This document studies the role of unions, management, and education agencies (the social partners) in vocational education and training in the United Kingdom. Through an analysis of existing and historical structures governing cooperation and coordination between the social partners and the public bodies responsible for vocational education and training, an in-depth investigation was carried out and proposals for improved dialogue at various levels were made. This report is organized in six sections. Section 1 is a general introduction to the study, and Section 2 presents an overview of developments in negotiations between the social partners at the national level. The next three sections examine individual sectors of the economy: retraining and conversion in the engineering sector, initial training (the Youth Training Scheme) in the construction sector, and women in the labor market (banking and finance sector). The final section summarizes the numerous findings of the studies and presents some recommendations for the future. A 97-item bibliography and list of abbreviations are appended. (KC)
The role of the social partners in vocational education and training in the United Kingdom

European Centre for the Development of Vocational Training
The role of the social partners in vocational education and training in the United Kingdom

Charlie Mason
Russ Russell
Bristol, United Kingdom, 1987

First edition, Berlin 1987

Published by:

CEDEFOP — European Centre for the Development of Vocational Training
Bundesallee 22, D-1000 Berlin 15
Tel. (030) 88 41 20, Telex 184 163 eucen d, Telefax (030) 88 41 22 22

The Centre was established by Regulation (EEC) No 337/75 of the Council of the European Communities
## CONTENTS

<table>
<thead>
<tr>
<th>SECTION NO</th>
<th>PAGE NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOREWORD</td>
<td>1</td>
</tr>
<tr>
<td>I. INTRODUCTION</td>
<td>7</td>
</tr>
<tr>
<td>II. DEVELOPMENTS IN NEGOTIATIONS BETWEEN SOCIAL PARTNERS AT NATIONAL LEVEL</td>
<td>26</td>
</tr>
<tr>
<td>III. RETRAINING AND CONVERSION IN THE ENGINEERING SECTOR</td>
<td>112</td>
</tr>
<tr>
<td>IV. INITIAL TRAINING: THE YOUTH TRAINING SCHEME IN THE CONSTRUCTION SECTOR</td>
<td>200</td>
</tr>
<tr>
<td>V. WOMEN IN THE LABOUR MARKET: CAREER BREAKS IN THE BANKING AND FINANCE SECTOR</td>
<td>300</td>
</tr>
</tbody>
</table>
VI. SUMMARY AND RECOMMENDATIONS 322

Bibliography 365

Annex A 378

Annex B 382

(Note: Appendices, tables and diagrams are located at the end of the relevant sub-section.)
FOREWORD

This study is one of a series of 12 monographs on the situation in the EC Member states. Through an analysis of existing and historical structures governing co-operation and co-ordination between the social partners and the public bodies responsible for vocational education and training (excluding general secondary education and university education), it was intended:

a) to carry out an in-depth investigation of the situation commencing with the central regulatory instruments and decision-making levels. These investigations were to examine the situation at regional, local and enterprise levels as well as in industrial sectors in EC Member States, and

b) to develop proposals for the contents and objectives of an improved social dialogue at the various levels.

The reports comprise two sections: a general analysis and a sectoral analysis.

Although the general analysis was, as far as possible, to be reinforced by the sectoral analysis, the two were to be
complementary, whereas the conclusions were to be directed more towards objective (b).

The general analysis of the historical development, institutional involvement and problem areas was also to include a description of the current situation with regard to the links between the world of work (employees, employers, industrial sectors and enterprises) and the world of vocational training (in-company, inter company/group training, school-based training - both initial and continuing - private, public and independent vocational training sponsors).

Furthermore, attention was to focus on the degree and nature of the involvement of the social partners in the development, implementation, administration and control of training policy programmes, including the extent and nature of state intervention within the framework of this involvement. The following aspects were to be included:

- analysis of legal regulations and collective framework agreements (education, labour market and social legislation, nature and extent of the autonomous powers of the social partners in the field of vocational training as specified in general collective agreements, sectoral agreements and typical enterprise-related agreements), and
- investigation of the problems relating to existing co-operative approaches to vocational training, particularly with a view to the equal distribution of training provision amongst various target groups (women, young people, adults, early school leavers, foreigners, etc.) and amongst the various regions and sectors, and finally

- description of the different methods of state intervention aimed at promoting the social dialogue on the basis of selected situations and regions or sectors.

In order to illustrate and give a realistic description of the existing situation, the nature and extent of co-operation amongst the social partners and government bodies were to be assessed in three sectors:

- in a sector dominated by small and medium enterprises or craft industries, e.g. the construction sector;

- in a sector characterised by modern industrial technology, e.g. the metal or electronics industries, and

- in a sector in which services and the employment of female labour are predominant, e.g. banks and insurance companies.
In these sectors the intention was to analyse and compare workplace, employment and occupational structures (hierarchy) in specific areas in which appropriate data were available. The aim was to identify any differences in the social relationships between employees and employers, and to evaluate the involvement and participation of employees and their organisations in initial and continuing vocational training activities, including any eventual implications for career advancement.

The sectoral analysis was intended to illustrate the more general analyses and assessments, and to substantiate and supplement the findings with concrete descriptions. In this connection, the intention was not to carry out case studies but rather to evaluate existing studies and collective agreements between the social partners in respect of initial and continuing vocational training.

The research work was usually accompanied at national level by individual ad hoc meetings between the institute(s) under contract and the three Management Board members from the respective country, and at EC level by regular discussions organised by CEDEFOP and the contractual partners from other Member States.

The investigation covered a period of seven months. In the second half of 1986, the studies were carried out in Belgium,
Denmark, the Federal Republic of Germany, France, Italy, the Netherlands, and the United Kingdom and they were concluded in early 1987. The studies in the other Member States were conducted in the course of 1987. A synthesis report to be prepared on the basis of the twelve country reports, will attempt to collate systematically the most important conclusions, common trends and results in order to promote the dialogue between those concerned both in the Member States and at EC level.

The individuals, independent scientists and scientific institutes under contract were, of course, free to adapt the set outline for all twelve investigations to the prevailing conditions and existing institutional framework in their respective countries.

On behalf of the authors, too, I should like to extend my sincere thanks to the members of the CEDEFOP Management Board from the respective Member States and to the numerous experts and individuals from the enterprises, training and other bodies, and to employers' and trade union organisations for their support in this work. We hope that this investigation will help to promote better and constructive understanding, despite the existence of very different interests, and thus lead to satisfactory solutions to the prevailing problems facing the development of initial and continuing vocational training. Thanks are also extended to the team of authors for the fruitful and successful co-operation on
what was certainly not an easy subject for investigation.

B. Sellin
Project Co-ordinator
SECTION I: INTRODUCTION

1.1 PURPOSE OF THIS REPORT

1.2 RECOMMENDATIONS

1.3 BACKGROUND

1.4 THE RESEARCH REPORT
1.1 PURPOSE OF THIS REPORT

Each country faces its own history and its own hopes for the future. Structures, definitions and ideas are therefore unique to each country despite the fact that a general commentator or observer may see some common pattern. Part of any general pattern derives from a continuity of exchange of ideas between countries, but those running the system do not usually make such comparisons and certainly do not use the same concepts or ideas.

All of the Member States involved in this research programme recognise that it is one of the tasks of national government, as a partner in society, to co-ordinate the efforts of other 'social partners' in providing a sound vocational education and training system which will achieve individual opportunity in a skilled, flexible and adaptable workforce. In the language of the organisations of the European Community, as well as in the language of formal literature on corporatism, there is a working definition of 'the social partners' as being tripartite and comprising employers, trade unions and government agencies. In practice, in each member state, what varies is the operating definition of 'social partners' and the relative importance ascribed to them. These partners may include:
- national government
- local government and voluntary organisations
- professional educators
- employers
- trade unions
- the trainees themselves, or their parents

They may represent interests at the national level, at area or regional level, or at the level of the individual training enterprise. The national governments of all countries in Western Europe structure and formalise in some way the process of interaction. It goes almost without saying that representatives of each social partner may express an opinion that they have insufficient weight or that others have too much - but it is the claim of national governments that it is their task to decide the relative veracity of such claims. Governments not only monitor the effectiveness of relative influences and re-structure accordingly, but consider the levels of financial cooperation and the general output of the education and training systems. In the creation of structures and policy the definition of effectiveness is usually that which the national government adopts.

Comparative work is always difficult. Employers the world over believe that trade unions have too much power and the reverse is also true. The outside observer must seek to
determine the relative veracity of such beliefs, not their absolute veracity, in the light of this series of reports.

We hope this report will help many to see their own situation more clearly, for each country faces its own traditions and history and the people in it must determine the direction and extent of change. Looking at other countries' systems is sometimes a help in these decisions.
1.2 RFCOMMENDATIONS

For the sake of convenience the recommendations of this report are gathered together here.

We recommend that :
in order to reduce the distortion of training policy, policy objectives of each of the social partners should be clearly stated and appropriate resources allocated to ensure that these objectives are recognised and supported by those responsible for the implementation.

We recommend that :
in order to facilitate trade union involvement in the training dialogue, a greater consideration should be given by Government agencies to trade union representation and the resource implications of meaningful involvement should be recognised and supported by Government.

We recommend that :
at the local sector level, information between social partners on training opportunities and training demand should be disseminated through formal arrangements. This will require additional structures and resources applied to key sectors of the local economy. The local education
authorities and Manpower Services Commission will need to be involved together with employers and trade unions.

**We recommend that:**

staff development workshops and action-research projects be initiated by the EC (perhaps via local MSC administrative structures) in order to clarify and improve the nature and content of dialogue between the social partners at the local level.

**We recommend that:**

the Manpower Services Commission develops a greater involvement in the training concerns of specific industrial sectors and, in doing so, include a trade union involvement as part of the development of its training policy and programmes and as a stimulant to corporate debate. Careful co-ordination with the activities of the new National Council for Vocational Qualifications will be required where these are not the direct vehicle for MSC initiative.

**We recommend that:**

public procurement policy be recognised and utilised as a policy instrument for simulating investment in training. This policy could also be seen as offering examples of good practice to other large employers.
We recommend that:
training committees at plant or firm level be set up in
order to confront the issue of the allocation of order to
confront the issue of the allocation of training
opportunities to the workforce within the plant or firm.
In the absence of staff appraisal and development
systems, a statutory system of training committees is
desirable. At the very least a training committee, on
which trade unions are represented, should be a necessary
condition of a firm being an accredited training
organisation for YTS or JTS.

We recommend that:
a European Programme of development workshops be
instigated to identify and disseminate 'good (dialogue)
practice'. These workshops should be supported by
resources, information and expertise to enable social
partners to attend and benefit.

We recommend that:
if dialogue between the social partners is to be
meaningful then serious consideration should be given
both by employers and government to stimulate trade union
involvement in the debate. It would seem there are
resource barriers to the equal involvement of all the
partners and that pilot schemes could be used to test the
propensity for dialogue between partners.
1.3  **BACKGROUN**

1.3.1 1965-85: FOUR PHASES IN TRAINING PROVISION

Since 1965, in the UK, inflation has displaced unemployment from the top of the political agenda. However, more recently the policies of the present Conservative Government has accentuated trends in the economy and alarm has intensified as restructuring of the economy has failed to improve productivity and maintain output comparable with our competitors. In the twenty-five years from 1960-85 the economic base of the economy has rapidly internationalised, confining the home economy, as in many countries, to service and high technology sectors. The majority of additional jobs have been part time and have been taken up by women, a high proportion entering the labour market for the first time. The net decrease in the demand for labour while output is being maintained has been described as 'jobless prosperity'.

It is possible to identify four phases over this period. Initially, a growing concern for the inadequate provision of training in both the public and private sectors. The setting up of the Manpower Services Commission in 1972 with responsibility for the development of a comprehensive national policy expressed the Government's response to those concerned and marked a second phase. However, by 1977 we can identify a third phase whereby the deepening of
the international economic recession and restrictions on public expenditure undermined the MSC's objective and led to the implementation of ad-hoc, temporary responses to unemployment. Furthermore, we note that during this same period these temporary measures were refined with the result that redistributive elements were eroded. Fourthly, since 1981 we have seen an increasing emphasis on training specifically related to employers' needs and involving employers directly; an emphasis which threatened further the alleviative and redistributive elements of policy.

During this most recent phase we have also seen the development of central and local government initiatives which have been partly financed by the Manpower Services Commission aiming to fulfil a number of contradictory objectives, e.g. overcoming labour market rigidities, offering training to all 16-18 year olds, and helping minority and disadvantaged groups to return to the work force. The outcome has been that Central Government (and EEC) funding has reduced the investment in training and education policy having social and welfare objectives, and this role has been passed to local authorities and voluntary independent agencies.
1.3.2 THE UNEMPLOYED IN 1985: LATENT TALENT

The outcome of the dominant imperatives, to reduce inflation and facilitate restructuring, is that by January 1985 the UK had 3.2 million unemployed (5% increase since January 1984), of whom 0.43 million had been unemployed for three years (38% increase on 1984), and a further 1.3 million unemployed for one year (40%). Figures for January 1984 indicated that 0.46 million persons aged 16–18 were unemployed, a ratio of employed to unemployed of 2.8:1. In the same year a further 0.28m in that age group were attending the government funded vocational training programme (Youth Training Scheme), of which, by October 1984, only 50% had found employment.

Within these over-all figures it is evident that the 18-25 age group are significantly more likely to be unemployed than other groups. One in three of all the unemployed is aged between 18–25, and of all 18-25 year olds, one in five is unemployed. Over half of these unemployed people have been unemployed for more than six months, 157,000 of them for more than two years, and 7,000 for more than three years.
1.3.3 THE UK TRADITION: CRISIS MANAGEMENT?

From the perspective of training policy, this level of unemployment can be explained as either: i) a failure to develop an active manpower, or ii) a logical consequence of an active manpower policy which emphasises the restructuring function. Whichever interpretation is preferred, it is possible to criticise the UK for adopting an ad-hoc incremental approach to training policy and action, namely 'crisis management'.

While it has to be appreciated that a considerable time is needed to develop effective instruments for an active manpower policy, Webber has explained that reform of vocational training had been on the political agenda for years if not decades without specific action being taken. He cites election manifestos of the 1950s onwards pledging to expand manpower policy and revolutionise industrial training. Webber also describes the pressure for state intervention by the Federation of British Industry and the Opposition Labour Party resulting in the Industrial Training Bill of 1962. He concludes that while the Labour Party, usually in opposition, has innovated policy, the determination of policy substance and content has been carried out by Conservative Governments. When the policy is implemented is a question of political and operational feasibility, the former dependent on pressure and support, and the latter on the perceived
benefits of the policy and the availability of resources.

While there is a history of agreement for an active manpower policy, Webber concludes that state intervention, in the form of active manpower policies, has been a response to growing economic instability and crisis, justifying the restructuring of public expenditure and spending less on other policies, as occurred from 1974-79.

Why this active manpower policy took so long to get onto the statute books is a question which Webber answers by explaining that the options for action had narrowed, i.e. there was little alternative to restructure education and training in response to rapid economic change (crisis), commonly identified as the 'oil crisis' of 1973. In other words the 'tinkering' within the system prior to 1973, in response to economic change, was inadequate either to 'solve' the problems as perceived or to avoid new fundamental changes.

From 1974 it is possible to identify an increasing expression of the relationship between economic growth and manpower/training/education policy. The trend commenced with the Employment and Training Act of 1974, was followed by the Industrial Strategy of 1975 and found active expression through the increasing intervention of the MSC in vocational training provision.
We can see then that the world economic crisis, expressed perhaps most forcibly and certainly most clearly in the UK as the 'sick man of Europe', led to a faltering of the idea of a comprehensive manpower policy, whilst increasing the urgency of the need for some sort of response to the short term problem of economic dislocation, and the crisis in the labour market.

Since Webber made his observations in 1979 the role of training policy as an agent of restructuring has intensified and as a result the legitimacy of policies for the purposes of alleviation and redistribution has declined. We can, then, describe the present circumstances as the implementation of a 'minimalist', rather than comprehensive, manpower policy. The Government has refined its area of responsibility and intervention and, both explicitly and implicitly, passed responsibility for managing the present crisis to the social partners, voluntary organisations and individuals. This trend has developed while agreement on the need for an active manpower policy continues to be expressed by all the social partners. The gap between rhetoric and reality has grown as what is considered to be politically and operationally feasible has been redefined. For example, the involvement and influence of trade unions in industrial relations issues has been tempered by industrial relations law and by the dramatic decline of the manufacturing sector. The
outcome is a situation whereby discussions on the content of policy increasingly fail to include all the social partners and equal involvement during implementation is discretionary. The 'climate of opinion' both of the nature and level of intervention in training policy and the necessity and desirability of social consensus appears to have changed dramatically.

The Government's and the Manpower Services Commission's incremental adjustments to vocational and continuing education provision between 1960-1986, for example, suggest a concern with the 'low productivity' crisis. The reticence by industry to maintain its investment in training and human resource development over the same period suggests that it has a different view to Government or the Manpower Services Commission on: a) its responsibilities with regard to training, and b) the commercial benefits of investing in training compared to the other options available. Finally, the trade unions consistent support for investment in training, whether by Government or Industry, is conditional upon the function and impact of the training, be it to reduce unemployment, ensure job security, increase pay or to facilitate de-skilling and reduce the size of the workforce.

What is clear is that dialogue, whether formal or informal, is concerned with 'managing' differences of opinion, interpretation and expectation. In the context of training provision this can be translated as the negotiation of
roles and responsibilities, and therefore includes a consideration of the costs and benefits of action.
REFERENCES

1 D. Webber, 'Social Democracy as the Midwife of Change', a paper presented at an ECPR Conference, Brussels, April 1979.
1.4 THE RESEARCH REPORT

This report presents three sectors (branches) of industry within which dialogue takes place. Each sector has a different 'vehicle' for investigating the nature of the dialogue. In the case of the Engineering sector we consider the formulation and delivery of Vital Skills Training (VST) grants which were developed by a tripartite organisation and are funded mainly by industry with some financial support from the Manpower Services Commission of the Department of Employment. The function of VST grants is to encourage and facilitate the conversion of workers skills by re-training in order to alleviate the high technology skill shortages. In the Construction sector we deal with initial skills training through the Youth Training Scheme (YTS). YTS provides a two year programme of work experience and vocational training for school-leavers and is funded by the Government. The tripartite Construction Industry Training Board is a Managing Agent for the scheme and offers 19,000 places. Finally, we are investigating the nature and extent of planned 'Career Breaks' for women working in the Banking sector, with particular interest in the role of trade unions and employee associations.

In presenting each of these cases we have identified the nature of dialogue, formal and informal, at national and local level, during formulation and delivery of the training scheme.
In addition to these specific cases which offer important detail we have also presented important contextual information for each industrial sector. This is done in order to identify factors which influenced the development, form and delivery of the training programme.

Preceding the three sector studies, we give an account of the recent changes in the roles and responsibilities and concerns of each of the social partners with regard to training. In the case of Government we identify two central departments, the Manpower Services Commission and the Department of Education and Science, and also the local delivery 'arm', local education authorities, who are involved in the implementation of the policies of both department. When discussing the role of Industry we have described the recent changes in statutory arrangements for industrial training managed and funded by each Industrial sector. As an important part of this description we identify the move towards voluntary arrangements for industry's involvement in training and the increasing managerial role played by employers, and their representatives at the local level. In the case of Trade Unions we take the opportunity to indicate the importance, extent and level of collective bargaining in the UK and describe how bargaining structures are changing. It is in relation to this development that we describe the role of the National Trade Union Congress.
Both for the general review in Section Two, as well as for the case studies in Sections Three, Four, Five, the researchers approached government bodies, government agencies, employers organisations, trade unions and independent experts for documentation and personal interviews. A summary schedule is in Annexe A to this report.

This description and analysis of the concerns, roles and responsibilities of each of the social partners represents the changing character of the national level dialogue and provides an important context for the sectoral cases.
SECTION II :
DEVELOPMENTS IN NEGOTIATIONS BETWEEN SOCIAL PARTNERS AT NATIONAL LEVEL

1 : INTRODUCTION TO THE SECTION

2 : MANPOWER SERVICES COMMISSION : THE MOVE BACK TOWARDS TRAINING

3 : VOCATIONAL EDUCATION - A SEARCH FOR CREDIBILITY

4 : INDUSTRY

5 : TRADE UNIONS

6 : CONCLUSIONS
2.1 INTRODUCTION

We have presented a brief summary of recent trends and developments in the UK in Section One. These trends had different effects on the social partners regarding their role and responsibilities for Vocational Education and Continuing Education. In order to present these effects it is necessary to make a clear distinction between two spheres of Government activity: (a) the Manpower Services Commission's increasing interventionist role post 1979 (to the extent of influencing the delivery of Vocational Education and Training, namely the Colleges of Further Education) and (b) the 'national' Department of Education and Science, and the 'local' arm Local Education Authorities, whose traditional relationship has undergone major changes.

The adjustments in the preoccupations of Government have had clear ramifications for the role of industry and employers in providing vocational training and, equally, if implicitly, the role of trade unions.

This section will briefly present the recent concerns of Government, Industry and Unions as they relate to Vocational and Continuing Education and Training. Much of this material is useful in describing the rhetoric which presents the preoccupations of the social partners and is important contextual material for understanding the detailed case studies which follow in subsequent sections.
2.2 MANPOWER SERVICES COMMISSION: THE MOVE BACK TOWARDS TRAINING

2.2.1 INTRODUCTION

The Manpower Services Commission was established in 1973 by Government to better co-ordinate relationships between the existing Industrial Training Boards, to provide a wide background of labour market information, to run the employment exchanges and to conduct some direct training. It acquired at its inception the previous governmental agencies in the field and some sections of the Department of Employment. Its staff remain civil servants who are 'attached' to it and who can be transferred in or out. It is governed by a small group of commissioners who represent employers, trade unionists and local government educational services and who are appointed, after consultation, by the Secretary of State for Employment. The MSC was given this tripartite council with a clear intent of allowing for meaningful dialogue concerning matters of national government concern in the training and labour market policy areas. This intention has not been adequately fulfilled.

Our contention is that the MSC has become increasingly seen by trade unionists, the local education authorities, the general public and (to a lesser extent) by the employers as largely a government agency and not a forum for corporate debate. The MSC has had no direct control over its budget.
to complete its main tasks but it has been asked to undertake, over the years, more and more interventionist activity on behalf of the national government. We will detail some of these in the course of this study. Some interventions have been prepared by the Secretariat of the MSC while others have not. It is the latter which have disturbed the relationships between the social partners (see 2.3.29).

In 1977 the MSC initiated the Youth Opportunities Programme, providing for work preparation and work experience for 16-18 year olds and was mainly based on employers premises (80% of the places). Although an MSC initiative the government has been involved in the feasibility study. The schemes were very short, mainly of six months duration for the trainee. However, the formal training/education input was discretionary and gradually, by 1978, the status and credibility of the scheme suffered as a result of concern about the exploitation of cheap labour, fears by trade unionists of job substitution as unemployment levels increased, and a diminishing proportion of trainees receiving off-the-job training. YOP faced a legitimacy crisis.

Attention was focussed on the perceptions by young people and employers on the relevance and quality of the scheme, and it was found that the lack of rigorous training in the YOP was seen as a vital element in its loss of credibility. In the meantime, the budget of the Training Division of the MSC was being severely squeezed, and training advisors were
eager to see the survival and possible expansion of training provision.

2.2.2 THE NEW TRAINING INITIATIVE

The next stage in the development of policy was reached with the publication of a Government document "The New Training Initiative" in 1981 which initiated discussions aimed at developing a national training strategy. This consultancy document stated that "for prosperity and growth we need to invent, to innovate, to invest in and to exploit new technologies", and this could be done with "changed and improved performance". (1) This need to change was justified by describing technological change and the impact this had had on the skill structure of the labour market.

The central thrust of this document, then, was that:

"The new markets and technologies require a more highly skilled, better educated and more mobile workforce in which a much larger number of professional and technical staff are supported by a range of more or less highly trained workers." (2)

The document stated that even with unemployment there were also skill shortages because both companies and individuals were unable or unwilling to change. The fear was, therefore, that "the ability to adapt swiftly enough to an economic upturn would be constrained". (3)

The object of the document was to get training "on the
agenda" and to get "everybody concerned with training" committed to agreed objectives. Existing investment by both the public and private sector was considered, "patchy, and the plain fact is that the scale and nature of events is running ahead of the capability of institutions to deal with them".

