What are they and what do they aim to do?

Pre-qualification programmes can act as a pathway to further education and training. From the individual’s perspective, a pre-training course may help them gain a place or improve their performance on a higher level training programme, which in turn may improve their job prospects. From a programme design perspective, pre-qualifications can serve as an entry requirement helping identify those who are more likely to benefit from further training.

How effective are they?

The evidence suggests that individuals who gain a pre-qualification increase their likelihood of completing further training. The evidence on employment or wage effects, however, is mixed. For pre-apprenticeships, no effect on apprenticeship completion rates is found.

Evidence from one study suggests that programmes that require pre-qualification have higher completion rates. However this effect may represent cream-skimming, where applicants who would stand lower chances of completion are filtered out.
How secure is the evidence?

Generally, the evidence base on pre-qualifications is weak. More rigorous studies are required. We found no systematic reviews of the effectiveness and no meta-analysis.

We found six studies that examined the effectiveness of pre-qualifications. Three of these provided before and after comparisons using a control group and three were based on cross sectional comparisons with control variables.

None of the studies come from the UK.

For a full list of studies and summaries of their findings see the Annex.

Are they cost-effective?

It is difficult to assess the cost effectiveness of pre-qualifications. The difficulty arises because lower level programmes are not only pathways to higher level programmes but also valid qualifications in their own right. To take the full cost of the lower level programme as the cost of getting people into higher programmes is therefore inappropriate. As a result there is little discussion of cost effectiveness in the studies considering the effect of pre-qualifications.

Changes in entry requirements are likely to be very low cost. But given the possibility that completion rates improve as a result of cream-skimming, it is not clear that this implies pre-qualifications are a cost-effective way of improving completion rates and employment prospects.

Things to consider

- Pre-qualifications may provide the largest benefits for those who use to them to gain access to higher level qualifications. It may be desirable to design programmes to ensure this transition occurs with high probability.

- Requiring a pre-qualification may lead to cream-skimming. Although low cost, this may not be a desirable way to achieve higher completion rates for a programme.

- Programmes should be designed to ensure pre-qualifications target the right people as their impact can vary across individuals. They may be particularly useful for disadvantaged young people, less likely to be able to access higher level qualifications.
Annex: Evidence on pre-qualifications for Employment Training

Pre-qualification programmes can act as a pathway to higher level education and training, raising entry rates into these programmes and helping participants build human capital. From the individual’s perspective, a pre-training course may help them gain a place or improve their performance on a higher level training programme, which in turn may improve their job prospects. From a programme design perspective, pre-qualifications can serve as an entry requirement helping identify those who are more likely to benefit from further training (for example, by ensuring the intake is better matched to the programme content improving potential for learning).

We looked at evidence of two types. The first is from the individual perspective, where the evaluation compares outcomes for individuals who took a pre-training qualification to individuals who didn’t. The second is from the training programme perspective, where evaluations compare outcomes on training programmes with and without a pre-qualification requirement for entry.

We focused on evidence from the OECD, in English. We considered any study that provided before and after evidence on the effect on participants; or cross-sectional studies that compared effectiveness for individuals or firms receiving different kinds of support. We also included more robust studies that compared changes to participants with a control group. [link to Maryland Scale]

Using these criteria, we found six studies that looked at the effectiveness of pre-qualifications. Our evidence review on employment training [link] summarises findings from the larger literature that considers overall policy effectiveness.

The evidence

Individuals with pre-qualifications are more likely to undertake further training, but evidence on the effect on employment and wages is mixed

Study111 (which scores three out of five on the Scientific Maryland Scale, or SMS) examines the effects of obtaining a General Educational Development (GED) certificate – which is aimed at people who dropped out of high school before graduation, and tests proficiency in science, maths, social studies, reading and writing. The study examines the effects of GED obtainment on the likelihood of taking further training, such as going to college or participating in a publicly provided training programme. Using a dataset of young high school dropouts, the study finds that obtaining a GED increases the chances of taking non-company training by 14 percentage points for males and 42 percentage points for females in the 3rd year after receipt of the GED. It also increases chances of going to college by 3.2 percentage points for males and 4.9 percentage points for females. The authors argue that since the evidence (in the literature) for wage benefits is strongest for college (rather than non-company training) dropouts should be advised to take a GED in order to gain access to college. However less than 20% do so.

