In addition to their low pay, 51 percent of hairdressing apprentices reported they were not paid for working overtime. Even when qualified, the sector is rife with exploitation and poverty wages.

Some 440,000 workers began apprenticeships in 2014, down from 510,000 the year before, according to official figures.

Training is often short-term and of poor quality. Seven-in-ten apprentices merely earn qualifications equivalent to GCSEs—i.e., those of a typical school-leaver—while just 1 percent are training at the higher levels. Further government research revealed that 21 percent receive no academic training as part of their apprenticeship. "For many apprentices, the quality of the apprenticeship is clearly not what it should be,"

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Hughes concluded.

There is a dearth of jobs for qualified apprentices, and many fail to secure further training. Most apprenticeships are “low skilled” and “dead end,” according to research by the University of Greenwich published last summer. Most of the training available is in the low-paid service sector, with 15 percent in health, public services, care, travel and tourism, but only 2 percent in construction and accountancy.

With the numbers of apprenticeships growing rapidly, they are becoming state-funded subsidies for routine training and a means to drive down wages. The state covers the full course cost for 16-to-18-year-olds and up to half of costs for older trainees.

Many workers go through repeated apprenticeships for no gain, with two thirds of apprentices enrolled with their current employer. The system does little to alleviate youth unemployment, as the number of older apprentices shoots up: 350,000 apprentices (41 percent) are over 25 years of age, and 50,000 are over 50. “These people aged 25 and over are not new to the job market and certainly aren’t completing their education. It’s just paying for on-the-job training for existing workers,” noted Tony Dolphin of the Institute for Public Policy Research.

Business is keen to broaden its use of exploitative apprenticeship schemes, which boosted turnover by a total of £1.8 billion in 2013, according to research by the Association of Accounting Technicians.

Business representatives responded to the findings by attempting to blackmail youth into accepting low pay. Federation of Small Businesses chairman John Allan threatened, “Any sudden [pay] rise may leave small firms in particular unable to afford the rate and prevent them from hiring apprentices.”

All the main political parties are committed to boosting apprentice numbers, with no guarantee of decent jobs or pay, to boost profits and artificially suppress unemployment figures.

A government spokesperson announced, “Apprenticeships offer people the chance to get the skills they need to make a success of their careers and participate productively in the country’s workforce. The government announced the two millionth apprenticeship start in this Parliament just last week.”

The Labour Party and the trade union bureaucracy issue hypocritical statements of concern for the plight of young apprentices, with Trades Union Congress (TUC) General Secretary Frances O’Grady remarking, “Some employers may be making genuine mistakes, but there are worrying signs that some apprentices are simply being exploited as cheap labour.”

Labour has a record of attacks on young workers. It recently called for the youth unemployment benefits to be scrapped and proposed a “jobs guarantee scheme” to force long-term unemployed youth onto six-month workfare programmes under threat of losing their income. Labour and the unions work hand-in-glove with government to impose harsh austerity measures, with youth bearing the brunt.

Youth unemployment is one in five, with 115,000 long-term unemployed. Opportunities for training are scarce, with one in eight of 16-to-24-year-olds Not in Education, Employment or Training (NEET), according to official figures. The figure is much higher in major cities. Student debt levels are soaring, while half of all graduates end up in jobs for which they are overqualified.

None of the parties of big business has anything progressive to say to young people. The ruling class has abandoned youth to their fate, denouncing them as “scroungers” or “feral youth.” This was underlined by the recent revelation that local authorities “lost track” of over 50,000 NEET youth across Britain, according to research by the Fabian Society.

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