2.2.3 TRAINING OBJECTIVES

This document outlined three objectives (or target areas):

i) better arrangements for initial skill training to agreed standards

ii) improved vocational education and training for all young people

iii) opening up more opportunities for adults to train.

The second objective was now specifically described as 'Preparation for and entry to Working Life' and the acquisition of some competence and practical experience in a range of related jobs or skills was seen as a way of ensuring an adaptable workforce which would be more valuable to employers. The mechanism for this was seen as a combination of work and work related training and education (as advocated in the exemplary YOP project).

The third objective identified the need for training for adults (over 18) but emphasised the need for updating and retraining for those in work or those returning to work in order that they could adapt to new demands.
The split between young people and adult objectives was reflected in the creation of the Youth Training Scheme and an Adult Training Strategy within the Training Division of MSC. The responsibility for meeting these objectives was spread across the interest groups; employers should adopt a new attitude to investment in training ... a willingness to do more, employees and trade unions should remove outdated barriers, eg. that measures of skill should be based on achieved standards of competence rather than time-serving and a recognition that those undertaking training may not be able to command the full wages paid to experienced workers and the education service should modify or abandon traditional approaches and values.

As the country was expected to gain from these objectives then it was considered reasonable to expect all the beneficiaries to contribute to the costs, employers, government (central and local) and the trainees (by lower or relatively low allowances and pay).

In the responses to this document the three main objectives were accepted and a comprehensive training strategy 'investing in human resources' was seen as a crucial part of a strategy for economic recovery and sustained growth. A call for additional objectives was interpreted as falling within the existing objectives. For example 'competent managers' would be accommodated in objective iii). A request for special attention to the training needs of disadvantaged groups (women, disabled people and members of
ethnic minorities) generated the comment that:

"Our three basic objectives would bring very large benefits and greatly increased opportunities to such groups. A fundamental aim is to serve economic recovery by opening up opportunities for training and career progression to a far wider section of the population than at present." (4)

2.2.4 IMPLEMENTATION : INVOLVEMENT

The Manpower Services Commission considered that the involvement of all interested parties at central, local and sector level was essential to achieve an effective framework delivery of training opportunities, building on existing institutions and also developing links between training and education services.

At Central level the Commission itself considered whether new arrangements were necessary. At sector level the Commission advocated the retention of Industry Training Boards, however, the Government announced that statutory ITBs would be reduced in number from 23 to 7, advocating that the 16 abolished should be replaced by voluntary associations. This also moved all the cost of the remaining ITBs to industry with Government support mainly allocated to the MSC for the New Training Initiative. This reorganising at a sectoral level meant the MSC had to work closely with the associations in order to formulate a strategy in each sector in line with the objectives of NTI.
2.2.5 IMPLEMENTATION : TARGETS

Within MSC it was recognised that each objective would develop at a different pace. Training to agreed standards by 1985 was the target set by MSC requiring the agreement at both national and local level between employers and unions. The involvement of MSC was seen as financial support only to schemes which met the training to standards criteria. In this context, in conjunction with industry the MSC was also aiming for the annual recruitment of at least 120,000 young people into occupations requiring extended periods of training (including apprenticeships). This was a 20% increase over 1981/82 figures.

The vehicle for achieving these two targets was provided under the second objective of NTI whereby the aim was to provide training for all young people entering the labour market. The scheme set out the conditions for public and private funding of training and included support for 35,000 apprentices in 1982/83. This year, 1982/83, was a model scheme, an extension of YOP, which aimed to provide 100,000 places and also allowed for subsidies to employers of young people in training. These intermediate initiatives, known as 'New Training Places' and 'Pilot Youth Training Scheme', were taken whilst discussions were taking place at a high level with the Confederation of British Industry, the Trade Union Congress and education interests (including both local authorities and teachers' unions) to formulate a comprehensive scheme for all young people, both employed
and unemployed (The Youth Training Scheme - YTS). Some of these discussions took place in a specially formed 'Youth Task Group' which reported to the MSC.

The proposed structure, content and methods of delivery of YTS was also specified in the Youth Task Group Report and then elaborated in various administrative regulations and successive guidelines on content and standards. The scheme was to last for one year and was to be available to all 16-year olds who entered the labour market, some 17-year olds and a few 18-year olds. It was an ambitious scheme with a target group in 1983 of approximately 450,000 including the 300,000 16-year olds who would otherwise be unemployed and half the 200,000 16-year olds who were expected to get jobs. There were two modes of delivery of the scheme, distinguishable by methods of funding, supervision and control, and by their relations to industry. Under "Mode A" and employer or group of employers (the managing agents) took responsibility for the complete programme of a group of trainees. The "Mode B" method of delivery was only for unemployed young people. Under Mode B1 the MSC funded sponsors to run training workshops, community projects, and ITECs (Information Technology Centres); Mode B2 schemes were called "Linked Schemes", and many were contracted out to a college of further education, which organised the scheme, provided the off-the-job training and arranged for employers to give work experience to scheme's trainees. Under both Mode A and Mode B there had to be at least 13 weeks of off-the-job education and training, which could be supplied by the managing agents or main sponsor itself, by
other sponsors, by a local college of further education (which would be paid an agreed rate by the managing agents), or by other branches of the local authority, or by one of the numerous private training organisations.

The final objective, widening training opportunities for Adults, continued the NTI theme of adapting to change. MSC noted that: 7-8 million people change jobs every year, in 1980 at least 500,000 lost jobs through redundancy, and expressed a concern for the growing number of long term unemployed which represented "a particularly acute waste of resources".(5)

"These are people who will bear the brunt of the necessity for change, and our economic prospects will be threatened if we do not provide means for them to contribute to Britain's recovery to the maximum possible extent."(6)

Having made this assessment the MSC explicitly makes unions and employers responsible for the achievement of this objective as:

a) the diversity of needs is difficult to monitor
b) it is at the level of the individual company that training needs arise and can be met
c) there are pay structures to be overcome
d) State support for Training is speculative in that placement depends on labour market conditions
It is the low placement rate which makes 'speculative training' expensive and explains MSC's emphasis on action expanding the opportunities available to employed adults. The level of provision depended on a balance between the prospects for recovery in the national employment situation and the need to continue with credible provision to meet the increasing demand from "well motivated unemployed people even in circumstances where placing prospects (jobs) are not good". (7)

While the three objectives of NTI had implications for both employed and unemployed, young and old, the criteria behind all three objectives was that the training element should facilitate and respond to economic and labour market change.

2.2.6 CONCLUSION

The main observation to be drawn from this brief description of the attempt in the UK to develop a national training strategy is the importance attached to gaining the support and involvement of all the social partners. The main concern of Government is to stimulate change in the labour market as a means of improving productivity. Consequently this strategy offers a prominent role to employers and industry and asks for support from trade unions in the form of flexible working practices and pay structure. Public training institutions are expected to become more responsive to the nature and direction of change.
The agency with the major responsibility for implementing this strategy is the MSC through its Youth Training Scheme, and Adult Training Strategy and Campaign. These two programmes are considered in more detail in Sections 3 and 4 and emphasise the voluntary involvement of employers in industrial training, particularly at the local and plant level. This is seen as a way of ensuring that publicly funded training is cost effective in meeting the needs of employers, and also that speculative training is reduced.

Some observers of these developments conclude that Government is increasing its influence over MSC's activities at the expense of MSC's role as a forum for corporate debate.
REFERENCES


2. Ibid, page 2, para 8.

3. Ibid.


5. Ibid, page 8, para 45.


2.3 VOCATIONAL EDUCATION - A SEARCH FOR CREDIBILITY

2.3.1 INTRODUCTION

The previous section gave some indication of the increasing role of the Manpower Services Commission. This development has generated a reassessment of the Education sector's ability to provide vocational and continuing education. The response to both implicit and explicit criticism of the Department of Education and Science (DES) and Local Education Authorities (LEAs) and their colleges of further education (CFEs)* has seen adjustment in central-local roles and responsibilities. Furthermore, these changes have raised questions about the relevance and visibility of the principles which have always been assumed as underpinning educational service provision.

*Footnote

"Further Education" is used in England and Wales to encompass all non-school education, beyond the minimum school leaving age, undertaken in LEA colleges. It includes all such education, vocational and non-vocational.
The centre-local relationships for vocational education in England and Wales have a complex dimension. The colleges are owned, staffed and run by the 104 Local Education Authorities which have a political and legal independence from central government. These Local Authorities do not however have enough funds to run their colleges (or any other of the services they provide) without the central funding from national government. By an agreement the tradition is for a block of unallocated money to be given to each local authority to spend on priorities it determines (although there are certain national minimum standards set for most services). Inevitably a forceful central government finds difficulty in persuading local government to spend on national priorities. For formal negotiations with the DES the 104 local authorities are organised into two associations: the Association of County Councils (ACC) and the Association of Metropolitan Authorities (AMA). Although Scotland and Northern Ireland have legally distinct systems, the broad character of this also applies there.
While there are disagreements over who or what has been responsible for the changes in VET provision in recent years there seems to be agreement that since 1975 "forces began to alter, and education occupied a changed world"(1). Disagreements on post 1975 events are based on different perceptions of the main "agents" of change.

Some observers of the 1955-75 period perceived the DES as being preoccupied with transforming higher education. They have argued that until 1975 the DES was restricted to intervening in Higher Education, "as the engine of change and technologically based growth", because intervention in vocational education provision at the local level was inhibited by the entrenched values of LEAs. From this perspective events post 1975 offered DES the opportunity to overcome these inhibitions.

An alternative perspective argues that the emphasis on Higher Education and the failure to provide 16-19 year olds with vocational education opportunities was a response to changes in the labour market, reduced employment prospects and the freedom and autonomy of employers regarding training investment. From this position, events post 1975 can be seen as a qualitative deepening of these characteristics. Therefore, the onset of the recession led to a credibility crisis in vocational education as the ability of industry to absorb school-leavers faltered and employers claimed that the education sector was not producing the sort of young people they could employ.
In order to manage these new circumstances the education sector has had to claim to have become more responsive, during a recession, than it had been during a 'growth' period. The management of this contradiction and the desire to deflect criticism from other Government departments resulted in the DES criticising the LEAs and has led to claims that the principles which have traditionally underpinned VET in England and Wales have been challenged. The principles were:

a) Minimum central government interference, control or regulation
b) Provision through some form of partnership, cooperation or consensus
c) The system is voluntary for all participants
d) For the individual student the system of education should be open and provide varied opportunities throughout life

It is these that have been changed as the tensions in the system transform it.

2.3.2 THE DEBATE

As early as 1975, an OECD study team expressed some concern that the DES seemed unaware of the changing world, especially in respect of ignoring the needs of the 16-19 age group.

Within the UK the Industrial Strategy, 1975, identified
education as having a role to play in facilitating Britain's economic recovery. However, the Treasury argued that the education service was inefficient, unproductive, and that resources were not directed to priority areas. The Cabinet Office advocated that the output of schools should be more tightly related to employment needs.

Increasingly schools were criticised for their failure to prepare school pupils for the world of work and the inadequacy of provision for the 16-19 age group. This criticism came from within the Department of Education, the Inspectorate who argued that the needs of the 16-19 age group should be given priority, especially the less able academically, in the form of more practical courses and better links between schools and colleges. Employers claimed that school leavers lack the basic skills to benefit from technical education. In addition, the Prime Minister called for a national debate, which was later summarised in 1977, concluding that the school system emphasises academic learning at the expense of an interest in and knowledge of industry and that curricula are not related to work.

This debate, which was developed in the 'New Training Initiative' was further stimulated by a report, in 1982, by the National Economic Development Council, entitled "Education and Industry". The general thrust of this report was to "encourage wider discussion of the interaction between education and industry" on the basis that there was little influence by industry on the allocation of funds for education and that the allocation
is heavily decentralised. The assumption underlying this concern was that education was not appropriate to the needs of industry because industry's needs are given a low priority when curricula are being formulated. This is a deficiency which dates back at least as far as 1970. This report identified four obstacles to effective change:

i) the examination system dictates the syllabus and the exams respond to teachers and universities

ii) academic orientation is reinforced by the teaching profession inhibiting those people with a technical background

iii) the principle of educational independence means that control is devolved to LEAs

iv) there is no clear means for industry's requirements to be communicated to the education system, other than by 'market demand', i.e. pupils' aspirations and perceptions of the labour market.

In relation to post-16 studies the report claimed that up until 1982 central government initiatives had failed to integrate school, work and training on a level comparable to the system in the FRG. This debate has intensified during this present decade almost in proportion to the rapid increase in MSC spending and the parallel increase in the mutual dependence between MSC and LEAs. An additional and critical development, however, with the introduction of the Youth Training Scheme, was the involvement, and competition with, the private sector (industry and trainers). The scale of development of youth training also accentuated
the implication for industrial relations in FE.

While discussion on the relevance of MSC initiatives has developed within FE it is interesting to note that a 'pedagogic' argument was being used to question MSC intervention in FE. However, the evidence of DES discussions and FE activity and concern with vocational training, traditionally in day release terms, suggests that the argument is about territorial control rather than the purpose of that control. The concern reached such levels in the profession that a British Educational Management and Administration Society (BEMAS) conference of 1983 was given the title "Education Fights Back".

2.3.3 THE DES RESPONSE

The options open to the DES were somewhat restricted. The activities of the MSC had already posed a considerable challenge to the Education sector. The DES was being pulled, whether it liked it or not, into the political question of being seen to meet "industry's needs", whilst at the same time increasing the "employability" of young people.

At the same time, the economic crisis was having an effect on the overall resources available for expenditure in both the MSC's and the DES' policy fields. Although finance "clawed back" from the EC helped with the MSC's need to expand, the DES found itself limiting and then cutting expenditure. The falling school rolls provided a
convenient excuse to lower expenditure in the schools sector, although the provision had never been adequate. The DES operates these cuts by advising the Department of the Environment to lower support grants to the LEAs. However, it was not long before the resources which the DES still had were looked to as a source for the continuation of labour market led policy.

The first signs of this were expressed in 1980 when the DES offered a dispensation which enabled unemployed young people to attend school based as well as college based courses on a part-time basis for up to 21 hours a week. Further developments were limited as a result of the MSC's increasing involvement in post 16 vocational education and then in 14-18 school provision with the introduction of the Technical and Vocational Education Initiative, first piloted in the summer of 1983. This was a scheme aimed at filling a gap in school provision for 14-18 year olds. It was claimed that schools had been failing large sections of pupils who did not choose academic courses and did not pay sufficient attention to developing technical skills. Educationalists saw this scheme as indicating that the pre-vocational developments for post-16 students were 'backwashing' in pre-16 ... a threat to the ideals of liberal education.

The DES believed that curriculum control for the 16-19 sector would be the main 'lever' for change. The aim, and a great deal of activity and time, was to formulate and introduce a vocational curriculum at 17. Both the School
and FE Divisions of DES agreed that the curriculum should have a realistic vocational focus in which the needs of employers should acquire priority, but the employers should not have direct control over design and assessment. Although a consultative paper stating the Government's preference was published in October 1980 this was challenged resulting in further concession and a final announcement in May 1982 accommodating both Schools and FE interests. Conflict, however, continued and the FE sector reasserted its interests supported by vocationally oriented Validating Bodies.

Significantly there was no disagreement within DES on the presuppositions underlying the debate, namely:

a) that the curriculum must be vocational
b) that in an economic recession resources for education would be reduced thereby reorganising and rationalising provision. Also that this would have educational and financial advantages, while restricting educational opportunity, i.e. "the aspirations of young people must be realistic and rationalised from now on."
c) this rationalisation would stratify and steer students in to particular vocational routes according to ability, attainment, aptitude and maturity, bearing in mind "the need to promote even handedness of treatment and parity of esteem within 16-19 education".

As Ranson rightly concluded, this amounts to "a more overt stratification of young people than we have previously
witnessed". The justification for this stratification; academic, technical and modern ("low achievers") is to meet the needs of the economy.

Equally significant was the DES's developing interventionist role which was further facilitated by the two Education Acts, 1980 and 1981, which offered the DES additional legislative ammunition with which to control local education authorities relating to institutional capacity and its reorganisation. These instruments are reinforced by a general reduction in public expenditure and extends DES's control and influence. While this increasing centralisation is not peculiar to the Education sector it had been identified by Government's Central Policy Review Staff in 1980, as a policy successfully implemented in other European countries. The imperative then was that education should take account of and meet the needs of industry, "within this country's traditions".

Clearly there is a tension between the traditional principles underpinning education in the UK, and the centralisation and central government intervention in order to meet the needs of industry. However, increasingly through the early 1980s Central Government, though still believing in these principles, has argued that more central direction, guidance and reorganisation is needed because of poor performance by local education authorities, colleges, Industry Training Boards, and to some extent employers. In terms of performance the suggestion is that these institutions and the mechanisms that link them together
have been unable to adapt or respond sufficiently quickly to recent dramatic decline in employment and the related collapse of youth employment and voluntary training in industry.

While this argument justifies intervention it ignores the reactive nature of central intervention and the long time delay involved, and also ignores the rapid response that, of necessity is required at the local level.

2.3.4 THE LOCAL LEVEL IMPACT OF ECONOMIC CHANGE: RATIONALISATION

Even while the Department of Education and Science was developing a curriculum 'lever for change' the forces of economic change were having a profound influence on the Further Education function of the Local Education Authorities; demographic change (falling numbers of school pupils), public expenditure cuts, MSC initiatives (providing a requirement for 'formal' off-the-job training), and increasing unemployment, have provided local education authorities with an additional and re-defined market seeing a move away from part-time day release for employed youngsters to full-time students and MSC 'funded' courses related to vocational training for the unemployed. This process of change has also led to a convergence of the post-compulsory education with the compulsory secondary sector.

The level of rationalisation is indicated by expenditure reduction and the fall in school rolls. In 1975
educational spending accounted for 6.25% of the national product, by 1984/85 public spending on education and science had fallen to only 5% of the national product, by 1987/88 Government plans suggest that this would be below 4.5%. The 1% drop in the volume of services over the six years 1978-84 has been compensated by MSC's intervention which is estimated at between a 2-3% increase in 'educational' spending in real terms.

In terms of real numbers it has been noted that, in response to declining part-time student demand, FE has managed, within resource constraints, to achieve an 80% rise in full-time students from 196,000 in 1972 to 355,000 in 1982. FE has also accommodated an increase of 50% of students on non-advanced full-time vocational courses, from 110,000 in 1978 to 165,000 in 1982.

Another group of growing importance is the unemployed student who registers as available for employment and attends a course for up to 21 hours a week. This opportunity has created a great deal of discussion as to how the rules are interpreted. For college staff the work load is accentuated by the need to judge each case and counsel the student as well as design an appropriately structured course.

In some areas of England and Wales the restructuring of primary and secondary industries has led to the rise of a large number of redundant workers who are making demands on colleges. In some cases, for example, steel, the speed of
response is essential in order that the redundant worker can benefit from grants from the EEC which entitle the ex-worker to 90% of their average take home pay during attendance on a course for up to 52 weeks following their redundancy. In one case, Sheffield, 550 redundant steel workers enrolled on full-time courses. Once again catering for this new client group requires counselling and the rapid development of courses. Needless to say, such initiatives are sensitive, as they inevitably facilitate the restructuring of an industry by supporting the de-manning process.

The rationalisation of the education service was and is clearly a concern of central government. Whilst negotiations have taken place centrally, at the local level a response has been required, particularly in the relationship between the function of the school and the college of Further Education, with the result that the new legislation paralleled trends on the ground. The outcome has been a convergence between school and college based provision. The distinction between general and vocational has been undermined. It is also the case the '21 hour' students have used both schools and colleges and the exchange of specialist teaching and facilities has taken place. Also schools have developed pre-vocational courses. In institutional terms educational provision has been rationalised in some areas by reducing the 16-18 provision in schools in order to provide tertiary colleges which provide a range of educational opportunities for all post 16 students.
Since 1982 the numbers of 16-19 year olds have been in decline which has threatened FE's role and the status attached to full-time general education and academic courses. Increasing unemployment and the increasing role of the MSC has brought vocational training back onto FE's agenda since the days of the decline in day release courses in the period from 1965-74.

2.3.5 CENTRAL AND LOCAL GOVERNMENT: LOCAL PARTNERSHIP, COLLABORATION OR MUTUAL DEPENDENCE?

The paragraphs above have described the adjustments which the local delivery agencies (CFE's) have had to make in response to the impact of the recession, the intervention of MSC and competition from private sector training agencies. This challenge to the FE/VET sector has also enabled local agencies to develop a dependence relationship with the MSC. The MSC also depended upon CFE's to deliver its initiatives at least in the early stages.

Although the CFEs have responded to the needs of the situation and the requests of the DES it would appear that government has not been satisfied with this. In order to impact on the vocational dimension of the school curriculum, the government has channelled its funds for new schemes via the MSC (see also para 2.3.15). In addition, in 1984 the government proposed moving some of the basic funding of local authorities from the Department of Environment to the MSC and allowing the local authorities
access to these funds only if they submitted local development plans to the MSC. This idea created enormous difficulties. The two associations of local authorities refused for a long while to even discuss the administration necessary. The MSC, for its part, indicated an unwillingness to do as central government requested and the then Secretary of State for Employment had to use his legal powers of direction on the MSC (the only time this has happened). Eventually a compromise was reached but the notional independence of the MSC as a corporate forum was clearly weakened (see 2.2.2). This latter example is elaborated below (2.3.37 - 2.3.39).

This dependence raises questions of ownership and control of VET/CET initiatives, funded by central government departments and/or industry but relying on long established training institutions, both public and private, for delivery. In recent years, the Youth Training Scheme and Non-Advanced Further Education Local Development Plans (NAFE-LDPs) have advanced and tested this dependence.

In the case of YTS indications are that LEAs and their colleges responded effectively to the demands of MSC. A survey carried out by MSC in October 1983 showed that local authorities and local education authorities provided 17% of all mode 'A' places, 50% of mode 'B1' and 70% of mode 'B2'. This same survey indicated that Colleges of Further Education provided 46% of all the off-the-job training
supplied under the scheme, accounting for 2,274 mode 'A' schemes, 563 mode 'B1' schemes and 266 mode 'B2' schemes. As a result of this level of involvement the nature and content of the YTS was negotiated at local level between all the social partners. Furthermore it ensured variety, sometimes perceived as inconsistency or incoherence, depending on local circumstances.

NAFE LLPS raised rather more contentious issues for since the development of YTS in 1983 the relationship between LEAs and the MSC have become even more strained by central government comments on the quality and relevance of training in the UK and the responsiveness of the institutions providing training. In many ways this is a continuation of the debate periodically sparked off over the last 20 years, but in 1984 there were close links with the Cabinet Office report of 1980. The first comment is that contained in 'Competence and Competition', 1984, which, by comparing USA, Japan and West Germany, identified a clear link between investment in education and training and competitive success. This assumption is a significant development on the claim by CPRS in 1980 that

"It is difficult, if not impossible, to prove that particular features of a country's education and training system are associated with high or low levels of productivity."

The 1984 report claimed that these three countries set a standard against which Britain must be measured, although
it admits that

".... the correlation between vocational education and training and economic success has never been measured ... (yet) ... all three countries see education and work competence as a key to their economic success; they are devoting effort to it with the will which has earned them their present position."(4)

The implications of this 'challenge to the nation' for LEAs was that colleges should be more flexible and responsive in order to meet the needs of industry. In the White Paper "Training for Jobs", 1984, the Government proposed to 'claw back' 25% of LEA's spending allocated to non-advanced further education (initial training) by 1986-87, making the MSC accountable for the spending of this money.

The concern of the MSC was to make training "firmly work-orientated and leading to jobs". The Chairman of the MSC explained that the MSC were "the only body who could achieve change rapidly and had the power to achieve it". This initiative was a direct threat to the tradition of local autonomy in education which the Chairman claimed "has its drawbacks ... and does not encourage the introduction of industry and the world of business into the school system".(5)

The White Paper expressed Government anxieties that "we may still face shortages of particular skills and deficiencies in quality". The solution was to offer cost effective
training determined by employers (who have to satisfy the needs of the market) rather than by central direction. While it is employers who must decide the level of investment in training in terms of deciding the level of training to be carried out and setting standards and determining good value it is for central and local government to ensure vocational education is provided to improve the transition to work, and for the MSC to assist the flow of information about skill needs, training and jobs, especially at local level.