Study 402 (SMS 2) examines the links between obtaining a lower level qualification (Certificate I or II) on completion of higher qualifications (Certificate III or an apprenticeship/traineeship) in Australia. Using a dataset of individuals the authors find that two years after obtaining a lower level qualification, both males (9.8pp) and females (8.4pp) are more likely to have completed, or be undertaking, an apprenticeship – but no more likely to have completed or be undertaking a Certificate III or higher qualification. For females, obtaining a lower level qualification is associated with a higher employment rate (7.5pp). Wage differences are insignificant. The study also finds the benefits are strongest for
disadvantaged learners. Finally, by the age of 26, the benefits of the lower level qualifications are still apparent for males but females in the control group have caught up.

Study 403 (SMS 2) investigates whether completion of a vocational education and training (VET) qualification in Australia matters, compared with starting but not completing the course. The authors suggest that in some cases, students may obtain all the skills they need before completing the course. Using a dataset of completing and non-completing students the study finds that completion provides a payoff in terms of further study, but also employment, salary and occupational scale (a socioeconomic ranking i.e. from labourers to managers). The pay-off is greatest for the further study outcome – with completers being more than twice as likely to enter further study relative to non-completers. From a pre-qualification perspective these results highlight the importance of completing the lower level course.

Study 57 (SMS 3) examines whether high school dropouts in the US who go on to take further education and training, benefit from first taking the General Educational Development (GED) certificate. Using a dataset of high school dropouts they find that using a GED to gain access to college increases subsequent wages, compared with going directly to college without a GED, or getting a GED and not going to college. The study also finds a very modest impact on impact on wages of getting a GED without going on to college. Thus a GED is only likely to significantly help people who drop out of high school, if they then use the qualification to gain access to college. However only 13% of high school drop outs who get a GED do so.

Individuals with a pre-apprenticeship are not more likely to complete an apprenticeship

Study 404 (SMS 2) examines whether pre-apprenticeships are associated with completing an apprenticeship. Using a dataset of apprentices who did or didn’t take a pre-apprenticeship, the study finds that the effect of pre-apprenticeships on completion is not significant.

Programmes that require pre-qualification have higher completion rates

Study 15 (SMS 3) examines the effect of changes in entry requirements on completion rates for an apprenticeship programme in Canada. Using a dataset of apprenticeship registration and completions by province, industry and time, the study finds that completion rates are generally higher where entry requirements are stricter. Higher completion rates are achieved for programmes where entry requirements include mandatory certification (11pp higher completion rate) and a higher educational level (2.1% per grade).

Cost effectiveness

Cost effectiveness is a tricky issue for pre-qualifications. As such there is not much discussion of cost effectiveness in the evaluations. The difficulty arises because lower level programmes are not only pathways to higher level programmes, but also a valid qualification in their own right. To take the full cost of the lower level programme as the cost of getting people into higher programmes may therefore be inappropriate. Furthermore, from a programme perspective, requiring a pre-qualification is probably not a decision that can be made based on cost effectiveness. Changes in entry requirement are presumably very low cost. Since the impact on completion rates is positive this would indicate good cost effectiveness. However, the positive impact of completion likely captures ‘cream-skimming’ as a result of higher entry requirements. That is, the entry requirements may work to increase completion rates by excluding individuals who would stand lower chances of completion in the first place.
Gaps and limitations to the evidence

Generally, the evidence base on pre-qualifications is weak and there are no evaluations from the UK. There are a lot of gaps in the evidence. For example:

- There is only one study on pre-qualifications as a programme requirement and this has a limited focus: overall completion rates. There is no evidence on whether requiring a pre-qualification improves employment outcomes.

- There is only one study on apprenticeships and this only looks at completion rates conditional on taking an apprenticeship. There is nothing on take-up or employment outcomes for pre-apprenticeships.

- Whilst there are more studies (four) that look at pre-qualification for individuals, two of them are looking at GEDs in the U.S. and the other two look at pre-training in Australia, giving the evidence a very narrow focus. These finding may not generalise to other contexts.

Evidence Reviewed

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<tr>
<th>Ref. No</th>
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<tbody>
<tr>
<td>402</td>
<td>Oliver, D (2014). Lower Level Qualifications as a Stepping Stone for Young People, Australian Journal of Labour Economics, Volume 17 • Number 1 • 2014 • pp 15 - 33</td>
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<td>404</td>
<td>Karmel, T &amp; Oliver, D 2011, Pre-apprenticeships and their impact on apprenticeship completion and satisfaction, NCVER, Adelaide.</td>
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