It was envisaged that most of the resources would be spent within local authority colleges, emphasising newly emerging skills such as electronics and robotics and to help to adapt and update skills. The sharing of responsibility was to be negotiated with the local authorities. However these proposals brought a fierce response from local authorities who claimed an erosion of local autonomy and a disregard for the responsiveness of colleges and their close contact with industry. As a result both Labour and Conservative controlled local education authorities through their national associations refused to cooperate with the MSC throughout 1984. The MSC expressed its reluctance to proceed without cooperation and was formally directed to undertake the work by the Secretary of State for Employment - making a unique use of legal powers.

While posturing is important, in practice dialogue took place at both national and local level between local education authorities and the MSC. With Central Government
able to control a significant proportion of 'local' expenditure and local education authorities controlling the delivery mechanisms (colleges and lecturers) there followed a period of negotiation. These negotiations separated financial control from the formulation of Local Development Plans for education provision. This development of a partnership arrangement conforms to trends in central-local relations in recent years, with a planning mechanism being primarily used by Central Government to assert financial control.

The requirements of the planning procedure for LEAs to consult with industrial and trade unions interests during formulation suggests a concern by MSC to meet the needs of local industry. In practice, given the haste with which the plans had to be drawn up and the guarantee that MSC would not withhold any resources during the first year, the consultation processes conformed to traditional 'local' practice. There is little evidence that new procedures or mechanisms for local 'dialogue' were introduced and the fact that none of the 105 plans were rejected by MSC suggests that this was not a significant priority.

2.3.6 COST CONTROL

More recent developments also suggest that MSC's concern is for increasing control or influence of local resource allocation mechanisms rather than a concern with responsiveness or quality, both of which are suitably vague notions. "Responsiveness and Responsibility"(6), a
document containing case studies presented by the local authority associations to MSC during the discussions surrounding local development plans, present a number of case studies displaying the responsiveness of local FE colleges. However, the Government and MSC continue to express their anxieties. The recent Government Document on the relationship between education and industry, "Education and Training for Young People", produced in 1985 jointly by the Secretaries of State for Education & Science, Employment and Trade & Industry, offers an insight into the concerns of Central Government with regard to training, employment and unemployment.

Once again the Government takes the opportunity to compare the UK with other European countries and notes that

"In virtually all our competitor countries young people are treated as learners until the age of 18."(7)

The report follows this statement by making a strong link between training initiatives and the reduction of the unemployment figures, rather than the creation of 'real' jobs

"Compared with our competitors, the UK is spending a relatively large sum of public money in an attempt to deal with youth unemployment, a problem many of our competitors do not have because of their better developed education and training provision."(8)

However both statements make reference to the relative high
cost in the UK to Government of adult status, rather than trainee status, and the relatively low proportion of investment by employers/industry in training and the consequent high cost to Government.

2.3.7 CONCLUSION

This sub-section has concentrated on the impact of Government and MSC activities and policies on the Department of Education and Science and Local Education Authorities and their colleges. Criticism of vocational education was expressed by Government, Industry and from within the DES. The curriculum was criticised for lacking appropriate vocational content and LEAs and their colleges were criticised for being unable to respond to the changing demands of industry. These specific criticisms of LEAs were part of a wider concern by Central Government of local authority spending levels and the beginning of a trend towards greater centralisation of financial control.

In this context the MSC was a central agency for intervention in the activities of LEA's which had a significant impact if only because of the resources at its disposal. MSC was able to direct change by offering LEAs and colleges specific grants to introduce vocational education programmes; for example TVEI for 14-18 year olds and YTS. While MSC's intervention was based on a criticism of LEAs there is ample evidence that these were adapting to economic and demographic change and industrial restructuring. A process of rationalisation of provision
had been taking place for a number of years, and many examples were available of how LEAs and colleges had adapted to changing clients. Unemployment and MSC had brought vocational training and education back onto the agenda but resource management indicated a desire by Government for 'more policies for less money'.

In addition to MSC's control of a significant proportion of financial resources new mechanisms were also introduced on the basis that MSC should control the allocation of resources and that employers should determine those courses the resources should fund. For example, with the Youth Training Scheme the preference was for private sector Managing Agents with vocational education bought from colleges. A more contentious example for Local Education Authorities was the Non-Advanced Further Education Local Development Plans which MSC was directed by the Government to introduce without the cooperation of the Local Education Authorities national associations. LEAs, under this programme, had to support a request for MSC controlled resources with a development plan of courses. This plan had to contain evidence of consultation with employers, the status given to consultation with trade unions, by comparison, was very low.

These developments suggest that MSC is unclear about training priorities and quality. This is evident from the acceptance of the content of all NAFELDP's in the first year, and the low priority given to the monitoring of training in YTS. This suggests that employer involvement
is assumed to result in the most appropriate training provision. More significantly these trends reflect the high priority Government gives to controlling the level of public expenditure. The impact of these developments is that the priority of and resources for non-vocational/employer related training is in decline.
REFERENCES


2. Ibid.

3. 'Education, Training and Industrial Performance', a report by the Central Policy Review Staff, 1980, HMSO.

4. 'Competence and Competition', a report by the Institute of Manpower Studies, Sussex University, NEDO/MSc, August 1984.

5. Mr. D. Young, Chairman of the Manpower Services Commission in a speech to the Royal Society of Arts, February 1984.


8. Ibid.
2.4 INDUSTRY

2.4.1 INTRODUCTION

This sub-section will consider the role of industry in the national response to rigidities in the labour market (e.g., skill shortages). It is the "process" or "game" of negotiation of this role which has been expressed in the debate about the role of Industry Training Boards (ITBs) in the UK since 1964. The "rules of the game" are derived from the mutual dependence between the two partners and concerns the extent to which the Government can take independent action without the criticism that the public sector is unaware of industry's needs.

2.4.2 STATUTORY CONTROL OF TRAINING

All ITBs were established with governing councils of employers, trade unionists and educational representatives. Furthermore, since 1964 the UK economy has moved from high productivity and high employment to a high productivity/low employment economy and, as we have shown above, the development of an "active manpower policy" has facilitated this trend. Until the late 1970s there had been a consistent dilution of the degree of intervention of ITB's into company training activity to the extent that the levy grant system of 1964 was revised in 1974 to accommodate
exemptions in cases were companies provided sufficient training for their own needs. This amendment was made even though it was impossible to demonstrate that the supply of trained manpower had increased. One ITB, Construction, successfully argued that the levy-grant system should be maintained because of the special characteristics of this sector, and a workforce primarily with sub-contractors rather than main contractors. In addition exemption was seen as more bureaucratic and the 1974 revision was seen by some as the beginning of greater dependence on Government funds and therefore greater interference. All ITBs in 1974 had their administrative costs met by the MSC (ie. Government) rather than the industry.

As the 1970s progressed and the economic recession deepened, industry changed its labour market strategies, laying off labour, drastically reducing the recruitment of young people and savagely cutting back on training provision. This raised fierce conflict between employers and many of the Industry Training Boards. At the same time the MSC bureaucracy was increasing as was the MSC's investment in special training for special needs groups (ie. the unemployed). In addition, the MSC saw its very existence, and its funding of the ITBs, as being to promote and control training. Some ITB members felt that insufficient attention was being given to industry's training needs. ITBs had to adapt to a different set of funding rules for each new MSC funded programme. By 1979 Government investment to ITBs was reduced; in the case of the CITB, by 30% in operating expenditure, 13% for the
industry's training. At the same time as the reduction in support for ITBs the MSC's own Training Services Division funding was reduced.

By 1980, as a result of lobbying from employers for whom training was no longer an expenditure to be supported, MSC had set up a review of the Employment and Training Act of 1973. The CITB recommended that there should be central funding for basic training and complementary further education for the 16-18 age group and also that the MSC should no longer exercise responsibility for training for employment in industry. By September 1981, when the future of most of the ITBs was in doubt although no decision had been made, the review report provided for the transfer of operating costs back to the industry as from April 1982. In most cases this decision meant the ITBs were to be expected to levy (tax) employers, who since 1974 had been exempt from tax, in order to generate sufficient income. In this way industry could have more control over training but would be more dependent on its own resources. Consequently responsibility remained with cost-conscious employers anxious to further reduce training expenditure.

What has been seen as an attack on ITBs is seen as a result

a) of the hostility of the small-firm lobby to interference (which also influenced events in 1973)

b) an argument presented by the Cabinet Office in 1980 that the concept of skill and apprenticeships has more to do with trade union restrictive practices than the needs of
modern industry. Consequently the Government did not wish to support traditional structures
c) the Government desire to construct a training scheme for young people in line with the EC which could utilise Social Fund resources
d) the Government's concern to reduce the "training bureaucracy"

The outcome of this challenge to ITBs was expressed late in 1981 when the Government announced that only seven would be retained and the remaining sectors would be provided for by new voluntary training associations. On the remaining ITB, the employers representatives have the right of veto on the size of the levy imposed by the Board. This decision by Government was followed a year later by the New Training Initiative, whereby the Youth Training Scheme funds became the only source of funds to industry from Government for vocational training for those in their first year of employment, and the Adult Training Strategy provided specific grants.

The impact of this change is likely to be the continuing decline in the amount of training covered by ITBs. The Engineering ITB, for example, points to a drop in apprenticeships in that industry alone to 7,000 in 1983, from 20,000 in 1979. This is a figure well below that required to secure long term future skills. There is also a shortfall of 5,000 industrial placements per year for graduates. There is no sign of any change in this downward trend. In 1984, members of the EITB in engineering and
electronics firms had reached the stage of calling for their own Board to be abolished, also the general membership was pushing for a reduction in the eighteen million pounds levy. The Engineering Employers Federation, representing 5,000 firms called for a 30-40% cut in levy and EITB operations.

The likelihood is that this will reinforce the criticisms that the Cabinet Office made about ITBs. Adult training and retraining, they felt, is restricted and training is also very specific and confined to a narrow range of occupations. For a Government concerned to develop a more responsive training system and an adaptable work force, the experience of the ITBs appears to be irrelevant.

The indications from these developments is that Government investment in training at sector level will be carried out according to specific requirements of the sector, the locality and the firm. This can be viewed as a more cost-effective, less bureaucratic approach. However, it does not necessarily result in less intervention by Government, nor does it necessarily result in a reduction, by proportion, in Government support for sectoral training. It is clear that responsibility for training is more clearly allocated with the remaining ITBs responsible for financing their own administration costs and managing the levy according to the Boards' changing priorities. This increased autonomy implies a greater faith in the ability of sectors to determine and respond to their training needs. However, the non-statutory training organisations
(NSTOs) and the trend towards a greater reliance on employers to administer and deliver training schemes such as YTS does not assure either quality or quantity.

2.4.3 THE NON-STATUTORY INDUSTRIAL TRAINING ORGANISATIONS

The new arrangement for non-statutory (voluntary) industrial training organisations assumes that collaboration with the MSC will be negotiated on the basis that there is a common desire to achieve the three objectives of the New Training Initiative.

"Industry bodies will also have an important role in encouraging the modernisation and revision through the appropriate negotiating machinery."(1)

Since this statement, MSC staff have been involved in discussions with almost one hundred non-statutory training organisations in order to formulate collaborative mechanisms, towards revising and modernising occupational training (Objective 1 of NTI). The progress report on these discussions published in July 1984 noted that there had been important agreements in engineering, electrical contracting and printing, "reflecting the good will and commitment from employers and trade unions". There was a clear recognition that the MSC can help others to make progress and that the responsibility for action was the responsibility of a range of interested parties. On this basis the MSC made it clear that training arrangements would develop from its own programmes as expressed locally,
and would vary according to the nature of the sector.

A more recent investigation of NSTOs indicates that many are based on employer organisations or trade associations, some with trade union involvement, others specifically excluding trade unions. They are funded by member firms and their major role is to disburse MSC funds and inform their members of MSC training resources. There is, however, no guarantee of activity. This variety is partly the outcome of the failure of Government to set high standards for these new organisations. It is also claimed that these standards were not sufficiently well monitored.

A recent position statement from the MSC in July 1986 expressed continuing concern about the quality of involvement by NSTOs and put forward a checklist of desirable characteristics which NSTOs ought to aim to fulfill, which included taking into account trade union views. Where employers in a sector are actively training then the NSTO is expected to provide a strategic overview, where there is little training the NSTO stance is expected to be more proactive. The MSC statement concludes by explaining that once an NSTO commands credibility in the eyes of its sector, Government and MSC then the monitoring of the use of public funds can be reduced to an 'efficient' minimum because the status of the organisation ensures 'value for money' and an influence on the training activities of the sector. This is a promise of reduced 'interference' by the MSC once the NSTO can be seen to be succeeding in its role.
In summary we must emphasise the quite deliberate policy of the government to reduce the number of formal arenas in which trade unionists are in decision taking positions. The establishment of NSTOs and the reduction of ITBs is part of this policy.

2.4.4 MANAGING AGENTS FOR MSC SCHEMES

The collapse of apprenticeship training, the undermining of the ITBs, the rise in youth unemployment and the commitment to train and/or find temporary jobs for an increasing number of young people, whilst cutting back on the staff in the Manpower Services Commission and holding policy resources at a level disproportionate to the growing scale of the problem, all led to new ways of delivering labour market policy.

The Youth Training Scheme developed the idea of the Managing Agency (or Agent) who would manage and deliver the training and/or temporary jobs to young people at local level. In the case of the YTS Mode A the Managing Agency was to be an employer in the private or public sectors, who would group together a series of other employers to help him or her in providing training. In return he or she would receive a payment from the MSC to cover administration costs.

In effect, these new organisations became "mini quangos" at local level, being heavily influenced by the MSC monies.
which they received. The Managing Agency (MA) is still being evolved. The new two year YTS will reduce the number of MAs, cutting out those whose training quality is not considered to be good enough.

As YTS has developed there are claims that when employers are Managing Agents then the training is too skill specific which contradicts the aim of YTS to provide a broad range of skills. Also at the local level, concerns are expressed, both by the private sector employers and by college staff, about the quality control expertise held by MSC staff. On this issue, the low allowances provided by the MSC to trainees may have attracted employers to take on a managing role enabling them to have some influence on the vocational content, especially as managers of schemes have the freedom to buy "training from within the public or private sector or from within their own resources".

Managing Agents have provided a new complexity at local level. They are answerable to Area Manpower Boards, but in practice there are so many of them that their discretion has been considerable in areas other than finance. This complexity is liable to increase with the recent introduction of private sector Managing Agents for the Community Programme for the long-term unemployed and also for a part of the Adult Training Programme for people unemployed for six months.

The addition of Local Collaborative Projects and Local Development Programmes for Non-Advanced Further Education
has further increased the complexity. The MSC has recently addressed this by establishing a field delivery command structure to develop greater professionalism in the relationship between Area Offices of the MSC and Managing Agencies.

In addition to the adoption of Managing Agents as a delivery mechanism, the MSC has attempted to increase the influence of industry on local training provision through Local Collaborative Projects, and by requiring that local education authorities consult employers in formulating their plans for non-advanced further education. This trend has recently been taken one stage further with the MSC's proposal to set up Local Employer Network projects. Consciously basing this model on what they see as practice in the Federal Republic of Germany, the intention is to develop local employer networks based upon local Chambers of Commerce, in association with the Confederation of British Industry. The purpose is to provide training agencies with information and also to develop the role of Chambers of Commerce in providing and organising training relevant to local needs.

2.4.5 SUMMARISING REMARKS

Previous sections have described the national debate which has criticised the role and activity of the public sector education provision for vocational and continuing education. Whilst the structures for sectoral provision have also been criticised by Government and some employers,
it is also the case that employers have been criticised for failing to invest in human resources.

The Government's rhetoric that improved training and education will result in improved industrial competitiveness and therefore the creation of jobs is a logic which industry has offered support to. However, this support is often translated into claims that Government is responsible for solving unemployment while industry is involved in wealth creation, competitiveness and increasing productivity. To the extent that education and training will facilitate these primary objectives of industry it is supported. However, the 'leap of faith' that education and training necessarily translate into jobs, extra rather than new, is something that industry has, wisely, avoided.

A recent Government report 'Competence and Competition' (1984), after comparing training and education in USA, West Germany and Japan with the UK concluded that

"British companies do not act on the USA model and themselves set up the facilities they need, but expect someone else to do it. Nor do they come to a long-term arrangement like West Germany and Japan. UK employers, individually or collectively, rarely assess what they ought to spend." (4)

The recommendation was that employers should either develop a capacity to negotiate with public sector to get the sort of training it wants or provide it themselves. The concern
here was that while employers have been quick to identify skill shortages these claims have not been presented in a way to which the public sector education and training providers can respond.

The purpose of 'Competence and Competition' was an attempt to draw education and training interests together and to generate commitment from all the social partners to develop a new long term approach to training.

This 'agenda setting' exercise continued in 'A Challenge to Complacency' in 1985 which described the results of the 2.6 million pound Adult Training Campaign as 'invisible', indicating the minimal interest or concern of employers in training issues.

The criticism emanating from these reports were, of necessity, fairly sweeping. However, it has to be recognised that many employers do invest a great deal in in-house training, and the MSC themselves have presented examples of the benefits of investing in training as part of the Adult Training Campaign. The overall indicators, however, are not impressive with a survey of 500 firms indicating that only 0.15 per cent of turnover was invested in training. The issue then becomes, firstly, a question of the acceptable ratio of public and private sector investment and, secondly, a concern with the limited appreciation within British management of the 'value' of training and the availability of resources.
With regard to the last point, the failure to invest in human resources is a more recent criticism of UK management. (5) Once again international comparisons, particularly with West Germany, indicate that a preoccupation with 'professionalism' amongst managers in the UK detracts from production and line management, which contrasts with the West German tradition of managerial competence grounded upon qualifications in engineering or chemistry. It is argued that the professional traditions in the UK give production a low status and has ramifications for investment and, implicitly, training policy. (6)
REFERENCES


5. For example:

(a) "Human Resource Management in Britain: an appraisal", by K. Sisson and B. Townley, Industrial Relations Research Unit, Warwick University, a conference paper, October 1986.


2.5 TRADE UNIONS

2.5.1 INTRODUCTION

This section deals with the context in which the national trade union body, the Trades Union Congress (TUC) acts and the role it adopts. As the subject of this report is the dialogue between the social partners it is appropriate that this section should consider the commitment to collective bargaining in the UK and attempt to explain what factors have determined the level at which it takes place. This, then, explains the limits on the role of the TUC. To meet this objective this section commences with the Vredeling proposal and the expectation of a recent European Parliament 'motion of resolution' 'set against' the recent tensions between Government and unions. This is followed by an analysis of collective bargaining which indicates that management has a great deal of influence on the level and extent of bargaining. This leads to an emphasis on local level bargaining which Government policy reinforces. This situation then explains the limits to the TUC response to vocational training which is presented as the management of an ambivalent position whilst ensuring the maintenance of its own presence in the national level dialogue.

The recent negative response to the Vredeling proposal, which aimed to ensure that employees in multi-national
companies are kept informed of company intentions, reflects the deep commitment of trade unions to collective bargaining. The European Parliaments Social Affairs Committee broadly approved this proposal but it was heavily amended in Parliamentary Committee, reflecting the divergence of views between management and trade unions.

In Britain the CBI expressed strong reservations with the proposal, while the TUC supported the principle but could not favour a system which would interfere with collective bargaining.

A recent "motion of resolution" by Mr. Raggio emphasised the significance of the principle of collective bargaining throughout Europe when he described it as

"The most valid normal method of managing the labour market and trade unions rights and freedoms" (1)

The motion then proposed that both collective bargaining and legislation are needed in order to manage the labour market and to provide a system of social guarantees to improve the situation of workers, rather than leaving it to chance.

While directives may have limited impact and national representatives of social partners may both reject national agreements and be unable to "carry" their members, the call for action by national governments to facilitate continuous dialogue would appear to be "swimming against the tide" of
opinion and practice in the UK.

In March 1984 the TUC representatives withdrew from the National Economic Development Council (a tripartite organisation) over the banning of trade unions at the Government's Communications Headquarters. In May the Director General of NEDC appealed to the trade unions to return to the discussions on how to create jobs, and claimed

"...it should be possible in a mature industrial society such as ours for representatives of Government, employers and workers to examine and argue through the questions at issue". (2)

More recently, in September 1986, the TUC accused the Government of attempting to reduce the role of trade unions in public policy-making bodies, claiming that the Government had failed to honour pledges that it would observe long-established procedures on TUC representation. These complaints began in 1985 when the Government rejected the TUC nomination for the Port of London Authority. In 1986 the TUC was excluded from two public bodies concerned with research, development and innovation.

While the TUC-Government relations have been tense, the TUC and CBI agreed early in 1986 to hold bilateral talks on the need for greater flexibility in the labour market. The CBI invited the TUC to talk on the basis that it was necessary to create an atmosphere of greater understanding of the
issues so that there could be negotiation. The CBI consider that there is more scope for flexibility which would increase competitiveness while the TUC hoped that more jobs could be created.

2.5.2 COLLECTIVE BARGAINING – INTERNAL INFLUENCES

The difficulty of achieving dialogue and agreement at the national level may appear significant, the reality is that the local level is more significant for collective bargaining purposes. As a comparative project has indicated, in the UK the predominant level of bargaining is at plant level, with some bargaining at company level.(3) Legal intervention in the UK is restricted to specific areas, such as health and safety, and does not invade the bargaining arena, hence collective bargains are not enforceable by law and the negotiations are voluntary and their enforcement relies upon the goodwill and responsibility of the actors concerned.

To this general review can be added a more detailed account provided in 1983 by ACAS (Advisory Conciliation and Arbitration Service).(4) ACAS is an agency, funded by the Department of Employment, to which employers and trade unions may jointly appear to assist in resolving disputes. Its secretariat also provides research and issues general guidelines on good industrial relations practice.

The ACAS paper indicates the complexity of bargaining arrangements and the difficulty of identifying the main
determinants of the extent and level of bargaining. When looking only at pay bargaining ACAS appears to be fairly confident on its remarks, when considering other factors, such as work conditions, then there appears to be more variety.

The paper suggests that in times of recession multi-employer bargaining generally appears to increase which encourages bargaining at the industry level. At the time of writing the authors were hesitant to draw any conclusions about the present recession particularly as inertia can account for a delay in adjusting bargaining structures. However, the authors recognised that companies conduct a series of bargaining exercises at different levels so a multi-employer agreement may do no more than establish a framework within which different subjects are discussed at different levels. Furthermore, bargaining at one level may be formal and in writing while at another it can be informal, based on custom. The report comments

"The practice in British industry is much less tidy than the categorisations used in this paper"

For purposes of analysis one can argue that, when considering pay negotiations, multi-employer bargaining takes place at industry level and single-employer bargaining can be conducted at the level of subsidiary or even plant level. The importance of bargaining level, it is argued, is that it affects the process and outcome of bargaining and explains the patterns of trade union
behaviour, although it has also been argued that structures are the outcome of negotiation.

In 1968 the Royal Commission on Trade Unions and Employers Associations considered that changes in bargaining from workshop to plant and company level were fundamental to the solution of industrial relations problems such as unofficial strikes and uncontrolled increase of earnings. There is evidence that since the 1960s there has been some centralisation of bargaining from workshop to plant level and a growth in importance of single-employer bargaining at plant or company level in response to a number of difficulties.

a) the agreement made at one level may be ambiguous at another level
b) bargaining at an inappropriate level simply gives rise to additional levels of bargaining
c) ensuring that agreement is reached at that level where those agreeing are able to deliver
d) the bargaining level may have to change in the light of external pressures

Clearly, arriving at the most appropriate bargaining structure is extremely difficult because of the multiplicity of influences external and internal. ACAS attempted to identify these influences and gave particular attention to the relative influence of management and unions. In doing so it was recognised that implicit in any study of bargaining structures is a debate concerning
whether it is employers or unions that exert the dominant influence, and that in most British literature the assumption was that management did. The influences were categorised as

a) technical, eg. type of technology

b) market influences, eg. product and labour market

c) representational influences, eg. quality of personnel management, link between company and employer associations on management, and number of unions, full-time officials and union organisations in the workforce

d) legal framework and Government influence

Once again simplification for the purposes of analysis hides complexity for

"Once a bargaining level is established the influences, particularly representational factors, interact with the structure making it unclear whether particular influences determine the structure or whether structure determines the influences."

ACAS put forward the view that while variations in structure explain patterns of union government and aspects of union behaviour, management decisions are the predominant influence in shaping the structure itself. The report develops this point further by identifying factors
which induce decentralised bargaining. For management:

- the extent of decentralisation of other functions, eg. financial control, which reflects the management philosophy

- the management decision-making process

- position and status of the personnel function, eg. if this has little influence and there is little communication between plants, this will favour plant level bargaining

For the unions, their structure has a complex influence on the bargaining structure, while it has been argued that if power is decentralised in the union then this favours decentralised bargaining. Others argue that the source of the power is critical and therefore the primary influence on union government is the level of bargaining, "power in a union's system of government reflecting the level at which bargaining takes place".

The implication is that if the management decisions shape the bargaining structure then the unions react. If bargaining is centralised at company level then unions will need to develop a central organisation. This means that the unions have to manage disagreements between them, ie. overcome problems of coordination. Where bargaining is decentralised then some form of organisation has to be developed to exchange information between plants. A
further implication is that bargaining structures may be arranged so that they reflect the relative importance of issues. For example, pay bargaining may have well developed structures while other issues may have a structure which reflects the marginal nature of the issue or, alternatively, structures may be under-developed or non-existent in order to maintain their marginality. In such circumstances bargaining about structures may reflect an increasing concern about the status of a problem, while informal arrangements can reflect a low level of concern, a defining strategy or a recognition that formal structures are unwieldy and unresponsive. Getting issues or problems 'on the agenda', then, becomes an important part of the solution. The evidence is that attempts by trade unions to influence technical change, for example, is the exception rather than the rule and mostly the result of an 'uphill struggle' by representatives.(5)

2.5.3 COLLECTIVE BARGAINING - EXTERNAL INFLUENCES

The ACAS report claims that,

"The most notable external influence is Government encouragement of productivity bargaining (which encourages plant level bargaining)"

The 'position' of the present British Government has been clearly indicated in a document 'Employment - The Challenge for the Nation' (1985). This document says that Britain is now paying the price, in high unemployment, because over
many years the country has adapted too little and too slowly. The weak link in the economy is seen to be the job market. The main inhibitor of change, the Government claims, is the trade union.

"workers ... have felt they could escape the discomfort of new ways of working and hold economic reality at bay. Companies were burdened by overmanning and outdated methods."(6)

This statement reinforces the myth of the intransigence of unions which research consistently rejects. The Government's view of management is less critical. While stating that managers have not always acted professionally and have failed to respond and react to the "realities of competition" the Government recognises that business has been impeded by too much regulation and intervention and too little stability of policy. This, it is argued, distorts business decision making and inhibits the growth of new enterprises. Examples of 'good practice' and the achievement of high productivity are presented in the form of British Steel, British Leyland and British Airways, all of whom have achieved productivity at the expense of a massive reduction in workforce. The document claims that comparisons can be found by increased employment in the hotel and catering sectors.

The Government claims that a reversal of the existing situation (a reduction in unemployment) is not impossible but that the main responsibility lies with employers and
workers

"employers and workers must strike their own bargains for their own circumstances"

The Government calls for a slower growth of real earnings in the interests of improved competitiveness and lower unemployment. The role of Government, however, is said to be limited as it cannot create jobs. Encouraging training, maintaining a dependable economic financial and industrial climate to encourage enterprise, de-regulating business, and providing help for those worst hit (young and long-term unemployed) are cited as the main activities of Government, which it recognises as "crucial" but "inescapably limited".

This 'facilitative' role by Government indicates that the 'onus' for change is being put on management and trade unions. The concern of the Trade Union Congress and individual unions for training issues has to be considered in this light.

2.5.4 THE TRADE UNION CONGRESS: RESPONSIBILITIES AND CONCERNS

The three case studies provided below give an account of specific sectoral (branch) issues which individual trade unions and the TUC are concerned with. This section will provide a more general picture of the concerns of the TUC, particularly its role and responsibilities as a national body and its dependence on structures for national level dialogue.
The position of the national TUC, to which individual unions affiliate, is that any discussions at national level should not preclude or restrict bargaining at the 'local' level, where the decisions are taken, and to ensure that unions are allowed to intervene at this level (factory or plant). As this is the important level the amount of activity at national level with which the TUC has to deal is not substantial. While the workload may not be substantial the TUC continues to play a role within the national policy community. This role is constrained, however, by the availability of resources and the nature of the links between the TUC and individual unions. Financially the contribution from individual trade union members is declining in real value and in total with the decline in union membership Consequently the TUC is concerned to develop its image and raise its credibility in order to attract members. The TUC's ability to improve its service to its members is, of course, conditional upon maintaining an involvement in the national policy dialogue as a basis influencing policy and gathering information to disseminate to members.

The extent to which the TUC represents the trade union voice should not be over-estimated. A number of unions are not affiliated to the TUC, it has a loose confederal structure, and it has few sanctions over its membership. One observer has commented that

"The TUC has constantly been unequal to the collectivist
As a result of this loose structure it is argued that in order to maintain a semblance of unity the TUC has to engage in "compromise and fudge".

This relationship accentuates the importance to the TUC of responding to changes in work practices. Both the TUC and individual unions are becoming aware that they have to become more responsive and take initiatives in order to maintain their legitimacy. With increasing unemployment in recent years and new working practices being adopted in new plants set up on "green field" sites fundamental changes are taking place. There is a move towards "employer-employee" participation and a significant increase in part-time workers, developments which threaten the traditional central position of unions in relation to discussions about work practices and organisation. In addition, the level of unemployment and the marginalisation of sections of the workforce are an increasing concern for the TUC.

The concern of the TUC in recent years has been to respond to these changes by attracting new members and by responding to the concerns of existing members. This response can be described as encouraging the involvement of the membership, coordinating the activities of trade union representatives and legitimising the role of the TUC in the national policy arena. In order to achieve this the TUC is attempting to improve its "information and instruction" activities, and the quality of trade union representatives.
The TUC distributes both its own and MSC information and policy material to the offices of affiliated unions. Since March 1986 this activity has been extended beyond the headquarters to the branch officials which involves over 30,000 copies of the General Bulletin. This has been done because of the concern about the image and impact of the TUC and its concern to provide a better service to members regarding their rights, particularly part-time workers, on health and safety, conditions of service and training.

More recently a "Training Bulletin" has been produced by the TUC. This is sent to the General Secretary of each affiliated trade union, and to trade union representatives on: MSC's Area Manpower Boards, Industry Training Boards and voluntary organisations. In addition, bulk orders are received by trade union officers, research officers, Regional Councils of the TUC and Trades Councils. This bulletin provides up-to-date information on policy developments and offers policy guidelines to trade union representatives. This dissemination process is supported by meetings of the Regional TUC. In some regions meetings of trade union representatives on Area Manpower Boards meet monthly, although in other regions the meetings are not so frequent. In addition, professional staff within the TUC visit local level trade union representatives. This activity is, however, strictly limited by the small number of staff within the TUC. Consequently there is no formal coordination of the Regional TUCs or of trade union representatives on Industry Training Boards by the TUC.
TUC staff recognise that while structures for dissemination and discussion exist many are only utilised on an ad hoc basis, hence the variety across the regions and localities. A critical factor, then, is the quality and commitment of individuals. Clearly time is a limitation for a significant number of trade union representatives at the local level who are not full-time officials. The TUC has responded to concerns about quality by extending its own educational provision for representatives and negotiators. Part of this provision includes informing representatives of the educational opportunities available to their members. However, it should be recognised that representatives may not be able to give this the highest priority.

While the TUC is concerned to develop links and structures across its membership it has also expressed concern about the recent changes in the structures for the formulation and delivery of vocational training, which include all the social partners.

The role of the TUC can be seen as being involved in dialogue on advisory bodies where its representatives will attempt to exert some influence and extract concessions. In one sense the TUC does not "give" anything, however its very involvement may be critical in legitimising and endorsing policy. The role of the TUC is to influence Government, the Confederation of British Industry and the Labour Party, although success is least likely in the case
of the former. In addition TUC are invited to provide representatives on a great many bodies. In the case of the Manpower Services Commission the TUC provides three commissioners, one from the TUC and two General Secretaries from affiliated unions. TUC nominees are also members of the National Economic Development Office and its committees and working parties. While attendance at NEDC has been rather turbulent in recent years attendance at the MSC has continued.

The involvement of the TUC in the MSC activities has no doubt increased in importance as other structures have been dismantled, notably some of the ITBs, and as public resources fail to keep pace with the scale of the problem.

TUC officers have supported the MSC's activities and the objectives of the "New Training Initiative" but have expressed concern at inadequate public investment in training and have criticised the Government for ignoring trade unions and thereby breaking the consensus. The TUC, particularly during the review of ITBs, were concerned that trade unions were being omitted from the training debate, particularly at local level. It was also a TUC officer who criticised the Government for withdrawing its 50 million pound support for the ITBs operating costs. On the issue of youth training the TUC expressed a clear commitment to protect young peoples interests, and the status and income of apprentices, who are both trainees and workers, whilst accepting the need for modernisation of the apprentice system.
The concern for the end to consensus was well founded as the MSC's report "Framework for the Future", which advocated retention of all ITBs, was ignored by the Government who passed legislation enabling the abolition of any ITB without a recommendation from the MSC. Furthermore, alternative voluntary arrangements were developed in consultation with employers only. The TUC's claim that

"unions will not accept being squeezed out of industrial training machinery"(8)

is a clear reflection of a concern for the lack of institutional arrangements which the TUC feel ignore the views of both the trade unions and many employers.

The TUC's response to the development and implementation of the Youth Training Scheme was ambivalent. This was understandable as, on the one hand, it had a role on the MSC which formulated the scheme, on the other hand, it had to recognise the division of opinion over whether trade unions should co-operate and negotiate over the introduction of schemes in individual firms, reform them or refuse to co-operate. The TUC has continued to support YTS at national level, in spite of the erosion of the value of training allowances to trainees and weakness in monitoring arrangements, because of the framework of free collective bargaining. The assumption is that "best" or "good" practice can be negotiated locally and perhaps adopted
elsewhere. This assumes that local officials are concerned and motivated. The TUC have tried to encourage union involvement in YTS through national and regional conferences, and by calling for union involvement in MSC local review teams as a way of improving the monitoring and coordination of the scheme. The TUC has also urged Regional Councils to set up education and training consultative arrangements as the MSCs own consultative arrangements at national, regional and local level exist separately from plant level bargaining.

This separation may be interpreted as functional and explain the efforts of the TUC to raise the concern for and interest in training amongst its representatives and officials in order to overcome the "token" consultative role offered by MSC arrangements. In the case of Area Manpower Boards who are responsible for overseeing the administration of the Youth Training Scheme (and are composed of employer, trade union and educational interests) the lack of executive power was criticised by both trade unions and employers. As a result the trade union representatives, nominated by the Regional Council have a limited role. On decisions made by the AMB to accept or reject a training scheme the representatives have to choose between reducing opportunities for the unemployed by a rigorous position on abuses of the scheme or be more lenient and risk accusations of reducing the quality of the scheme. This is a reflection of the ambivalence the TUC faced during the national debate on YTS. Outside this formal setting there are examples of the local trade union
officials responding to the TUC calls for greater involvement in YTS in the workplace and as part of the local review teams which takes the discussion into the collective bargaining arena.

2.5.5 CONCLUDING OBSERVATIONS

This section has presented two characteristics of the UK situation: 1) that collective bargaining is accepted by all the social partners as the preferred "mode of dialogue" and that this is a complex arrangement which is difficult to analyse but which appears to be arranged according to the interests of employers, 2) that the Trade Union Congress has a limited role in influencing the negotiations at local level and is restricted in its role to encouraging, advising and informing affiliated trade unions according to its resources, status and legitimacy.

In recent months the relationship between the TUC, collective bargaining and the low status of training policy has been vividly expressed.

Consistent with the TUC's concern to maintain a presence in the national policy debate, in order to exert an influence and to utilise the structures available, the General Secretary of the TUC recently gave a speech reflecting the "new confidence and realism" among union leaders.

"We in the trade union movement recognise that unless we respond to these changes (structural shifts in
employment and technology) the very heart of trade unionism could begin to decline." (9)

This statement, in reflecting on the experiences of affiliated unions at the local level, represents the symbolic and legitimising role of the TUC by acknowledging the need for change and recognising the process of change at present taking place. However, while calling upon trade unions to respond to the need for change the General Secretary is making it quite clear that the trade unions have little choice but to respond. Clearly, this is a pragmatic perspective.

The difficulty for trade unions, and the TUC, is that they are under-resourced, depleted of power and losing status, therefore the nature of their response to change is strictly limited. This situation can be accounted for by the rapid restructuring of industry, particularly in private sector manufacturing with a decline in union recognition, membership and the "closed shop". In addition rising unemployment has led to de-skilling and, more significantly, the privileges available to workplace union representatives are now being re-negotiated and the Government is proposing to reduce the time-off with pay allowed to them. (10) These changing circumstances indicate a fundamental change in work practices and industrial relations which, according to ACAS, are likely to remain, for even

"when we come out of the recession, employment will not
be sufficiently secure to go back to "all out" procedures"(11)

In relation to vocational training such circumstances make it increasingly difficult to get training onto the agenda, simply, it has a relatively low priority compared to security of employment, pay and working conditions. This is not to say that there is no concern about their low priority, for example, civil servants and experts feel that trade unions should play a more proactive role. In some unions this need is understood and the aim is to develop a strategy of negotiations which includes the training implications of changing work practices so that training has the same status as other "bargaining counters". However, this is seen as a relatively long term strategy, i.e. persuading members that training issues have a role to play in achieving secure employment, as it has significant resource implications for unions in the form of money, time and technical expertise.

This resource and priority problem for training has been clearly expressed at the national level. At a recent Confederation of British Industry conference the General Secretary of a trade union supported the drive for competitiveness and productivity and called for increased investment by both Government and employers in education and training. This replicates the plea often made by the TUC to Government, and by individual unions to employers both on ITBs and at the workplace. Furthermore, this concern for productivity and competitiveness is expressed
by both the Government and the MSC when calling for unions and employers to adapt and change. The critical issue, however, is the cost or price of the "drive for competitiveness". The calls by the trade unions are made on the assumption that the investment in education and training to support the restructuring of industry will improve productivity and thereby increase employment. The call for change by Government and MSC emphasises the importance of flexible working practices as a means of increasing competitiveness. Simply, while the objective of all the social partners is the same, the means of achieving it are very different. In the case of the call for investment in education and training by the General Secretary the CBI replied that it is always prepared to talk but in exchange for investment the concession required from the unions would be a move towards flexible working practices.

The TUC's position on flexible practices is that while functional flexibility is acceptable, often creating more satisfactory work, numerical, temporal and financial flexibility are much less attractive, particularly in a period of insecure employment, as the cost in some industries has been its use as a mechanism for contraction.(12)

While this "dialogue" was taking place more formal and direct negotiations were taking place between the Engineering Employers Federation (EFF) and the Confederation of Shipbuilding and Engineering Unions (CSEU)
on a new industrial relations agreement on working hours and flexibility, and also included bargaining procedures which would enable one union to have sole bargaining rights. While this agreement has yet to be accepted by the one million CSEU members the most powerful union is claiming that reducing working hours by one-and-a-half hours per week will, as in the Federal Republic of Germany, create up to 100,000 jobs. This same union would also be the main beneficiary of single-union bargaining at plant level.

It appears, from the information available on this case, that the short-term concerns of both the major union, to extend its control at plant level, and of employers, to increase flexibility, took precedence. By putting these negotiations in the context of the pleas for greater investment in education and training, and the role of the TUC, we can draw other conclusions.

Firstly, the major unions in the CSEU is under no obligation to consider the TUC's "warning" about flexible practices. Secondly, no doubt, the drive towards competitiveness and greater productivity and the prospect of 100,000 new jobs are powerful arguments supporting the argument for flexible working practices. Thirdly, both the EEF and CBI adopt the position that flexible practices are the preferred way of utilising the existing skills of the workforce compared to significant investment in training. Finally, the low status attached to training investment by both employers and unions is leading to bargaining
structures which suggest that a reversal of this view is becoming increasingly difficult. As ACAS have explained plant level bargaining indicates a low commitment to personnel management and human resource development, and the move to plant level bargaining, implicit in EEF-CSEU negotiations, ignores the findings of a recent survey of 176 establishments that company head offices continue to exert control over industrial relations despite claims of greater decentralisation to plant level. (13)

The trends expressed in these conclusions indicate that the influence of the TUC and individual unions is diminishing. Furthermore, with the emphasis on competitiveness and productivity unions have little choice but to facilitate industrial restructuring and justify their actions as a pre-condition to alleviating the impact of restructuring, eg. future employment. However, alleviation such as by retraining continues to be a relatively low priority due to the failure to allocate adequate resources.

The TUC recognises this trend and the need to respond to the "new workforce" such as part-timer low paid female workers. However, once again the nature of the response is limited by resources. Individual unions have done little to attract the young unemployed and one trade union has rejected a proposal to recruit unemployed workers. Support for the unemployed was thought to be best served by increasing activity at TUC centres for the unemployed and improving the advice service to unemployed members.
REFERENCES


8. K. Graham, 'A Trade Union View', BACIE Journal, January


2.6 SUMMARY AND CONCLUSIONS

This section has introduced the concerns and perspectives of Government Departments, Industry and Trade Unions with regard to vocational and continuing education: the main points can be summarised in order to raise questions which will be further illuminated by the sectoral studies presented in Sections III, IV and V.

It is clear from this section that there is a great deal of activity and rhetoric surrounding the importance of and responsibility for vocational training. While all the social partners are involved the most recent arrival on the training scene is the Manpower Services Commission. The increasing interventionist role of this organisation has, in recent years, led to a questioning of the degree of its independence from Government. The debate about the reform of Industrial Training Boards, the requirement of Local Education Authorities to prepare Local Development Plans, and the role of the MSC in TVEI all generate a concern that the MSC's as a forum of corporate debate can easily be undermined. In two of these cases the Government chose to intervene and restructure the mechanisms for determining the level and nature of vocational training provision. In both cases the level and control of public expenditure was a common factor. That this should be the case conforms to a trend expressed in a number of policy areas whereby the control of public expenditure is being steadily centralised.
whilst the responsibility for managing the growing problem is being decentralised. The outcome has been expressed as the "poverty of autonomy" as Government attempts to generate "more policy for less money". This trend is clearly reflected in the growing concern for cost-effectiveness and a move away from what is seen as 'speculative', and therefore wasteful, training.

Within this climate of opinion it is perhaps understandable that a debate about the level of public expenditure and the mechanisms for controlling it should be the preoccupation of Government and the Treasury rather than the 'corporate forum' of the MSC. The justification for adjusting the mechanisms, i.e. cost-effectiveness, may well reflect on their function and suggest a low priority for social partner dialogue about public expenditure. However, it is clear that when a policy on adult training is the subject the Government allocates responsibility for success on industry and trade unions. As an area involving relatively low levels of public expenditure and where unions and industry have both knowledge and control or influence over local negotiating mechanisms the Government adopts a relatively detached role limiting itself to exhortation and pump-priming.

This reference to financial control mechanisms as the preoccupation of Government offers an explanation for the adjustment of roles and responsibilities for publically finance VCE & T. Recent events have reflected the importance attached to the responsiveness of local delivery
in the form of the activities of Colleges of Further Education. The increasing prominence of the MSC, through the resources available via the Youth Training Scheme and for Local Development Plans, has been justified on the basis of inertia of existing public agencies and a policy gap, i.e. a failure to provide labour market-relevant vocational training. More important, though, has been the discontent with the traditional high level of autonomy given to Local Education Authorities and their colleges. As a result we have seen the MSC "by-pass" LEAs, by funding courses and training schemes, and generating competition within and between the public, private and voluntary sector training agencies. The rather belated and tentative response of the DES, in the form of curriculum development post-16, has amplified the interventionist role of the MSC.

As we explained, the increasing level of involvement at the local level by MSC parallels activities in other policy areas and reinforces the evidence of desire of the Government to tighten control of public expenditure. While the justification for MSC's activities is the quality and quantity of locally controlled and initiated activity, the relatively slow pace of policy development at national level ad the deepening impact of the recession ensure that local authorities and community groups are responding more quickly. As a result central government intervention often takes the form of offering financial support to local activities which appear to be offering the most cost-effective response to industrial decline or rising unemployment. For example, the Youth Training Scheme's
'Information Technology Centres' were adopted from a scheme designed and implemented by a voluntary organisation in West London. The offer of financial support from the centre, however, in a period of reductions in public expenditure, ensures that a resource dependency relationship is built up which enables the centre to make adjustments to the nature and resourcing of the 'local' initiative.

One can conclude, then, that Governments' concern with the cost and relevance of public training provision has induced an interventionist role by the MSC to manage and generate change. The restructuring of roles and responsibilities, while generating a great deal of debate, has almost always been justified in terms of improving work opportunities, reducing unemployment and improving the international competitiveness of UK industry. However, in practice, the 'social' objectives have rarely been achieved. The impression, then, is one of a debate about ownership of and responsibility for problems rather a concern for outcomes, ie. who wins and loses. In fact the increasing emphasis on cost-effectiveness threatens to erode still further the status of social objectives such as equal opportunities and support for the disabled. As a result, the stratification of the potential recipients of training opportunities has been reinforced in order to ensure that resources are invested in 'winners' rather than to speculate with limited resources.

This concern with sound investment extends into the public-
private partnership, with Government investment in Industry Training Boards being reduced, resulting in both abolition and the withdrawal of financial support for those ITBs remaining. Government, through the MSC's Youth Training Scheme, continues to 'support and interfere' in industry related training. At the same time industry itself is investing less in vocational training and Government control over its activities is being reduced by the trend to voluntary arrangements and the use of Managing Agents at the locality to manage MSC funds. The assumption is that national funds, managed and allocated at the locality by agents having knowledge of immediate identifiable needs, ensures the best use of resources. Unfortunately there is no guarantee of adequate quality or sufficient quantity due to the lack of monitoring machinery.

It is clear from these trends that industry and employers are being given a greater role in managing industry/sector related vocational training while allocating a smaller proportion of the total resources themselves. One danger in this practice is that the perspective being adopted by employers representatives may be ad hoc, incremental and short-term. Alternatively, it is possible to claim that the preoccupation of Government and MSC is to induce a greater involvement of industry at the local level in order to raise the status of training in the eyes of managers and employers and thereby to generate an acceptance of responsibility. While other interpretations are available one should recognise that the involvement of industry in delivering vocational training offers Government and MSC
the possibility of raising the credibility and legitimacy of their activities.

While Government and MSC has been keen to involve employers and industry in vocational training the attitude towards a role for trade unions has been somewhat less enthusiastic. However, while the TUC has temporarily withdrawn from NEDO and criticised Government for failing to offer a real trade union involvement in discussion groups it has continued to maintain an involvement in the Manpower Services Commission. One reason for this is the TUC's involvement in the formation of the MSC in 1972. A further and more significant explanation is the support from all the social partners which is necessary in order to present a credible training package to potential clients and providers. If this is achieved then there is a good chance of support from social partners at the local level who are responsible for delivery.

The TUC involvement then, is important in ensuring the delivery of MSC schemes such as YTS which require the negotiation of work experience placements. This contrasts with the marginalisation of trade unions which has taken place with the introduction of Non Statutory Training Organisations to replace most ITBs. This suggests that TUC and trade union involvement is more likely to occur during the formation and delivery of publicly funded training provision. It is the access by the TUC to the national policy arena which enables it to maintain its legitimacy and disseminate information to its affiliated unions.
This presence exists however at a time when trade unions are being criticised by Government for inhibiting change in work practices, contrary to the findings of research projects, surveys and the experience of ACAS. The climate, then, is of Government passing responsibility for change to trade unions. However, the ability of unions to facilitate change at the local level is, as with the TUC nationally, restricted by resources and the time and information available to trade union officials. More significantly, the information of recent changes in collective bargaining raises questions which mirror those at national level about the ability of unions to maintain the structures which facilitate dialogue. The indication is that unions are limited to a reactive role due to the dominance of managers who control collective bargaining arrangements and the information upon which dialogue is based.

Even in the case of publicly funded training initiatives such as MSC's YTS there is a view that the consultative structures marginalise trade unions. The structures concerned with YTS have an advisory role and no executive powers and are totally separate from collective bargaining structures. The view of some trade union officers at both national and local level is that influence over training initiatives can only be achieved by getting them on the collective bargaining agenda.

Notwithstanding the limited influence of trade unions on the structures for collective bargaining the agenda is also
difficult to influence, due both to the immediate preoccupations of trade union members and employers and the limited resources available to trade unions. The information presented above indicates that training continues to have a low status compared to, for example, the desire for flexible working practices. While training may have benefits these appear to be viewed by employers as unsubstantiated and long-term and therefore marginal to the short-term concerns of survival and crisis management.
SECTION III:

RETRAINING AND CONVERSION IN THE ENGINEERING SECTOR

3.1 : INTRODUCTION

3.2 : THE PROBLEM OF SKILL SHORTAGES : LEADING TO DIALOGUE AND ACTION

3.3 : THE ADULT TRAINING STRATEGY

3.4 : THE DEVELOPMENT OF VITAL SKILLS TRAINING GRANTS

3.5 : THE LOCAL IMPLICATIONS OF VST : A CASE STUDY

3.6 : CONCLUSIONS
3.1 INTRODUCTION

The subject of this section of the report is an account of the structures and dialogue which were involved in the formulation and delivery of Vital Skills Training (VST) grants. This is a scheme which provides an opportunity to alleviate the shortage of high technology skills in the Engineering Sector. (Details are presented in Appendix 1). This scheme was developed by the tripartite Engineering Industry Training Board which is a statutory body accountable to Parliament for the levy (tax) it applies to companies within its scope who are not exempt by virtue of providing sufficient training for their purposes. As with all ITBs, the Government also determines the EITB's terms of reference. The regional offices of the EITB have professional staff who are responsible for the delivery of the scheme to individual companies who request the grant.

This section will consider a number of 'levels' where dialogue has taken place which has influenced the form and content of this training initiative. While VST was formulated and is delivered by the EITB the reason for its development and the nature of its delivery are influenced by issues and concerns both national and local in scale and which involve central government, trade unions and individual employes.

An account of the concerns of the EITB, Trade Union
Congress, the Confederation of British Industry, the Manpower Services Commission, the Engineering Employers Federation and the Engineering Council (representing the interests of professional engineers) with regard to skill shortages will "set the scene" prior to the development of VST. This debate about skill shortages in high technology is also contained in the recent debate within the Engineering Sector about the most appropriate role for the EITB. These concerns for skill shortages and the role of the EITB offer an opportunity to identify the main concerns of each of the social partners and their respective roles and responsibilities. The next section discusses the role of the MSC through its Adult Training Strategy which financed 20% of VST and the support of the TUC for high technology agreements.

This is followed by a section on the discussions within the EITB and between the EITB and the MSC on the formulation of the grant scheme. This then leads on to an explanation of the way in which the scheme is administered at the EITB's regional level. Both these sections indicate the important role played by the professional staff particularly the discretion they have in their negotiations with employers.

Finally a substantial amount of space is allocated to a consideration of the training dialogue within a single enterprise and the way in which VST grants are used and the reason for their use. From this particular case the limited influence of the trade unions can be seen. While this may be partly explained as a result of a lack of
formal structures for dialogue this in itself is symptomatic of the history of management-union relations and the paternalistic attitude adopted by managers. As a result training matters are directed into the industrial relations arena. This strategy, however, does not ensure the exchange of information by managers which would enable the trade unions to engage in meaningful dialogue. The conclusion to be drawn is that trade union involvement in training issues is at the discretion of management.
APPENDIX 1

All alleviation of high technology skill shortages (vital skills)

Eligibility

Companies holding a current certificate of exemption.

1 Training for which the grant is being claimed must be additional to that previously planned to meet the company's minimum needs and accepted by the EITB as satisfying requirements for exemption. The application of this condition in relation to the particular circumstances in a company will need to be the subject of discussion with the EITB's adviser responsible for monitoring the training arrangements agreed as the basis for exemption.

2 The skills in which the training is being given must be for new occupations (which will clearly be different from previous work or activities), resulting from the introduction or use of high technology. These new occupations will be filled by retraining existing employees.

3 Trainees can be graduates or higher diplomates, recruited from a discipline which does not include the skills required but does offer a base from which training can take place for a new occupation.

4 Trainees can be graduates or higher level technicians with work experience in another non-related occupation, but who require retraining for a new occupation resulting from the introduction or use of high technology.

5 Proposed courses of study and/or programmes of training together with the numbers to be trained must be approved by the EITB before that training starts and before a claim for grant can be considered.

6 The grant will be payable for approved training during the financial year 1986/87.

Method of claiming

Eligibility

Companies holding a current certificate of exemption.

1 Training for which the grant is being claimed must be additional to that previously planned to meet the company's minimum needs and accepted by the EITB as satisfying requirements for exemption. The application of this condition in relation to the particular circumstances in a company will need to be the subject of discussion with the EITB's adviser responsible for monitoring the training arrangements agreed as the basis for exemption.

2 The skills in which the training is being given must be for new occupations (which will clearly be different from previous work or activities), resulting from the introduction or use of high technology. These new occupations will be filled by retraining existing employees.

3 Trainees can be graduates or higher diplomates, recruited from a discipline which does not include the skills required but does offer a base from which training can take place for a new occupation.

4 Trainees can be graduates or higher level technicians with work experience in another non-related occupation, but who require retraining for a new occupation resulting from the introduction or use of high technology.

5 Proposed courses of study and/or programmes of training together with the numbers to be trained must be approved by the EITB before that training starts and before a claim for grant can be considered.

6 The grant will be payable for approved training during the financial year 1986/87.

7 The training must not be supported by any other grant from the EITB or from any other agency.

Grant will be paid for up to a maximum of 20 weeks of training for any individual trainee and will be calculated at the following rates:

1) Trainees satisfying condition 3 who are following either:
   (a) a full-time course of advanced study or off-the-job training for conversion to work in a new high technology occupation: £300 per week
   or (b) an approved programme of on-the-job training for conversion to work in a new high technology occupation: £150 per week.

2) Trainees satisfying condition 4 who are following either:
   (a) a full-time course of study or off-the-job training for conversion to work in a new high technology occupation: £200 per week.
   or (b) an approved programme of on-the-job training for conversion to work in a new high technology occupation: £100 per week.

The maximum amount of grant payable shall be £6000 per trainee - normal minimum length of training: 4 weeks. The number of grants to a company will not be limited, but a ceiling of £20 000 will apply to the amount of grant that can be claimed by a registered establishment.

Proposals should be submitted in the first instance to the manager at the Board's local administration centre, or a member of the EITB's field staff, and arrangements will then be made for the proposals to be examined. A claim form G19 will be sent when it is confirmed that a proposal qualifies for grant, and grant will be paid as soon as possible when the training is completed and the claim form returned.

Note: The training shall be completed within 6 months of approval unless otherwise agreed in writing by the Regional Manager.
3.2 THE PROBLEM OF SKILL SHORTAGES: LEADING TO DIALOGUE AND ACTION

3.2.1 SKILL SHORTAGES

The shortage of professional engineers, scientists and technologists in the engineering industry has been the subject of research investigations and national debate in recent years. The Engineering Industry Training Board warned of likely shortages, particularly of software and electronic engineers, in its 'Economic and Industry Monitor' in July 1984. This prediction was supported by anecdotal evidence from: the National Economic Development Organisation, the Department of Employment's Professional Executive Recruitment Survey, and from surveys by the National Electronics Council, the National Computing Centre, and the Confederation of British Industry. This report predated a report by a Committee of the Department of Trade and Industry (DTI), IT Skills Shortages 'The Human Factor - The Supply Side Problem' (1984), which heard considerable evidence of existing and future shortages of both new and experienced graduates in electronic engineering and computer science. The main occupations affected were concerned with the design and operation of systems (including manufacturing systems) and associated hardware and software. These occupations exist mainly in the electronics and aerospace sectors of the engineering industry but, as the demand for such skills increased in
other sectors, these staff were being drawn away. This Committee received evidence from the Manpower Services Commission which predicted a shortfall of 7-10,000 technologists by 1988. Projections from employers suggested an even greater shortfall, one suggesting an estimate of 15,000 per annum. Understandably the DTI Committee acknowledged that precise numbers were difficult to achieve but concluded that "graduate manpower above and beyond the expansion already planned will be required for the rest of this decade and possibly beyond." (1)

A most recent study published by the EITB (June 1986) continues this expression of concern. (2) While acknowledging a 47% increase in professional engineers, scientists and technologists employed in the engineering industry between 1978-85 (60% of whom are employed in just three sectors, electronics, aerospace and office and data processing equipment), totalling 86,000 of the 2 million people employed by firms in the scope of the EITB, the demand, it suggests, is still high and rising. The evidence, from a survey conducted by the CBI and MSC (1985), is that 19% of engineering companies were experiencing shortages "sufficient to limit their output over the next four months" and only 40% of these companies saw retraining of existing staff as a means of tackling the problem. A review of the supply of University graduates indicated a decline in entrants between 1981-1983 with a recovery in 1984 and a projected 9% decline in the total number of engineering and technology graduates from universities between 1984-86 and a further small decline in
3.2.2 THE RESPONSE TO THE PROBLEM: DISCUSSION OF ROLES AND RESPONSIBILITIES

It should be recognised that the debate about the role and responsibilities of the social partners is an ongoing one and is particularly intensive with regard to the area of technology training at all levels. The House of Lords Select Committee on Science and Technology received oral and written evidence on this subject in 1984. This committee, like other select committees of the Houses of Commons and Lords, has the authority to request and receive evidence from a wide range of bodies and to comment. The records of its proceedings thus provide an accurate assessment of the debate. The conclusions of the Select Committee raised a number of questions about the role and responsibilities of each of the social partners and of individuals. The Committee reflects and re-expresses familiar statements such as:

a) 'Individuals must demand re-training', but no reference was made as to the role of trade unions in stimulating this expression of demand. Clearly the role of trade unions is determined by their access to information of technological developments and their ramifications for short and long-term skill needs.

b) On the question of who is best placed to respond to training needs the view was expressed that public
educational institutions are not responsive enough. However, this may be because communication between industry and education is either non-existent or ineffective.

c) Industry was criticised, also, for not accepting responsibility for occupational training, indulging in de-skilling in response to the recession, and failing to train managers in the subject of training needs.

d) Industry criticised Government for failing to invest sufficiently in education and training, and criticised educational quality at all levels. Government's response is that a major increase in funding is not required on the basis that continuing education should be self-financing.

Traditional responses to such criticisms and observations can be made:

a) There is a lack of resources for effective training

b) A lack of clear data on skill shortages and training needs

c) A failure to clearly allocate responsibility for training amongst the social partners

d) No clear national policy on training
The Select Committee itself commented that:

a) A national tripartite policy-making body for training is needed (although some argue that the MSC already has this - undischarged - obligation)

b) Government should provide a catalyst to coordinate the 'voice' of industry

c) Industry should accept more responsibility but this could only be generated by persuasion and inducements (tax credits)

d) The failure of industry to invest could be understood as a result of the recession and industrial relations problems (an argument which could be challenged by numerous case studies)

It is interesting to note that the Select Committee uses the phrase 'industry' but probably means 'companies'. The Committee is thus unclear about the role or involvement of trade unions. An ambiguity characteristic of the UK scene.

The very language of the House of Lords Select Committee, that Government should persuade, promote and induce Industry to invest in training indicates both the impotence of Government but also the critical importance of dialogue, in the absence of statutory obligations (eg. contract compliance, statutory training agreements). The present Government's philosophy on the benefits of the 'free
market\' and moves towards business de-regulation ensure that statutory requirements for training are more likely to be eroded than to be adopted.

3.2.3 THE DEBATE WITHIN THE ENGINEERING SECTOR

In the Engineering Sector technological change is a rapid process which stimulates tensions both between unions and employers and within both unions and employer organisations. The management of change in this sector is, as the House of Lords report identified, generating a great debate about roles, rules, resources and responsibility. Within employers there are tensions between representative bodies with the major companies expressing discontent with industry based training agencies. Within the union movement tensions exist as a result of changing skill requirements and job descriptions which have led to the rise and fall of membership numbers.

3.2.4 EMPLOYERS

As was mentioned in a previous section Industry Training Boards were reviewed in 1982/3. In the case of the Engineering Industry Training Board there were differences of opinion amongst employers about the relevance to their needs of EITB activity and also the level of activity the EITB should engage in funded by the levy on enterprises. Once the continuation of the Board was confirmed the EITB carried out a reappraisal of its activities which included consultation early in 1984 with engineering employers,
trade unions and other bodies. The majority of respondents wanted the Board to continue but in a changed form, a number of large firms wanted the Board abolished. Major meetings were held with the Engineering Employers Federation, which supported the retention of the Board, and the Confederation of Shipbuilding and Engineering Unions which also supported the Board.

The main conclusions of the consultation were that the Board had 'lost touch' with industry's training needs and had not responded to changes quickly enough, as reflected in the emphasis on traditional craft training. There was thought to be a need to move towards technicians and technologists training and adult retraining which should be specific to the company and the job. There was also a view that the Board should adopt an advisory and 'pump-priming role' and spend less time inspecting the training of companies. Accordingly a move away from general grants which form a continuing subsidy towards limited term grants for specific training was advocated. Also it was felt that the quality of the Board's field staff should improve particularly as this would improve the advisory role of the Board which was assumed to be the key to its future credibility.

These conclusions led to a statement of priorities:

* to concentrate on training for the more highly qualified people in skills related to electronic systems and their application
* to react quickly to training needs and to improve consultation with large firms at the frontiers of modern technology

* to ensure that its research is concerned with short-term future needs for training

These priorities continue to be emphasised by the EITB and in late 1985 the Chairman also identified:

"the growing problem of retraining adults and management training, although in the latter many companies are reluctant to let their staff go on paid leave to take these courses."(4)

This change in the EITB's priorities had an immediate impact on the allocation of its funds. In 1984 the grant assistance for all 'first appointment training' of professional engineers was discontinued and this cost was passed to employers by making this training a requirement for exemption from the EITB levy. One employer commented that:

"This is a real 'body blow' for many companies which regarded this as a contribution towards their high student engineer training costs."(5)

This employer argued that the State should pay for such training, estimating that eighty million pounds per annum
could be found from "MSC's enormous budget".

The EITB, in investing a larger part of its resources in its staff's advisory role (in spite of a reduction in staff levels), is placing less reliance on the exemption scheme and on grants and identified an important role as advising managers on sources of information and advice, such as that available from Government agencies. With limited and diminishing resources then, the EITB is becoming more dependent on MSC funds and is finding it increasingly difficult to design a programme of training that is agreed by everybody. The Director sees the EITB's role as that of a leader and not an excuse for industry to neglect its own responsibilities.

The issue of 'who pays?' is clearly central to the debate and was confronted by the House of Lords Select Committee. The view of the DTI, that the volume of training done in industry by technology-based companies is much less than a generation ago, was supported by the Chief Scientific Officer of the Cabinet Office and by the EITB. However, it was also recognised that the transferable nature of the skills developed through training meant that engineers would move to other sectors and though large companies would train for their own needs they were unable to bear the financial burden of training for other industries. The Fellowship of Engineering considered that this made the case for financial help to employers from Government.

This failure to invest is also amplified by the trend
towards 'de-skilling', whereby, particularly in a recession, companies tend to over-recruit academically. Not only is this a waste of skills it also indicates a failure to take the opportunity to take on staff with significantly lower educational levels of attainment who could be usefully employed, or to retrain existing staff. This mismatch was seen as an indicator of a lack of well trained managers with an understanding of technology.

While the Select Committee recognised that, to date, investment in training is a less attractive proposition to employers during a recession compared to cost-cutting and labour-saving measures. It felt that the climate of opinion was changing.

The importance of 'climatic change' appears to match that of the perceived need for a "unified voice" from employers, in the mind of the Select Committee. It is clear that practices in response to skill shortages are varied and it is impossible to identify any consistency. When the Select Committee received oral submissions from major engineering employers within the Confederation of British Industry (CBI) it became evident that it would be impossible to find the 'one voice' of employers in relation to the needs and concerns of the engineering sector. In the words of one CBI witness, the industry

"has several voices and in some respects, no voice"(6)

This heterogeneity was seen by the CBI as the result of
differing circumstances within the industry according to the size and viability of firms. Large, major firms have developed long-standing networks and relationships with training agencies and universities, but

"when you get down to the smaller they are sometimes so busy they can scarcely spare the time to deal with it (the problem)"(7)

Yet it was clear from the evidence that some of the larger companies had the largest difficulties obtaining skilled staff. The solution, as seen by the CBI witnesses, was in the short-term to relax work permits in order to recruit overseas specialists or to convert from other disciplines, and in the long-term to put pressure on the institutions, ie. Government and universities, to increase the output of graduates. In fact, the Select Committee had received a statement from 14 major engineering companies calling for immediate action to instruct universities to create relevant courses, to be funded by Government. Subsequently the Government responded, in 1985, with 43 million pounds to increase the output of university graduates. It now appears that this investment was misplaced for rather than the total number of engineering graduates increasing, university places having been filled at the expense of places in polytechnics. The shortage of graduates is, then, a reflection of the low total number of higher education entrants not an imbalance between art and science subjects. In fact 34% of graduates in Britain are in science or engineering compared with 18% in the Federal
Republic of Germany.

In the absence of adequate public investment and national policy statements, incremental developments have been initiated by individual companies who have developed links with universities to provide specific courses in electronics and manufacturing systems engineering. This sort of initiative, being piecemeal, was recognised as inadequate and a far cry from the 'Hitachi' example which runs its own university, technical college and management training college.

It is clear from this sub-section that employers were adopting a 'fire-fighting strategy' in response to skill shortages while advocating a far greater investment from the public sector. The Select Committee were concerned that a unified voice from employers may enable the problem to get onto the political agenda. Finally, the EITB had restructured its organisation and re-ordered its priorities in accordance with the needs of the high technology sector and in line with its reduced resources, thereby looking to the MSC for specific grant funds.

3.2.5 TRADE UNIONS IN THE ENGINEERING SECTOR - DISSONANCE AND AMBIVALENCE

A recent study of industrial relations in the engineering industry, based on managers in 52 selected companies and funded by the Engineering Employers Federation (EEF) concluded that relations are still important and still
difficult and, according to management, often still productive and still helpful. Managers claim that unions have been particularly helpful in dealing with safety, job flexibility and changes in work patterns, payment systems and working practices. While it is dangerous to generalise from such a small survey a number of conclusions are significant. (8)

- Managers continue to favour union membership

- There was a significant proportion (30%) of managers moving towards hard-line management

- A majority of establishments had a joint union negotiating committee

- Multi-unionism in a plant is widespread (80%)

- The 'closed shop' is alive and well

- Trade union workplace organisation is common with facilities provided. Although 84% of trade union representatives allocated less than ten hours per week to union work

- The report focussed on increasing management preference for the EETPU

These conclusions could be taken as an indication that trade unions are an important 'facilitative agent' for
managers, a statement which is underlined by the reference to the Electrical Electronic Telecommunication and Plumbing Union which supports the rapid implementation of new technology. This support by the EETPU is based on the union's philosophy that it is only through the rapid adoption of new technology that the wealth will be created with which to solve social problems. In the words of one national officer, "this governs our whole approach". This approach includes the setting up three years ago of the unions and training centre for craft level and technician training with the cost of training divided between the trade union and the employers who specify the training they require. While the EETPU admits having some difficulty persuading its members to adhere to this philosophy this response by the EETPU is justified in training terms as not duplicating the EITB provision and providing better training than technology manufacturers. The EETPU has also taken a lead in facilitating a flexible labour force by setting up agreements to regulate the supply of temporary workers with two companies adopting the concept of two-tier workforces. The scheme is designed to provide a peripheral labour force which will complement the "core" permanent labour force in the companies. The EETPU sees this as a realistic response to temporary work which is designed to provide flexibility whilst safeguarding the rights of their members. The employers see this as implementing a system of employing and laying off temporary workers "with the minimum of fuss and distress". Also the workers in the peripheral labour force are skilled workers, this enables the company to adjust its workforce easily and quickly
without having to invest in training.

This structural flexibility is not at all new and a number of the elements of the organisation of work and the labour force have existed for some time. The problem for many trade unions is to decide whether this is a fundamental shift in employment policy as opposed to a mixture of minor changes as a consequence of the recession. Rejection of flexibility may not be viable and it may be that the EETPU is both "moving with the tide" and increasing the flow of the tide by accepting the need for change.

Before considering the response of other unions and the TUC to these changes in training provision and work organisation it is worth noting the response of employers to the EETPU's training initiative. The EETPU noted the reluctance of employers to train electricians in electronics because retraining would imply financial recognition and regrading which would raise industrial relations problems. Employers' preferred to maintain the status quo, although a few employers preferred to employ an elite group of technicians to carry out high technology work, but this failed due to inflexibility as the technology spread throughout the plant. The solution adopted by some employers, on the advice of the EETPU, was to grade electricians according to their qualifications and so pay according to skill rather than according to the Common Craft Rate.

The trend towards flexibility puts trade unions in an
ambivalent position as it allows for negotiation of higher wages for 'core' workers but is a threat to those workers identified as 'peripheral'. Simply, flexibility is a threat to unity, the traditional basis for strong bargaining power. The EETPU in training its members is basing negotiating strength on skill level. This initiative also reinforces the statement of the unions leadership that their members are intelligent enough to understand and support the continued drive for technological change.

3.2.6 THE VIEW OF THE TUC

One interpretation of the view held by the Trade Union Congress (TUC) is that it advocates caution yet notes that there are aspects of flexibility which unions can build into their bargaining strategies.(9) As the observer rightly points out, as changes are likely to be introduced in an ad hoc fashion and to be irreversible the trade unions should consider the costs and benefits. However, it is recognised that while the 'pace of change' desired may give unions some influence the 'climate of change' will influence the acceptability of measures. The specific influence of the TUC is relatively limited as the main principle behind all TUC activity at national level is that national decisions, agreements and policy should 'leave space' for intervention and bargaining at the local/plant level by the relevant trade unions. This perspective is supported by the trend towards plant level bargaining. The TUC sees its role is to be played at national level in
order to influence the allocation of public resources.

The concerns of the TUC are the under-investment in training, the piecemeal fashion in which new technology is being introduced, and a fear that training provision will be based on the demands of employers. The TUC, however, while supporting most of the MSC initiatives considers that there is a major crisis in the Government funding of all these initiatives. In addition, the TUC identifies employers as having the major responsibility for funding training and for introducing new technology responsibly by meeting the natural concerns of the workforce, such as job security and the numbers to receive retraining, which the TUC claims employers keep to a minimum.

Given these concerns it is not surprising that, in its evidence to the House of Lords Select Committee, the TUC called for a massive injection of funds from Government and employers as

"the necessary first step to account for new technology training"(10)

The TUC identified the MSC and EITB as the appropriate agencies to allocate the resources. In addition, the TUC referred to MSC's "New Training Initiative" Position Statement in support of collective bargaining as a means of ensuring the development of effective training arrangements and the creation of new practices.
The role for individual trade unions was, in the view of the TUC, to seek to advance the education and training of their members. This should be done in the main by persuading employers to provide opportunities for paid educational leave and day-release and by making representation to the Government, the University Grants Committee, the National Advisory Body for Local Authority Higher Education, the MSC and local education authorities. While it was felt that individual unions would also inform their members of training opportunities it was considered more appropriate for the EITB as the main provider of information on engineering, training and preparatory education.

While the TUC reflects ambivalence some trade unions have a clear view of the role of trade unions which conflicts directly with the approach adopted by the EETPU. The significance of the opinion of unions such as TASS (Technical, Administrative and Supervisory Section) and ASTMS (Association of Scientific, Technical and Managerial Staff) should not be overlooked as they have a higher representation than the EEPTU, according to the EEF survey, and, unlike the EETPU, have a membership which draws from the higher skill levels in the electronics and aerospace sectors.

When dealing with the highest skill levels there are two significant functions to take into account. Firstly, the myth maintained by some employers and some EITB staff that there is no need for trade unions to be involved in
consultations about new technology and training because highly skilled engineers are intelligent enough to negotiate for themselves. Both ASTMS and TASS national officers were aware of this view. One explanation was that the myth was an expression of some employers belief that trade unions had been weakened as a result of the recession and employment legislation introduced by the Conservative Government in 1980, 1982 and 1984. The second factor, of greater concern, is the climate of opinion within Government, the Engineering Council (professional body) and amongst some employers that a move towards individually based terms and conditions of service for staff and employee participation, rather than trade union representation, would have significant benefits. Such an opinion sits comfortably with the Government's view on flexible working practices and deregulation. No doubt a link between the myth and climate of opinion exists which increases the need for trade unions to develop a response to rapidly changing work conditions and training needs.

ASTMS has criticised Government higher education policy and has noted that the level of real spending on non-military research and development in the UK 1981 was the lowest in the European Community at 22.4%. In criticising the training activitis of industry ASTMS has identified the concentration on the needs of an enterprise or plant as resulting in large sections of industry having no overall plan for developing training programmes, and a diminution of training and retraining opportunities for those seeking new skills.
TASS, which has two national officers on the EITB, identifies itself on the opposite end of the continuum from the EETPU. It adopts the view that training provision is the responsibility of Government and Industry, not trade unions. From this standpoint the concern is to ensure that the EITB provies the 'proper' courses and increases the supply by increasing the levy (tax) on employers and tightening the criteria for exemption. It is felt that the unions role on the EITB is limited to advocacy as there is not trade union vote on the level of the levy and the view is held that the levy system is in ruins as it is so low and only a very small proportion of employers have to pay it. The policy of TASS is universality of training in relation to computer assisted design in order to enable all their members to receive training. In the opinion of one TASS national officer the compromise by the EETPU has done a great deal of damage to the unity of the trade unions and therefore their influence. The feeling is that while compulsory training committees at plant level would ensure discussion between unions and employers at present there are only talks when the employer wants change, so the unions are reactive.

3.2.7 NEW TECHNOLOGY AGREEMENTS AT LOCAL LEVEL: AN EXAMPLE OF EMPLOYER-UNION DIALOGUE

The previous paragraphs in this section on trade unions have raised the issue of how unions can influence rapid ad hoc change and the importance of plant level bargaining.
One 'solution' is seen as some form of training committee at plant level. New Technology Agreements, as advocated by the TUC, offer one example of a strategy for managing change and offer some lessons.

The negotiation of New Technology Agreements (NTAs) was identified by the TUC in 1979, as the most effective bargaining weapon for trade unions in order to influence technological change. NTAs were to be achieved through collective bargaining with employers on both procedural and substantive issues. **Procedural** - concerned with securing union influence at the earliest stage by getting advance information in order to establish safeguards against adverse effects. **Substantive** - concerned with the effects of change and achieving a fairer distribution of the benefits. NTAs, then are concerned with the joint management of technological change.

The initial response of the CBI was to support a joint statement with the TUC but which did not go as far as endorsing NTAs. However, by October 1980, in response to pressure from a number of employer associations, the CBI rejected the joint statement. As a result the possibility of a joint national approach to the negotiation of technological change was removed. The outcome was a decentralised approach with the majority of employers rejecting the idea.

A survey of NTAs, organised by the University of Aston published in 1985 indicates that 240 agreements were made.
between 1977 and 1983, the majority locally. By far the majority were procedural, establishing a general framework for managing change, and therefore far less ambitious than the inter-union cooperation, joint decision making by unions and management and comprehensive access to information envisaged by the TUC. In the engineering industry 56 of the 94 agreements were procedural, and of the 12 in the Aerospace sector 9 were procedural. Where TASS was involved the concern was specifically related to the introduction of computer aided design machines and involved a very small proportion of workers in an enterprise.

The conclusion drawn from the Aston study of NTAs indicates that the pattern of technology agreements has conformed to pre-existing bargaining structures, that such agreements are exceptional, and that in most cases the agreements were initiated by union negotiators rather than management. The authors emphasise also that, in spite of examples of agreements,

"much change is being introduced either without union agreement, involvement or through informal processes" (12)

When the union has initiated an agreement it is unlikely that the clauses enable union involvement at the planning stage, and in 40% of the cases union involvement was allowed only after the employer had formulated specific proposals. One explanation for this stage of consultation
is that investment decisions and corporate strategy are made at head office rather than at plant level. A more likely explanation is that NTAs conformed to the conventional mechanisms for consultation in which 'advanced' consultation is initiated after the selection of purchase of equipment.

The general conclusions from the Aston study raise a number of issues relating to the ability of unions to set up consultative mechanisms, and the value of them. Both the industrial relations "climate" and the novelty of the idea has been identified as reasons for the failure to introduce NTAs more widely. However, the authors of the study identify a defensive and sectional character in many agreements and see many as a formalisation of consultation. The adoption of formal agreements has not taken on board the concerns of the TUC which were that the negotiation of agreements offered an opportunity for unions to "articulate a broader set of concerns", for example distribution of the productivity gains of new technology to the workforce (higher pay or shorter hours) was rarely considered.

The experience of NTAs indicates a failure of unions to take on board strategic, long-term issues concerning procedural agreements and long-term targets for training and access to training. This is also a characteristic of negotiation through traditional collective bargaining. The issue for this study then becomes one not so much of structures but of the resources and knowledge available to trade unions and their members,
3.2.8 EC FUNDED RESEARCH FINDINGS

The distinction between structures (formal consultation mechanisms) processes (informal consultation networks) and content (the subject of the consultation) has been raised in a number of comparative research projects funded by the European Commission centred on case studies of the social partners, and new technology. During 1982 and 1983 the European Foundation for the improvement of Living and Working Conditions funded "The role of the Parties concerned in the Introduction of New Technology". Over the same period "New Technologies and Social Control" "Workers and New Technology: Disclosure and Use of Company Information" were sponsored by DG V. More recent is the enquiry report "Social Aspects of the Introduction of New Technology and Prospects for a More Fundamental Approach to the Social Dialogue", 1986, a report by Mr. Wim Kok.

The importance attached to such dialogue is clearly expressed in a motion from the Committee on Social Affairs and Employment of the European Parliament (Mrs. J. Lavine - Groenendaal, June 1986) calling for greater attention to education and training in new technologies which considers

"Consultation with both sides of industry to be necessary to convince them that such investment in human resources is essential in order to increase competitiveness" (para 8) and
"that industry should set aside more of its investment for training in new technology in close cooperation with the social partners" (para 12) (13)

The "KOK enquiry" concluded that the European Community can achieve far more "if the Member States and the social partners work in close cooperation" including the promotion of employee and trade union participation at all stages and levels.

Such exhortation is not uncommon in most European countries however the empirical evidence suggest there are a number of barriers to these developments. "Workers and New Technology" explains that if worker representatives are to be involved in issues such as Training programmes then they will have to be able to shape technical change right from the beginning. In searching for "good practice" this research shows that national differences in legal and contractual regulation of the role of the parties provide only a very limited explanation of differences in practice. The researchers offer style and discretion of local management, the nature of the production process (the higher the skill requirement the higher the need for worker involvement), and the quality of worker representation as more significant determinants of outcome. The "Role of the Parties" research findings indicate, as the UK survey of NTAs does, the barriers to improvement; for example, "trade unions are in a more difficult position than management in negotiating as a result of little or no external support or suitable training", and "without
existing good industrial relations in which management is prepared to present full information and in which unions are intent on developing cooperation there is little hope of real success. This research also presents evidence that some management are afraid of the possibility of losing power. Such conclusions are confirmed by the "New Technologies and Social Control" research project which concludes that technology agreements cannot be seen as an indication of shared control.

From this rather depressing picture the "Workers and New Technology" case studies clearly showed that

"Only where new procedures and structures evolved as a side effect of worker representatives involvement with technical change were they effective, ie. associated with an increasing influence of worker representation."(14)

This research also indicates that where structures have developed, then they were dependent on external support, for example, co-determination legislation, industry/company level collective agreements, external experts and specialist trade union staff.

3.2.9 SUMMARISING REMARKS

The importance of a strategic approach by trade unions to new technology has already been mentioned. The thinking of one union official in the UK is that training offers a
better "vehicle for change" than technology agreements if it is located "firmly in the sphere of conventional industrial relations and made a bargaining policy" in order to protect the jobs of its members in employment. This strategy is based on the assumption that pressure from within the firm is much more effective than external pressure, and that training is individual specific and therefore should get support from the membership.

This strategy, as with a number of research recommendations, requires commitment, resources and access to information. At present the union official quoted above recognises that progress within his own union will be very slow and he predicts that developments will be ad hoc and in response to job losses.

This narrow focus, short-term concern, and delay in developing a response has recently been documented in a major study "Workplace Industrial Relations and Technical Change of 2,000 workplaces in the UK". (15) Distinguishing between organisational change (work organisation, work practices and a breakdown of traditional demarcation) and technical change (involving productivity and also threatening demarcation) the researchers identified a greater resistance to organisational change by workers and shop stewards. This resistance was deduced from the greater frequency of negotiation in the case of organisational change. In contrast technical change was more popular and received support. Part of the explanation is that organisational change is more likely to result in
short-term job loss, however technical change proved more popular even where job numbers were declining. The researchers explained the attraction of technical change by its association with "desirable advance", its link to new and better working conditions, better pay, higher skill and responsibility. Where technical change led to job loss the workers directly affected were insulated by techniques such as redeployment, voluntary redundancy or early retirement. The costs of technical change were suffered by those seeking to enter employment.

These findings reinforce the concerns expressed by the TUC when advocating New Technology Agreements, ie. that there is a need for fairer distribution of the benefits of new technology. They also exemplify the development of the growing distinction between 'core' and 'peripheral' labour market, a restructuring process which some unions alleviate and facilitate.

The Aston survey of New Technology Agreements indicated that there was a limited amount of commitment by employers and trade unions although where they existed it was usually the unions that initiated. The Industrial Relations survey indicates very little resistance by workers and union representatives at plant level to technical change. This suggests that from an employers perspective there ought to be little resistance to their attempts at innovation and change. However, it has been suggested, therefore, that it is conservative management which inhibits change. Certainly there are contradictory myths held about the
strength of unions, on the one hand, that they are resistant to change, on the other that they are weak and do not exist for the higher skilled engineers and therefore can be ignored. This could indicate indecision and inertia and explain the preoccupation with short-term concerns and risk avoidance in an uncertain economic climate.

This hesitancy or ambivalence exists also, it appears, in spite of the liberalising philosophy and move towards flexible work practices expressed in Government policy and rhetoric. Therefore, as the prerogative of management in industrial relations remained unquestioned, recent reports have held managers and employers to account for the lack of innovation in industry and their failure to make the most of their staff resources.
REFERENCES


7. Ibid.


3.3 THE ADULT TRAINING STRATEGY

3.3.1 A BACKGROUND TO DEVELOPMENTS IN VITAL SKILL TRAINING

While the Youth Training Scheme, objective 2 of NTI, is mainly funded by MSC, on behalf of the Department of Employment, the Adult Training Strategy (ATS) is radically different. The MSC's policy on ATS is that the employer must assume a primary funding responsibility with the MSC intervening to "encourage and demonstrate good practice to promote or improve training important to the local economy and to help those disadvantaged in the labour market".(1)

The ATS, then, hopes to involve all those groups concerned with the training of adults, with the MSC having a particular role. ATS is also composed of a number of related initiatives and was seen as having a 'local' focus. For ATS to be effective it was seen as important for all the parts to be integrated and for this integration to be carried out at the local level by MSC's Area Offices.

In the consultations preceding ATS economic recovery was recognised as the major objective which ATS should facilitate but there was some concern expressed that this should not result in initiatives being restricted to the employed, which was thought would be the case if a short term view was taken, and should meet the needs of unemployed and disadvantaged groups.
The TUC's response to the consultations, based on comments received from affiliated unions, recognised the need for a strategy in the light of challenges posed by technological and occupational changes but emphasised that the approach should be responsive to the needs of all workers. In addition, the TUC advocated a bigger role for the MSC than that put forward in the consultative document and called for increased training provision for the unemployed. There was also an express concern that the relative responsibilities of Government and employers for the funding of training should be reconsidered. However, this was ignored by Government and, contrary to TUC views a study was proposed to consider a loan scheme for adult trainees.

The response of the CBI was to state the priority of employers. It was felt that ATS should assist economic recovery by improving and rationalising existing provision and by advocating good practice. However, the CBI asked MSC to recognise that employers were already investing in training and claimed that an overall increase in quantity was unnecessary. The concern, then, was that employers should be assisted to improve their human resources (workforce) and that labour market demand, at sectoral, regional, local and company level should be met. The CBI claimed that this approach was in the best interests of both employed and unemployed adults. Any additional training, not directly related to immediate labour market needs, or the immediate needs of current employers, though
which might facilitate the development of the individual should be the responsibility of the individual. The CBI accepted that the role of Government and MSC should be *marginal* and that it should not interfere with the domestic training practices of firms but should pump-prime schemes and act as a catalyst and promoter. Finally, the CBI advised MSC to confront the need for the flexible use of manpower and asked them, as a tripartite body, to help develop this dialogue between the interested parties and resolve the problems.

On the basis of assumptions about the future, the labour market and MSC's own responsibilities, the MSC proposed the following action:

1. A national *awareness campaign*, aimed at putting adult training on the agenda, initiated by MSC but supported by Government, employers, unions and the education world.

2. At national level to *clarify* the provision and funding of education and training opportunities to ensure that they are complementary, and also to ensure that educational institutions' mode of operation do not provide obstacles to meeting their clients' needs.

3. To *progress* with objective 1 of the New Training Initiative, i.e. increasing access to training and measuring competence by standard rather than by time.
4. As an extension of point 2 above, **collaboration** at the local level is seen as essential to identify training needs, providing training opportunities and raising the profile of adult training. MSC saw itself as having a contribution to make in this respect.

The proposals for the ATS by MSC recognised that the Commission would be a marginal provider in terms of quantity but that provision should be influential in terms of quality and effective in economic terms.

Clearly the Adult Training Strategy encompasses a range of interest groups including employers and training institutions as well as the Department of Education and Science, all of whom have their own training programmes which bring together resources from central and local government and the European Commission. For example the College Employer Links Project (CELP) helps colleges to identify and meet the education and training needs of local companies. PICKUP involves colleges, polytechnics and universities in preparing tailor-made training packages in order to help employees keep up-to-date and improve performance.

The MSC sees its own input into the ATS falling into two categories

a) **industry related** - directed to known employment needs and to helping business growth
b) a programme to help the unemployed to improve skills and
retain employability.

Assisting economic performance is seen as helping all individuals whether employed or unemployed. The second programme is seen as a means of strengthening the labour market in the long term.

The content of MSC's own programmes under ATS were based on an increasing inappropriateness of earlier and existing programmes. This experience, resource constraints and the increasing need to be seen to be operating cost-effectively, led MSC to suggest a range of pilot schemes, falling into two specific categories. The first category is job-related schemes which the MSC assumes will help the unemployed, either directly or indirectly. Secondly, a programme for the unemployed aimed to link and extend existing help and to relate it to educational and community provision.

ATS is a recent development in terms of its role as facilitating a higher profile for adult training, although a number of the specific programmes have existed for more years than the strategy. Under ATS the MSC acts as a catalyst to encourage employers and education authorities to develop adult training arrangements. The MSC's own role is to increase the number of adults receiving support with its programmes to 250,000 by 1986-87 from 120,000 at present 1984-85 (of whom 70,000 receive training).

The most recent review of the output from ATS indicates
that the MSC has achieved its target of numbers of adults being trained. However, this has been achieved within a 5% fall in expenditure in real value since 1981/82. This has been achieved by a reduction in the schemes providing lengthy, full-time training and an emphasis on short, part-time courses. There is also a shift away from occupational training towards training for people running small businesses. This trend combines with employers practice of training those who already have qualifications to further marginalise the unemployed, so that a quarter of all job vacancies remain unfilled because of skill shortages.

Finally, while the Adult Training Campaign to persuade employers to train has been actively supported by the CBI and TUC, the evidence indicates that employers remain unpersuaded. The Chairman of the MSC concluded

"Many will take this as evidence that the voluntary principle is not working."
REFERENCES

1. Personal Correspondence.


3. Ibid.
3.4 THE DEVELOPMENT OF VITAL SKILLS TRAINING GRANTS

3.4.1 NATIONAL DIALOGUE AND POLICY DEVELOPMENT

The previous sub-sections described the development of the Adult Training Strategy and Campaign, and raised general contextual issues surrounding high technology training. This section will present the discussion around the formulation of Vital Skills Training Grants against this backdrop.

It should be made clear that Vital Skills Training Grants are a scheme which was conceived in order to meet national skill needs and is delivered locally by the Regional Officers of the EITB who promote activity in individual companies. The proportion of funding of the scheme is 80% EITB, 20% MSC. In no formal sense is there MSC or trade union involvement in the delivery of the scheme. Area Manpower Boards in a tangential way inform Regional MSC of skill shortages, information which may be passed to the centre and may influence discussions on the EITB if the MSC's sole representative on the Board feels it is appropriate. Essentially the VST grants were designed within the EITB and MSC was approached for supplementary funding. The adoption of VST grants at the local level is the outcome of continuous dialogue between EITB Field Officers and individual companies. The extent to which trade unions are involved is contingent on the practices of
the company involved.

The full Board of the EITB has 23 members, being representatives of employers (9), trade unions (9) and educational interests (5). In addition there are 'assessors' from four Government departments, including the MSC.

The VST initiative can be seen as developing as a result of a number of pressures which created an agenda which made such a scheme acceptable, even desirable. The review of ITBs by the Government has been referred to above. In the case of the EITB there were strong pressures from within the Engineering Sector calling for a fundamental adjustment in the Board's activities and priorities or abolition. In addition, there was the publication of "Competence and Competition" and "Challenge to Complacency" which questioned the commitment of UK employers to training. The pressure for change from within the sector was seen as giving 'ammunition' to the Government in its review which aimed to reduce the amount of bureaucracy which the Government felt was inhibiting good business practice. (It is worth noting that this policy towards de-regulation, evident in other European countries, continues in the UK and has implications for Industrial Relations at plant level.) Clearly the EITB faced a credibility crisis and, in the absence of an alternative voluntary system, adjustments were made.

Adjustments were made which moved the perspective of the
EITB from a national one to a concern within the problems of individual companies, particularly information and high technology industries. This adjustment, partly enforced by a reduction in staffing levels at the Board, was personified in 1985 with the setting up of an 'Advanced Technology Training' team of six staff following the Board's 'Programme for Constructive Reform' proposals a year earlier. The team's objective is to identify the skill needs of the engineering industry and set up practices to satisfy them drawing on training agencies providing essentially modular courses. This emphasis was supported by EITB funded research which clearly indicated increasing skill shortages, a recognition of the decline in the Universities output of graduates with relevant disciplines, and research which identified the incidence of the 'poaching' of experienced and qualified staff from large companies. This concern was also reflected in the nomination of a trade union representative onto the Board with experience in the information technology sectors.

These preoccupations led to the EITB wishing to develop its own initiative. The objective was to overcome the skill shortage problem by providing conversion courses for groups who are a potential source of additional recruitment, eg. graduates and existing employees, by using educational input and work experience. This conformed to the EITB's members concerns that there was a 'real' need, as expressed by member companies, and that this form of training would facilitate an improvement in industrial performance and competitiveness. This consensus was understandable as
employers from the high technology sector were concerned about the problem and trade union representatives were critical of employers failure to invest in training.

The initial thinking for a scheme involved a consideration of the EITB income from non-exempt companies. This led to an initial estimate of a scheme financed to the value of eight million pounds per annum in order to make a considerable impact on the skill shortages. This figure was calculated on the basis of 1300 trainees at a cost of 200 pounds per week for 30 weeks. In addition the EITB were looking to the MSC for some financial support.

At this stage the outline scheme had to be endorsed by the EITB's Training Committee (composed of half of the Board members) and at the same time an outline scheme was sent to the MSC for a response, with a request for 50% of the funding.

The MSC's view of the initiative was that it conformed with the concerns of MSC as expressed in the Adult Training Strategy and more specifically with the 'National Priority Skills Shortages' (NPSS) programme. Under the NPSS programme the MSC aims to allocate funds to sectors in order to overcome priority skill shortages both in terms of an increase in the number of skilled people as well as the conversion of existing employees. While supporting the initiative the MSC were not prepared to provide 50% of the funding. There were a number of reasons for this position. Firstly, in policy terms, the MSC sees itself as acting at
the margins in a situation where employers are identifying
the needs of the sector. However, this position is
tempered by a recognition that:

a) a significant amount of trainees will be lost to the
employers by 'seepage' to sectors outside engineering;
b) trainees will be lost as a result of poaching; and
and
c) employees will be lost to employers for the period of
training.

A final influence, not to be under-estimated, is the
influence of the Treasury in emphasising cost-effectiveness
in the allocation of public funds. With the NPSS budget
being reduced by 50% for the Engineering Sector, this
emphasis ensures that MSC support initiatives which have a
good chance of success. A programme such as VST, supported
by employers, has that characteristic.

The EITB outline proposal was subject to a detailed study
of occupations to be covered, potential numbers of
trainees, educational resources available, estimated costs
and expected levels of 'seepage' to other sectors, which it
was felt would take three months to carry out. In the
interim the EITB staff informally suggested to the MSC that
a smaller scale scheme be initiated on the basis that a
much smaller amount of 'unallocated' money was available at
that time. This smaller scheme funded to the level of
800,000 pounds by the EITB and 200,000 pounds by MSC
proposed 20 weeks of training at 200 pounds per week,
thereby providing for approximately 250 trainees
nationally.

After detailed discussions the proposal was considered by the Board's Training Committee, and the Finance and General Purpose Committee (FGPC). Once the FGPC had agreed the funds the proposal was presented to the full board. At this point the concern was to ensure that the VST funding was in addition to the Board's 'normal' expenditure in order to qualify for MSC funds, and in line with the objective of VST to help implement 'accelerated' training plans. The concern here was that the EITB's initiative would be targeted at helping to overcome immediate 'unplanned for' skill needs. However, the Board made it clear that the scheme aimed to act as a 'catalyst' in that it was hoped that the scheme would influence the training policy of companies and persuade them to train in high technology. It was recognised that VST would not, in itself, overcome skill shortages and that public expenditure on Higher Education was the suitable lever for that objective.

MSC's concerns as a basis for its investment were that the grants should be clearly identified as facilitating conversion (to an occupation that is clearly different), the EITB should monitor the take-up of the scheme and notify MSC of training starts. The request to clearly identify conversion required an adjustment of the outline scheme and the bureaucratic requirements imposed on the hard-pressed EITB staff required some administrative adjustments. In practice, however, the monitoring
requirement was relaxed and was applied only to financial issues.

At no point in the formulation of the scheme was any requirement to involve trade unions in the implementation of the scheme suggested, on the assumption that existing arrangements within companies would accommodate the new initiative.

3.4.2 DELIVERY OF VST

The adoption by companies of VST grants appears to depend to a large extent on the dialogue, formal or otherwise, which exists between the EITB's regional office staff and the company's Training Manager. Within the Regional Office of the EITB each Field Officer is allocated a number of companies for which s/he is responsible.

The relationship between the EITB and individual companies is, therefore, the result of the experience and expertise of the individuals and of the history of relations between the company and the EITB. In the case of VST grants it is the case that this is a relatively new 'area' of investment which is being received by companies involved in designing and using the latest forms of technology. In some cases these are the very companies who, in 1984, recommended the abolition of the EITB because, it was claimed, it was preoccupied with a limited sector of engineering and craft level training. Furthermore, the attitude of companies to the EITB is personified in the view that it is a state,
rather than industry, agency. Therefore some companies and training managers take the view that their relationship to the Board is one of trying to get their own money back.

At an individual level the relationship is influenced by each partner's view of the expertise and knowledge of the other, which undoubtedly takes time to develop. From an EITB point of view the critical issue is the staffing resources available at a time when demands being made on EITB staff, such as MSC's conditions for VST funding, are growing. In the case of a leading company in the high technology/electronics field it would not be surprising to find that training managers feel that some EITB officers are not well informed or up-to-date.

It is possible to identify, then, individual expertise, tradition and diminishing staff resources of the Board as having an influence on the delivery of EITB training initiatives. The discretion of individual staff members will, no doubt, influence their interpretation of the need of individual companies and the application of grants, such as VST.

The routine dialogue between the EITB and individual companies is concerned with a review of the company's training plan as a basis for exemption. Companies should prepare training plans for the forthcoming year. However, if change is rapid, the plan may not include critical skill needs. The EITB Field Officers then have to advise Training Officers about the content of the plan and may, in
particularly difficult circumstances, not enforce 'good practice' criteria and allow the company time to improve the quality and content of its training plan. This flexibility is felt necessary in dealing with companies who are in a difficult situation and are trying to survive the recession. The use of discretion by Field Officers is made possible by the fact that exemption from levy is guaranteed for three years and only sample surveys of exempt companies are possible with the staffing levels available. Consequently, while the formality of exemption may appear to be rather strict, the practice indicates that qualifying for exemption is the outcome of advice, persuasion, negotiation and bargaining between individuals in the companies and the EITB. As a result there are companies within the scope of the EITB who, while exempt from levy because they are considered to have carried out sufficient training for their own needs, engage in 'poaching' skilled staff to overcome skill shortages. This is the inevitable outcome of attempting to apply rules and regulations and to plan in a sector of industry which is experiencing major adjustment and restructuring of the workforce in a period of recession.

The nature of this dialogue, while concentrating on Training Managers, also extends to trade union representatives in some companies. The input from trade unions in company training plan varies and EITB staff recognise that trade unions are not as influential as management. The explanation for this variety is that training outcomes are part of the collective bargaining
process and therefore the visibility of training is
determined by the particular industrial relations issue.
Nevertheless, EITB regional staff discuss training with
trade union representatives and trainees as part of the
review of the training plan and also when asked to act as
consultants to companies on the impact of technical change.
However, there is a recognition that within trade unions
there is a variety of levels of enthusiasm and commitment
amongst their representatives.

The implication of this experience for the delivery of VST
grants is significant as such grants raise issues of intra
and inter-trade union relations. For example, limited
training opportunities threaten to divide trade union
members because of differential skill levels raising issues
of pay and collective bargaining. Alternatively, there are
tensions between trade unions in the engineering sector
because of a) their disagreements over the appropriate
role of unions with regard to training, and b) the impact
of training in attracting workers away from one union
towards another because of, due to changing skill levels.

The sensitivity of VST within a company extends to the
selection of identifiable individuals who should benefit
from the grants.

To overcome these sensitivities EITB staff take the view
that the choice of recipient is a company decision. This
understandably 'detached' position is justified on the
basis that VST is concerned with the requirements needed to
do a job which is critical to the needs of the company. In more stark terms:

"It is not about personal development, it is about training for profitability."

This commentary on the autonomy of managers as expressed by one EITB staff member is reinforced by the fact that there is no requirement in the scheme for the company managers to consult, the status quo is maintained. In addition, some EITB staff seem to be unaware of the structures of trade union representation as exemplified in the following quotation:

"Trade unions don't come into it, it is rare, there are no trade union representatives, we are not dealing with the shop floor."

And another expressed a view about the relevance of trade unions to a highly skilled workforce, which is by no means an isolated view, yet inaccurate, that:

"At operator level trade unions are important because people at this level ... and I'm not being snobbish ... haven't got the intelligence so the trade unions are helpful, they keep them informed. But graduate level people don't need anyone to represent them, they can do it themselves."

One suspects that such statements combine a number of
values. These include:

a) values about the special quality and skill levels with
which VST is concerned, an essential part of the EITB's
'new' image,

b) a value assumption of the autonomy of managers, and

c) a reflection of the common value system necessarily held
by EITB field staff and company managers in order to
facilitate a dialogue.

These views expressed by EITB staff are particularly
significant when aligned with another function which they
see themselves as performing, their advocacy role.

"We have to make people aware of the need for training
so our job is partly as management training advisors and
also EITB Officers have to hold the company's hand.
EITB advocate and facilitate."

From this perspective it was recognised that management
style is critical in influencing work practices and the
extent to which managers take the workforce "into their
confidence". However there was little evidence that in the
delivery of VST the EITB field staff utilised their
advocacy role.

This limited power perception held by field officers, the
concern to respond to the urgent needs of companies, some
of whom have been identified as fighting for survival, and
the traditional practices for negotiating exemption
influence the discussions surrounding the allocation and approval of VST grants.

In practice there appears to be a great deal of discretion in identifying categories of training on which to base judgements about the allocation (investment) of EITB funds. One can distinguish the training carried out by a company which enables it to gain exemption from paying levy, from company funded training in response to an immediate crisis (as an alternative to poaching) and, finally one can identify company related training funded by the EITB (and other external agencies). In practice, these categories merge depending on the urgency of the training and the relative ease of attracting external funds and support for externally funded training from the company. Clearly this merging relates to the foresight or planning carried out by the company and also the fluctuations in the business climate.

When the EITB officers discuss a company's training plan they will attempt to identify particular training requirements which may qualify for EITB grants and for which the company can then apply. The main problem is that it is difficult to be accurate about the relative urgency of particular training requirements. EITB officers adopt their own individual categories. In one case training qualifying the company for exemption was seen as an issue of 'social debate' whereas VST grants were concerned with the technical differences between companies. From this distinction, implying that VST grants applied to very
particular types of training, it was possible for an officer to explain

"We talk a lot to companies about their plans and products and then discuss the training implications which could need conversion courses. So we just 'top up' the cost with VST grants."

This quotation illuminates the resolution of a dilemma expressed by EITB officers centrally, who saw a choice between using VST grants either to facilitate training which companies were not inclined to do and would require a great deal of money, or to reinforce what companies already do to some degree. As the above quotation makes clear, the second alternative is most expedient and feasible. That this response is made is ensured by the fact that the notion of 'conversion' is extremely difficult to define for while occupations can be distinguished skill requirements will overlap.

The difficulty of categorising training in order to justify the allocation of VST grants is partially reduced by the procedures involved in processing the applications. The policy of spreading the number of grants amongst a number of companies in order not to give any one company a competitive advantage can result in some delay in making the decision. Hence, if a company is desperate for skills VST would not be a sufficiently rapid response. Furthermore, there is maximum investment in any single company. This explains the function of VST as supporting
an 'accelerated' training plan.

3.4.3 CONCLUSION

This sub-section has described the growing credibility crisis for the EITB which required a response to the criticism from companies in the high technology sector. VST grants are one part of that response in an attempt to facilitate and influence the training policy of companies to overcome skill shortages: for EITB field staff the imperative to respond to the needs of companies took priority over influencing company training policy. As a result VST grants were used to facilitate the application of the existing training plan. Decisions about trade union involvement and the relative merits of converting newly recruited graduates or existing members of the workforce were left to company managers.
3.5 THE LOCAL APPLICATION OF VST: A CASE STUDY

3.5.1 INTRODUCTION

This sub-section considers the relative influence of managers and trade unions on the training activities of a company which has received VST grants from the EITB. The limited influence of EITB staff is implicit in this account. The company has recently moved into a new sector of the market which involved the development of a new range of products. This 'restructuring' has meant an important role for the Training Department, namely, to ensure the adequate supply of software skills. The issues which this process has raised for managers and trade unions are presented. Finally, the formal structures for dialogue are reviewed. It will be clear from this account that the traditions of personnel practice and management-union relations remained, not surprisingly, unaffected by the adoption of these grants. The issue of 'dialogue' was not raised by the EITB and the implications of VST grants for trade union-management relations were by no means new.

3.5.2 THE ENTERPRISE

The enterprise which is at present receiving VST grants has a long history in the instrumentation industry and since the 1930s has developed products and technology which are applied in the Aerospace Electronics Industry. The
company, which has its headquarters in London, has one of its Divisions in the West of England and on this particular site employs approximately 3,000 people.

3.5.3 THE TRAINING FUNCTION - RESTRUCTURING

The training function aims to support the achievement of objectives laid down in the Business Plan. Such planning has to confront and manage a number of problems peculiar to this industry, notably:

- long lead times
- complex electronics suitable for a range of aircraft types
- increasing customer demand for electronic processing
- pressure for automated assembly and testing of products in order to achieve economic production and precise repeatability at a much later date. This industry guarantees to support its total product range of aircraft spares, which spans more than 40 years in technology, and therefore has to ensure consistent quality

In 1983 the company could announce that restructuring of operating units, good leadership, sound management practices and loyal employees had enabled the company to achieve strong market credibility.

Restructuring of the workforce has taken place on at least three occasions in the past in response to changing
technology which results in a reappraisal of skill requirements. However it is evident that at regular intervals a more substantial programme of restructuring is necessary. Such was the case with the company's entry into the design and production of Avionic Management and Control Systems Software Engineering products in the early 1980s. This was a new market for the company in which 'lead-in' times (product cycles) have shortened in recent years from 5 years to 6-15 months. The move into this sector of the industry involved a notable injection of funds, which included the VST grant for training purposes, and the use of sub-contracting as a short-term measure. The particular difficulties relating to software skills are that they are scarce and expensive. Furthermore, software engineering graduates from Higher Education are unfamiliar with the specific requirements of industry, so that some conversion retraining is inevitable. The alternative of retraining members of the existing workforce is also problematic as it requires a relatively long training period, is relatively more expensive (requiring additional training facilities) and assumes that members of the workforce want to be, and could be, retrained.

3.5.4 TRAINING STRATEGY AND NEEDS

Decisions on the provision of training to supply skill needs are deduced from the Business Plan supported by information from the Personnel Department by the Training Manager, who is responsible for producing a training plan spanning four years, and by Departmental Managers who have
their own training budgets to respond to specific departmental skill needs. The ability to plan ahead with any certainty beyond 2-3 years is recognised as difficult although particular trends are identified, e.g. the recent exponential growth in software skill need. While the training plan will plot past trends and attempt to identify future needs it is clearly recognised that the number of skilled scientists and technologists required is tied to the winning of contracts. Predicting future needs is therefore almost impossible given that at any one time several contract bids are being made. With specific reference to software skills, the choice of training or sub-contracting is influenced by special difficulties. Notably, the economic viability of a software project is highly uncertain and the length of a project is particularly difficult to predict.

In spite of this uncertainty it is the case that the company, as part of the most recent restructuring in 1982, has made a commitment to invest more heavily in software engineers, to meet the prediction made in the most recent training plan and also to reduce the proportion of subcontracted staff. The extent of this commitment is evident from the Training Department's decision in 1983 to reorganise in order to provide software systems training and retraining.

In scale of the growth in scientists and technologists has been dramatic. From May 1977 to September 1983 it was of the order of 121%, mainly software engineers, giving a
total of 250 and a prediction in 1983 of the need for an additional 200 by May 1985 (90% software), in response to perceived "very large" demands. The major proportion of recruits were under 40 years old and a substantial number recruited directly. Training, resourced by the company, was provided in the form of on-the-job training and short conversion courses provided by external agencies. The numbers of engineers and technicians receiving training exceed 300 by 1986. The high proportion of lower age recruits put an increasing strain on supervisory staff and led to the appointment of additional training and retraining specialists.

3.5.5 RESOURCES: FINANCES AND FACILITIES

At the same time as this rapid growth in scientists and technologists the total training budget of the Training Division was in decline. This can be explained by a move away from apprenticeships to the adoption of much shorter, more integrated training courses for young people followed by adult retraining and formative training. It must also be noted that money from external agencies (EITB and MSC) has played a significant role in enabling more training to be agreed to, even in the face of real shortages. Additionally, more use than ever before has been made of local education facilities and Open University and other distance learning services. The local colleges are also extensively used for evening, day and block release programmes. The need for flexibility has also led to the use of sandwich (college-industry-college-industry) courses.
for both technicians and engineers.

We can see, then, that VST grants were just one form of external support used by the company to facilitate a change in its skill base. The company allocated a total of 250,000 pounds for the training programme of which VST grants provided 55,000 pounds. It is important to recognise that the very character of this grant, to accelerate the implementation of a training plan, and the fact that it is received in retrospect ensures that the EITB involvement was minimal. Neither the company's Training Manager nor the main trade union representative saw the VST grant as a special policy instrument. Rather, it was seen as an additional sum of money having a catalytic function. While this reflects a low level of interference by the EITB in the company's training policy it is interesting that the Training Manager used the experience of VST grants to make two comments on the dialogue and contact with external agencies. He expressed the view that it would be useful to be informed in a more coherent way about the plethora of training grants and services available from Government and the EITB. This was a reflection on the fact that information about Vital Skills Training grants had been received quite by chance through the National Press rather than through a routine procedure. He felt that

"Both parties (EITB and the Engineering Industry) appear to have been 'caught short' (surprised) recently by politically expedient premature announcements of grant
aid. In some cases this could have caused the low take-up and hence failure to re-provide grants. In any event, no-one really expects to find out what they are going to do next in their jobs from the National Press."

A related concern was the inability of those Universities and Polytechnics that were approached (7) to provide the required action learning programme which the Company requested as part of VST. While workloads, lack of expertise and the need to reduce costs (ie. low funds) were influential factors, the required timescale, (12 weeks to prepare), was the primary reason for refusals. The eventual provision came from an Institute of Technology. This confirmed the Training Manager's experience that colleges, traditionally closer to industry, are more willing to enter into 'action learning' (applies skill and knowledge) programmes than Universities.

While a significant amount of money was allocated to the training necessary to overcome immediate software skill shortages there are indications that other, less immediate, training needs have a low priority. For example, training staff were not available to implement a technicians training course, and, unlike large companies in this sector, this company has yet to set up its own software training centre. In addition, the comprehensive staff appraisal and development system which existed in the early 1970s has been replaced by a management development scheme for approximately 30% of the 'significant people'. Staff
appraisal for the remainder of the staff is provided in an informal, ad hoc, fashion. There are also indications that investment in software training was under-resourced as it was admitted that without VST grants the company would have reduced costs by recruiting the 'third best' applicants. A trade union official offered the opinion that if VST grants had not been available then the resources would have been allocated from within the existing training budget at the expense of some other training programme.

The Training Manager's present concern is that there is insufficient money, staff and other resources to achieve the quality of training of previous years and, at the same time, to sustain the ever increasing training provision in terms of both quantity and technology. The dominant priority at present is to increase the number of skilled staff as quickly as possible. In this context external funding is important as:

"We can sell training to them (senior managers) if we can identify external funds to cover it ... loss of productive work is then not a great problem."

This statement sits uneasily with the claim from the same person that,

"Without training you can't stay in the new technology industry" (i.e. survive)

One explanation for this ambivalence is that with
uncertainty in the 'business world' it is difficult for Training Managers to be confident about the level of commitment to training within the company. This explains the significance attraction of external funding. Other factors which may have an influence on training plans and expenditure levels, and which generate some concern for trade unions, are the viability of sub-contracting and the opportunities for retraining members of the existing workforce.

3.5.6 SUB-CONTRACTING LABOUR

The use of sub-contract labour is a common response to short-term need for labour. Fluctuations in business upset the planned provision of labour, be it over-provision or under-provision, and the company recognises that sub-contracting provide a cushion which is attractive for peak loads and short-term jobs. The difficulty for the company is that software related jobs are becoming more difficult to plan as the duration is uncertain. Moreover, such projects involve a high level of expenditure. Decisions on the use of sub-contracting, then, raise a number of issues related to training and the dialogue between management and trade unions.

From the management perspective there is a realisation that a big project should not be carried out solely by sub-contractors as such an arrangement has implications for the company’s ability to control the project. As a result recruitment is used to provide a proportion of the
workforce.

This concern overlaps to some extent with that of trade union representatives. The trade unions see subcontracting as a threat to the permanent workforce as it could diminish in size through natural wastage. In addition there is some concern that as subcontractors use their own facilities (machines) the company will not invest in machinery which puts the permanent workforce at a disadvantage in terms of knowledge and experience.

In addition both management and unions recognise that permanent staff do not like to be associated with the mistakes made by sub-contracted staff and consultants. Furthermore, subcontracting is three times more expensive compared to using in-house staff.

The response to this situation has taken the form of a request by the trade union that subcontracting should be coupled with the training of the permanent staff. An agreement has been reached whereby subcontracting in a specific activity should be discussed by an 'office committee' composed of managers and trade union representatives. This committee decides on the nature of the work to be subcontracted and the length of the contract. The sensitivity of this discussion is assured by the fact that subcontractors are members of the same trade union as the permanent workforce.

Sub-contracting has become relatively unattractive as the
'business climate' has stabilised and alternative means of financing the supply of skills have been provided. This change of practice, while placating the concerns of the trade unions, should not be interpreted as a deliberate response by management to the trade unions. Furthermore, the possibility of a return to sub-contracting in the future in response to business fluctuations should not be ignored.

3.5.7 RETRAINING

One alternative to sub-contracting is to invest in the retraining of members of the existing workforce. On this dimension the trade unions are in favour of policies and practices which utilise to the full the latent talents of their membership in order to respond to change in the industry and to maintain the quality of product. At present there is a concern that the reservoir of skills is being ignored in favour of employing University graduates. The trade union argument is that a company provided programme of training over a three-four year period would enable a worker to make the transition from mechanical to electronically operated machinery.

Managers reject the trade union policy that retraining should be available to all the workforce. Managers claim that not all the workforce are capable of making the adjustment. Trade union representatives accept that some of their members lack enthusiasm but argue that a lack of information on training opportunities is an important
contributory factor, as is the lack of career guidance and counselling.

Critical factors underlying this dialogue is the pace and urgency of change and the cost of providing in-house training facilities. A joint consultation programme was implemented (at all unions' suggestions) to identify a way of cross training people from redundant mechanical (and other) skills into electronics, computing and software employment. A joint committee (Unions, Management, Personnel and Training) met several times to identify and resolve this problem. A pilot scheme was successfully run where 33 volunteers from mechanical craft areas were tested, short listed down to 16, interviewed and selected down to 8. These 8 were given introductory training in computer principles and elementary programming and further selected down to 4 who were trained then as Systems Operators on engineering computers. While the retraining is considered by management to have been a success the training and identification exercises took more than 9 months to achieve operator level computing employment from craft level mechanical manufacturing. This had no impact on the software technicians and software professional shortage and indicates the long lead-in time inherent in such a retraining or conversion programme.

Trade union representatives have claimed that this example indicates that their members are interested in re-training opportunities. However, while the training Manager expressed some surprise at the level of interest of the
workforce he felt that this was due to the prevailing fear of unemployment rather than the ability of the trade union representatives to motivate their members.

While the trade union representatives role can be interpreted as facilitating the take-up of training opportunities there are situations when such a role is unacceptable. In the case of Computer Aided Design (CAD) training the union adopts the position that this has wider ramifications than training which is concerned with the development of the individual. CAD influences the production process organisation of the office, requires specialised training which if applied to a minority creates an elite group which can lead to claims for higher wages and therefore has 'company-wide' implications. The union policy is that all its members should receive CAD training and that work practices, such as shift work, should be negotiated.

The distinction being presented by the trade union is between "personal development training" which has little effect on the workforce and work practices; and training for productivity which threatens the unity of the trade union and changes work practices. This distinction is important and has to be determined according to the job description and job grading system adopted by the company. Therefore we can distinguish between training which has little impact on industrial relations and training which cannot be separated, at least from a trade union perspective, from industrial relations issues.
Recognising this distinction indicates the importance to trade unions of company decisions on training budgets and its allocation. In this particular company questions about investment, the waste of manpower, and the misuse of resources (e.g. pay high wages for low quality output) have all been raised by the trade union in relation to the use of software. The management's response was that such concerns are not the remit of the trade union. The trade union representative felt that if they were better informed then they would have specialist knowledge which could be of benefit in formulating training plans. In the absence of this information it is perhaps not surprising that the union had expressed their concern.

In spite of this concern the rapid restructuring process which VST grants facilitated has been implemented with little involvement by, or information being passed to, the trade unions. Yet the VST grant offers a number of ways of adding to the total stock of high technology skills: advanced study, off-the-job training, and approved training provided on-the-job, available to both new graduates and high level technicians as well as members of the workforce having either of these qualifications. The grant varies according to the experience of the individual and the form of instruction. Off-the-job instruction attracts a higher grant than on-the-job, and those individuals with more than three years experience in another occupation attract higher grants than those with less experience.
The use of VST grants varies from employer to employer in the region, some choosing new recruits, others existing workers. In the enterprise we studied the response was to search for suitable new graduates who made up 75% of the recipients of VST grant. The remaining 25% were technicians who were chosen, in part, "to make up the numbers" in order to fulfil the obligation the company had already made with the off-the-job provider for a 56-day residential course. It is clear that this choice of 'trainee' gave priority to new recruits into the labour force rather than the more experienced worker who would have attracted a higher grant.

We can conclude that, given the traditions of this company, the size and urgency of its then current problem and how VST grants came to their attention, the response to VST grants is not at all surprising. The stock of software engineering skills is critical to the new business (that of designing, making, proving and selling Control Systems Real Time Software) as it reduces both the high risks from and the crippling dependency upon sub-contracting, a main concern of management. However, if we maintain the distinction between "productivity related training" and "personal development training", then VST, as a conversion course, is clearly an opportunity for career development. The Training Manager argued that this was provided in two ways: firstly, by 25% of VST grant recipients being existing members of the workforce and, secondly, by the adoption of the action learning, team building and leadership components of the VST training into the
company's engineering and management schemes. The involvement of the trade unions, in order to generate an interest in the workforce for re-training, was not considered appropriate on this occasion. It is clear, then, that the co-operation and involvement of trade unions is at the discretion of management. The application of this discretion in controlling the structures for dialogue is presented below.

3.5.8 THE STRUCTURES FOR DIALOGUE

a) General

There are approximately 100 trade union representatives at the plant. Two unions cover technical and supervisory staff, and one union covers the clerical staff. Each of these trade unions has its own negotiating committee which includes elected union representatives and senior management and which deals with members issues other than job grading. Manual workers and toolroom staff each have their own negotiating committee. In addition the technical and advisory staff unions each have three members attending a General Steering Committee, which includes a number of senior managers, which discusses job evaluation and pay schemes. The clerical staff union representatives also attend their respective General Steering Committee.

At site level senior management and representatives from all the trade unions meet twice a year to discuss a wide
range of subjects, including engineering projects, order books, site facilities and investment plans.

b) Training dialogue: a lack of information

Training policy was, in the 1970s, discussed every six months by managers to be translated by the Training Manager. These meetings were not 'called' between 1982-84 but were then re-introduced and enable managers to discuss policy and pass suggestions for consideration to senior management. Within this system there is no formal link with the trade unions. The assumption is that the trade unions representatives will contact the Training Manager on an informal basis. While this is considered by the trade unions to be a well developed contact there is a desire to have regular meetings with senior management, partly in order to support some of the ideas developed in discussion with the Training Manager which he then presents to senior management.

According to one trade union representative information deficiencies exist in a number of areas. For example, it would be useful to identify how the training budgets are formulated, and early information on investment and business plans, it is argued, would enable the trade unions to respond more effectively in helping to alleviate the impact of labour force restructuring within the plant. Also the parochial concerns of each of the trade unions could be overcome and a more unified and coherent 'picture' of training needs could be presented. Finally information
about externally funded training is not considered by managers to be required by trade union representatives.

Some information, management explain, is not deliberately withheld, it is simply not considered necessary to inform the trade unions. The trade unions, however, consider that training issues should be higher on the 'agenda' and that a clear strategy should be developed. In the absence of this the trade union feels that training only becomes visible if it is raised by them in the context of industrial relations issues.

c) Monologue

The response of management to these requests do not appear to be attractive, relevant or appropriate to trade union involvement. In one case a Works Council was set up by the Managing Director who nominated individuals to attend and set the agenda. This forum also had written objectives which included the statement that the Works Council is not intended to circumvent existing negotiating machinery. This assurance has failed to persuade some trade union representatives to attend. According to one trade union representative there is some uncertainty about the function of the Works Council. However, the main reason for not attending, is the attendance of non-union employees (which contradicts the Industrial Relations Managers view that trade union officers represent all employers), and the adequacy of the existing negotiating machinery.
While the Works Council has no status in the eyes of some trade unions there is a 'Training Work Policy Group' chaired by the Industrial Relations Manager which identifies key training areas and makes recommendations to the senior management group. To date the trade unions have not been invited to attend this group and are not aware of the agenda or the minutes of the meetings. Information can, however, 'trickle' from the Policy Group to the various trade unions via other formal and informal groups and routes. The view was expressed that there is no need for formal arrangements because informality enables a quicker response to issues.

More recently there have been attempts by trade unions to improve the dialogue by suggesting a committee of 'interested parties' to seek information from the company and other institutions on a range of matters, including training. This request has not received support from senior management.

Clearly these alternative 'arenas' and the rejection of trade union proposals reflect on the role and effectiveness of existing formal structures and the difficulty of setting up new structures.

(c) Formal arrangements

High technology agreements exist in a small numbers of companies in the UK. In this company the agreement encapsulates Health and Safety, working conditions and
training and is negotiated from the trade union point of view. The agreement is not strong enough, as it states that information should be given to the unions as early as possible and that there should be discussion about new equipment with the users. Therefore the agreement is only as strong as the vigilance and participation of trade union members and as weak as the exchange of information which is controlled by management.

In the event of the failure of existing structures for considering training issues each union has a sub-committee of trade union representatives which meets once a month and training is usually considered. From this forum items can be sent for consideration to an Industrial Relations team which is composed of managers and trade union representatives. Initially the main concerns expressed will be discussed and conclusions passed to senior management for consideration. In the event that the trade union representatives feel that they wish to take issues to senior management themselves then there is a 'failure to agree procedure' which enables this meeting to take place.

3.5.9 CONCLUDING OBSERVATIONS

It is clear from this case that there are no routinised, formal set of arrangements within the plant whereby trade unions discuss with management, or are informed of, the development of training programmes by the company or the introduction of a training programme funded by an external agency. This can be explained by the function of the
training programme, namely, as part of a major restructuring process which has taken place over a short time period in response to a business opportunity. The imperative to increase the stock of skills has a high status and contrasts with the decline of the comprehensive staff appraisal system set up in the early 1970s.

At present the indications are that any change, which is in the hands of management, is unlikely. A dominant view is that "the manager's job is to manage" and therefore it is not necessary for the trade unions to be informed of training budgets, training strategy or the implications of investment plans on training opportunities as a special requirement. In the Training Manager's opinion:

"The involvement of technical and staff union representatives in the running of such things as the YTS Scheme, coupled with an open day-to-day willingness to discuss anything even remotely to do with training on an informal basis, allows a permanent two-way exchange of information, views and attitudes to take place at all times in the Training Department, be it on policy or some new thought."

While this may be an indicator of 'strong' or 'firm' management it is nevertheless the case that there have been examples of situations where the trade unions have supported training plans by advocating that their members should retrain. While this may be interpreted as 'personal development training' there can be no doubt that such
activity was also in the interests of the productive capacity of the plant. In such a case the trade unions have played a part in training activity at the discretion of management for the purposes of restructuring.

This move towards 'tighter control' and 'firm' management is certainly not exceptional in the UK. Major companies such as "Austin Rover" and "Lucas" have recently divulged their adoption of 'firm management' in order to carry out major restructuring processes within the company. Of equal interest is the more recent adoption of a very different management style within these companies. Once the restructuring is complete a more collaborative association with the workforce is thought to be desirable in order to maintain product quality and product levels.

The circumstances which prevail in our case study put a reliance on informal means of dialogue which one trade union representative considered valuable and suitable for quick action. However, it is clear that if informal networks prove ineffective then the trade unions have the option to utilise the existing industrial relations structures in order to discuss training matters with managers. Many observers would argue that this is desirable if not inevitable, as training issues cannot be separated from industrial relations matters, whether productivity related or personal development related training.

The apparent irony in this case is that while managers have
stated a desire to keep industrial relations separate from training issues the very lack of formal structures for a training dialogue ensures that industrial relations structures are utilised for both sets of issues. However one must be cautious, to claim that recourse to industrial relations is beneficial would be to ignore the restricted information flow between trade unions and managers. One trade union representative explained that the Labour Party's idea of Training Committees in every company is attractive because it would enable the trade unions to be involved in an informed debate.

While this case study has identified shortcomings in the arrangements for dialogue within the enterprise the impression is not of an enterprise experiencing a great deal of dispute between managers and unions. Disputes do exist but it is evident that the loyalty of the workforce is respected by management. This particular employer also pays relatively high wages compared to other enterprises in the same sector and region. Furthermore, trade union representatives freely admit that training issues are not a priority concern of their membership. It is clear from the information gathered that the VST grants scheme was not designed specifically to stimulate the conversion training of members of the existing workforce. The EITB, furthermore, would not presume to instruct managers to utilise these grants in this way although the EITB do have an advisory role and managerial practices do vary across the region. The indication is that the EITB assumes that at the local level employers know best!
SUMMARY AND CONCLUSIONS

This section on the Engineering Sector has presented the nature and content of the debate on training in the UK. In doing so it has described the national debate and used a specific Training Initiative, VST, to illuminate the dynamic of the dialogue at the local level.

At national level there has been a concern about skill shortages for a number of years which has generated a number of studies funded by both Government and Industry. While there has been a great deal of public debate the setting up of a House of Lords Select Committee has provided for private deliberation. In this setting the discussion about the level of skills shortage remained unresolved but on the question of who should be responsible and pay for overcoming skill shortages the Select Committee felt that: a tripartite policy making body should be set up, that responsibilities should be more clearly defined, that a greater level of investment was necessary, and that industry should invest more, whether by voluntary or statutory arrangements. The role of Government was identified as acting as a catalyst for change, the expectations of trade unions were muted, in fact there was little comment.

While the Select Committee was searching for and advocating rationality, clear lines of responsibility and coherence,
the debate within the Engineering Sector expressed the circumstances preventing these conditions from being achieved. There appeared to be little unity amongst employers and trade unions, and the review of the EITB suggested that employers favoured a move away from a costly interventionist role 'towards an advisory and pump-priming' role utilising specific grants and emphasising training for the more highly skilled. This indicated that employers felt that Government should invest a proportionately higher amount in training, thereby increasing the EITB dependence on MSC resources, but with a reduction in bureaucratic control and/or an emphasis on specific, short-term skill needs. The strong suggestion from this was that employers were content to continue to engage in a 'fire-fighting' response to skill shortages.

As with employers, the trade union 'voice' is not unified, however there appears to be a consensus that greater investment in training is necessary by Government and employers. This advocacy role by the individual unions and TUC reflects the limited influence of trade unions at the national level and on a range of sectoral bodies such as the EITB. Similarly, the activity of the trade unions is limited. The evidence of research and the experience of New Technology Agreements indicates that the preoccupation of the membership, limited resources and inadequate information restrict the activity of trade unions to responding to and facilitating change initiated at the discretion of management. This is significant as it indicates the difficulty of overcoming short-term concerns
and focussing on the fairer distribution of the benefits of technical change.

Equally significant for the purposes of the research project is the indication that the pressure for change, by employers at national level, for adjustments in training mechanisms, eg. the role of the EITB, and the experience of NTA's, suggest that national policy change is a confirmation of changes already taking place at the local level. This is not to suggest that national statements or rhetoric always fall on deaf ears but it does suggest that national level agreements are not a precondition for change.

The national debate gives us a clear picture of the employers view of the role of Government, ie. that where transferable skills are involved then Government should pay for training. This view was reinforced during the comments on MSC's Adult Training Strategy when the CBI commented that employers already train a sufficient quantity of people and that while the Government and MSC should 'pump-prime' and act as a catalyst for training the priority concern of employers is to develop flexible working practices. In this context the CBI supported the ATS, as did the TUC, although the TUC's comments were not adopted by the MSC as they suggested a significant increase in resourcing to provide training for the unemployed. The ATS aim is to stimulate employers to invest in training, contrary to the view of the CBI, and therefore it is not surprising that resources have been kept to the minimum.
While ATS has enabled the MSC to increase the number of people receiving training without increasing its own budget, there are some indications that the unemployed are further marginalised and that employers remain unpersuaded as to the benefits and value of non-specific training.

The concern of high technology companies to overcome specific skill shortages was reflected in the EITB's formulation of Vital Skills Training Grants. While the MSC contributed to budget for this initiative on the basis that such skills are transferable, the EITB's growing dependence on Government and MSC funds was not utilised in the interest of wider labour market needs. This can be explained by a number of factors. The most obvious is that the EITB provided most of the resources and formulated the scheme and delivered the grants through its field staff. Consequently employers immediate concerns were paramount. This emphasis is reinforced by MSC's desire to avoid speculative training and to adopt a low-risk investment strategy with a high probability of success. This approach by MSC ensures that trade union involvement would be according to the traditions and practices of individual companies.

The delivery of VST grants by EITB field staff emphasises the strength of tradition in the role of the EITB and the relationship with employers. The discretion available to EITB staff, for example, was not utilised in order to bring trade unions into the dialogue about how VST grants would be used, instead the status quo was maintained. Similarly,
EITB staff accepted the priority of training for immediate profitability. Training for personal development (for opportunities in the labour market) and the nature of and structures for meaningful dialogue were not confronted. Furthermore, while VST aimed to promote greater training activity by employers, it is clear from our case that VST reinforced what the company was inclined to do as part of an existing plan. Nevertheless skill shortages remain.

The decision by the company to initiate a programme of recruitment, conversion and retraining was based on the need for a rapid response to software skill shortages. The alternative of sub-contracting was considered problematic in managerial terms and the procedures associated with sub-contracting, agreed with the trade unions, would have inhibited the pace of the response to shortages. The availability of external funds influenced the feasibility of running a high quality training programme and enabled the Training Manager to put conversion training onto the 'agenda for action' within the company. Without the VST grants a lower quality alternative would have been provided or another part of the training plan would have been delayed or deleted.

The use of VST grants by the company had no influence on the involvement of trade unions in training issues. The existing practice is that information is available to trade unions on an informal ad hoc basis. The involvement of trade unions in training matters is at the discretion of management and usually takes the form of alleviating the
adverse impact of restructuring or persuading members of the workforce to take retraining opportunities as part of a restructuring process. There is no indication that a trade union role was required in the programme to increase software skills. However, the issue of retraining opportunities for existing workers continues to be a concern for trade union representatives but is not of sufficient significance for most of the workforce.

A general but significant conclusion which one can draw from this section is the dominance of industry's influence on the training activities of Government agencies. This is particularly evident for as industry has reduced its own expenditure and become more dependent on public funds it has maintained its ability to influence the level and content of training provision. Trade unions have little influence and are restricted by management to an advocacy role and alleviating the impact of the restructuring process. The professional staff within the MSC and EITB, while appearing to have a great deal of discretion, information and control of resources, appear reluctant to test the resource dependence of employers and therefore adopt a low-risk strategy.

Finally, there is little sign of employers being held accountable for the low level of training by the introduction of legislation or sanction. At present voluntary involvement by persuasion is the preferred approach as the Government respects the right of employers to determine investment priorities. In the absence of
increased investment by Government or Industry the trade union's call for more resources, while supported by many observers, seems to be contrary to the prevailing climate. Paradoxically, it appears that, as the weakest of the social partners, the trade unions are held to account as responsible for the lack of progress. The Government reinforce the myth that it is unions, rather than management, that inhibit change, and the voice of industry calls for union cooperation in adopting flexible working practices as a precursor to discussing other issues such as training.
SECTION IV:

INITIAL TRAINING: THE YOUTH TRAINING SCHEME IN THE CONSTRUCTION SECTOR

4.1: INTRODUCTION

4.2: TRENDS IN THE INDUSTRY: THE RECESSION AND CHANGE

4.3: THE EMERGENCE OF THE YOUTH TRAINING SCHEME AND ITS IMPLEMENTATION

4.4: THE CITB AND YTS

4.5: YTS: THE LOCAL CASE

4.6: CONCLUSION
4.1 INTRODUCTION

This section deals with the delivery of a Central Government funded initiative for school leavers and young people. Unlike the Vital Skills Training grants where Industry initiated and funded the scheme, the Youth Training Scheme was supported at national level by representatives of all the social partners and funded by the Manpower Services Commission (with the support of EC funds). Representatives of the MSC, Local Education Authorities, the Confederation of British Industry and the Trade Union Congress make up the membership of the MSC's Youth Training Board which was responsible for contributing to the design of the scheme. Choice of the membership of the Board was determined by the desire to co-opt representatives of those agencies who would be needed to ensure the implementation of the scheme at local level.

With a Government department providing the majority of the funds this case looks suitable to judge the influence of those controlling finances in the bargaining involved in designing and delivering a training initiative. However, as the composition of the Youth Training Board indicates, the Government was dependent on a range of other resources in order to deliver the scheme. As a result the MSC had to cede some control in return for support from employers, local education authorities, trade unions and voluntary organisations. The sharing of control was not equal, and
employers were seen as the key to the successful delivery of the scheme as

"it is employers who are in the best position to know what kind of training they ought to be providing"(1)

While concessions were made to all the social partners YTS offers an example of how the ownership and control of initial training fluctuated within and between the social partners depending on particular circumstances, in response to changing events and pressures, and at different stages in delivery. The consequent variety could be interpreted as incoherent but earlier work by one of the authors, on the relationship between MSC and Local Authorities,(2) indicates that there are more powerful influences on the nature and delivery of YTS than the allocation of administration control.

This chapter will concentrate on the specific experience of the Construction Industry Training Board, which provided the biggest Managing Agency for the administration and delivery of YTS, and describe the nature, extent and content of the dialogue involved in the formulation and delivery of its scheme.

Sub-section 4.2 considers the impact of the current recession on the construction industry and the influence this has had on the composition and nature of the workforce. This is followed by an account of industrial relations issues typically experienced in a multi-employer
industry. Finally, the status and role of the CITB within the Construction sector is presented.

Sub-section 4.3 offers a brief description of the emergence of YTS including the advantages to each of the social partners and the main difficulty faced by managers of the scheme. In addition, the response of the TUC and CBI to YTS is outlined as a means of presenting the concerns of the social partners at national level.

The remainder of this section is concerned with the construction sector, and sub-section 4.4 deals specifically with the concerns and dialogue existing during the negotiation of the CITB managing agency. The character of the CITB scheme is then outlined.

Finally, in sub-section 4.5, we consider the delivery of YTS. This is important because while the nature and content of YTS is negotiated with individual managing agents within the guidelines determined by the MSC it is inevitable that there will be adjustments in practice. This adjustment occurs for two reasons, firstly, there is, inevitably, a degree of dissatisfaction with a nationally negotiated scheme as each partner has had to make concessions, some more significant than others, secondly, as the scheme is monitored and delivered at local level by a number of agencies through formal and informal mechanisms, 'notions' of conformance and performance are negotiable. These issues will be considered by looking at the formal mechanism, the Area Manpower Boards, which
included representatives from each of the social partners, and by looking at a local case where a scheme failed to conform to the CITB model.
REFERENCES


A pamphlet was recently produced by the Building Employers Confederation (BEC) which called for greater investment in the construction industry. The BEC is a significant voice within the industry, representing 9000 employers, including the 'top' 80 construction companies, who are accountable for 71% of the industry's annual workload in Great Britain and employ two-thirds of all employees in the building industry. The argument for an increase in investment was based on the claim that investment creates the largest number of permanent jobs per pound of net public expenditure compared with any other policy option. The argument continued to the effect that this was a policy already recognised and adopted by 'our overseas competitors'. (See Tables 1 and 2)

In addition to the concern for unemployment in construction, rising from 100,000 to 250,000 in 10 years, the BEC argued that to fail to attend to the poor conditions of buildings was simply storing up problems for the future.

The depth of the international recession and the UK Government's response to it, then, has generated an
advocacy role for BEC whose members depend for 60% of their workload on non-housing work carried out for the public and private sector. (See Table 3)

In addition to this recession the structure of the workforce has implications for education and training policy and practice. At present 1.5 million people are employed in construction, of whom 30% are self-employed, 17% work for local authorities and 53% work for private contractors. These figures are partly the outcome of changes over the last 5-6 years which has seen many building firms go out of existence and many small firms being set up. In addition many firms employ 'labour only' contractors and there has been an increase in the numbers of self-employed and casual labour, with a decline in the controlled labour force. (See Table 4). For example, a recent survey estimated that self-employment contributes up to 32% of all employment. The impact of this on trade union membership is, understandably, critical with only 20% of the workforce members of unions.

Combined with these changes is the influence on the industry of the new technology and materials which have implications for the skills required to work in the industry.

To summarise, rapidly changing levels of investment, the lack of control over the formation of new firms, the rise in the numbers of labour only sub-contractors, and the extensive use of casual labour ensure that a significant
proportion of the labour force is outside the control or influence of those agencies responsible for formulating and implementing training for the industry. The high level of transferability of skills and the mobility of labour also aggravate the problem and make it difficult to control the skill base of the industry.

These trends have had serious implications for apprenticeship training pre-YTS, notably a decline in numbers. Nationally, the figure has dropped from 29,000 in 1979/80 to 20,000 in 1982/83, a dramatic fall. The fall in apprentice recruitment is equally startling, falling from over 14,000 in 1980 to 8,000 in 1985. Regional figures reinforce this trend, for example in the South West of England in 1971 there were 7,500 apprentices, now (1986) there are only 1,100. This is a trend which large construction companies have been unable to ignore with one major company, with a national training centre in Bristol, having reduced the number of trainees from 2,000 to 300 in the period 1981-86. The regional and Bristol figures exist even though the region is relatively buoyant with something of a boom in warehouse, retail and industrial premises.

Researchers have concluded that the 'fall off' is a response to an uncertainty as well as the decline in the absolute level of demand.(4) Consequently firms have responded by shrinking their permanent labour force. One multi-national company employs virtually no labourers or craft employees direct hence the drop in in-house apprentice training. The expansion of the informal economy
has also affected the level of training.

Monitoring of skill shortages in the South West region of England, for example, indicates that they are not absolute but related to the quality and price of labour, therefore, if labour market pressure were to increase wages would be pushed up and the quality would start to fall. The problem of shortage, it is argued, would get worse rather than better, in the short-term, partly because the decline in the number of apprentices and also because of the rate at which skilled craft labourers are retiring or leaving the industry. Overcoming this inevitable problem was thought to be by re-training of adults rather than through apprenticeship because the latter involved a time delay.

4.2.2 INDUSTRIAL RELATIONS IN THE CONSTRUCTION INDUSTRY

A great deal of information on collective bargaining was presented in Section 2.5 above. Much of the information in that section dealt with general principles and practices. This section will outline the characteristics of the construction industry. The Construction industry, composed as it is of a large number of companies and firms ranging from multi-national companies to individual subcontractors, is a good example of a multi-employer sector. In such a case, where a large number of small companies each has a small market share and a few large companies each have a large market share, there is a strong likelihood that the small ones will want to buttress their negotiating position by association. Also in a labour
intensive industry, such as construction, the employer has an interest in stabilising wage costs by multi-employer bargaining. In the event that bargaining should lead to industrial disruption, then this arrangement of industry-wide association ensures that all firms are equally affected. These tendencies towards association are, however, put under a great deal of pressure in practice, particularly from casual labour.

The attraction of multi-employer bargaining to employers is stimulated by characteristics which can also raise problems for trade unions. For example, if there is a high turnover of small firms and labour and casual labour exists then it is very difficult for unions to recruit and retain members. In such a situation it can be an advantage if the unions participate in multi-employer bargaining in order to ensure some degree of collective regulation of minimum wages and conditions.

As ACAS have indicated that external influences also determine the structure of bargaining, and in the case of construction public investment is a critical factor. In fact one can almost consider the health of the construction industry as a barometer of economic conditions such is the impact of public expenditure policy. Consequently, fluctuations in the market increase the importance of multi-employer bargaining as it offers greater control. The problem for the union is that while a recession attracts unions into association with employers it also reduces the ability of the union to control the workforce
due to the increase in casual labour.

While the paragraphs above have offered generalisations there are variations across the sector. In the case of electrical contracting, for example, the impression is one of strict control and discipline. In the view of ACAS, the electrical contracting industry was, in the 1960s, and remains, "an interesting and unusual bargaining arrangement". However, it is recognised that the information was gathered from officials who are distanced from shop-floor bargaining. In another sub-sector, exhibition contracting, where there are a large number of specialist contractors, multi-employer bargaining offered stabilised wage costs. This sector also had high union membership density and peak workloads requiring weekend working and the use of casual labour. While informal bargaining took place industry-wide bargaining enabled full-time union officials to exert some control and maintain a degree of consistency. Many contractors in this sub-sector do not have any personnel departments so the trade union control and monitoring roles compensate for this. However, the extent of this control is critical in ensuring that agreements reached industry-wide are actually adhered to at local level. This raises important questions of resourcing and commitment, which may vary with locality, over time, but also with the subject, i.e. pay, working conditions or training.

This concern to enforce or control local bargaining in line with industry-wide agreements has existed in the UK
construction industry for many decades. In 1917-18 a committee was set up to make recommendations for collective bargaining and recommended joint institutions composed of employers and workforce representatives at industry, district and plant level with a particular concern to establish closer cooperation between employers and employed. The proposal was that the functions of these institutions should include technical education and training. While Joint Industrial Councils (JICs) have continued to exist their influence has fluctuated with economic circumstances, for example in a situation of full employment workplace bargaining is stimulated as employers are more likely to adjust pay in order to retain and attract workers. In a recession there is a tendency for greater casualisation of labour and therefore a loss of union control of the workforce, and concern for the quality of the workforce.

The Construction industry has certainly maintained this traditional JIC mechanism and they are important negotiating bodies within the industry and, traditionally, have been the guardians of training standards. There are 20 Joint Boards in the Construction industry. Prominent amongst them is the National Joint Council for the Building Industry (NJCBi) which was set up in 1926 and according to the Building Employers Confederation (BEC).

"For many years thereafter, until 1972 when it was reconstituted, it proved to be an invaluable contribution to the smooth running of the industry by enabling prompt
'fire-fighting' action to be taken on disputes. In such cases, employers and men were brought together at local or national level so that every effort could be made towards achieving satisfactory solutions."(5)

While recognising conflict on the NJCBI, BEC identify non-contentious issues which include the agreed importance of a skilled labour force. While the promotion and control of apprenticeships takes place locally 'it is essential that standards should be prescribed nationally'. Consequently, a national agreement was formulated and in 1945 a voluntary national joint scheme was approved for the registration of craftsmen. The NJCBI now has an agreed National Joint Training Scheme and a Training Commission (NJTC) exists, funded by both employers and trade unions, to deal with wages, conditions of service and training.

4.2.3 CITB - ITS ROLE AND STATUS

The status and role of the CITB varies depending upon the nature of the partner involved in the dialogue. Therefore it is necessary to distinguish between: the CITB relationship within the Construction industry with Joint Industry Councils (Boards), the relative status of the committees within the CITB, and the relationship between the CITB and the MSC. In simple terms the CITB can be characterised as a coordinating body, having very little independence from the JICs, for purposes of raising, attracting and allocating resources.
Joint Industry Councils/Boards

As was mentioned in the analysis of industrial relations, Joint Industry Councils play a very important role in the Construction industry. The 20 JICs enable the complexity of representative bodies to be reduced to some degree of simplicity. In addition to the number of trade unions involved in such a diverse sector there are over 200 trade associations, the most significant of which are listed on Table 5.

As was indicated above, the most significant employers association is the Building Employers Confederation. It has 400 staff in its national, regional and local offices. It represents general building interests but has eleven specialist affiliates grouped into the Federation of Building Sub-Contractors. The internal structure of BEC is fairly complex and is differentiated according to region, trade specialism and by firm size. It is from these local networks that BEC collects information on the potential number of training places available in the industry. This is then complemented by information available from the CITB field staff. The information collected by BEC is submitted to its Training Committee which formulates policy which is then submitted to the NJCBI. The desire is to "build up" policy from the grass roots by consultation with members. Staff at BEC accept that this process is not free from disagreement.

"There are so many in interests, but in the end a BEC
policy develops, and there may be rows before it is accepted."

The role of the professional staff is to help the membership develop policy which is then disseminated to a number of external bodies such as the CITB, validating bodies, professional institutions, and Government and Ministers. Within the sector there is liaison with affiliates which is facilitated by the fact that the Secretary to the affiliates is in daily contact with BEC staff.

On the union side, the Union of Construction and Allied Trades and Technicians (UCATT) is the main craft union, representing an amalgamation of unions, mainly painters, carpenters and bricklayers. The union's officials accept that their role is reactive in order to protect the status of the membership. In this context it was important to recognise the Youth Training Scheme in order to control the intake of trainees into craft skills. The union structure takes the form of 12 regional secretaries and 10 officials in each region having a local office. The national officers recognise that local officials have a certain degree of discretion and recognise that these local officials have to manage certain tensions, such as the conflict of interest between controlling training and the desire of small 'family' building firms to maintain their autonomy and manage their own recruitment and training.

Specific reference has been made to BEC and UCATT as they
are the most prominent representatives of the social partners on the National Joint Council for the Building Industry (NJCBI). As was explained above Joint Boards/Councils are very important as the traditional guardians of training standards. One observer commented that

"The CITB is not at all powerful in training matters, it can only move as fast as the Joint Boards."

This same observer also noted that although there had been tensions between some of the Joint Boards in the past there appeared to be a 'truce' at present. Most of the professional staff and representatives of the social partners accepted the power and influence of Joint Boards and one commented that it is on Joint Boards that the trade union influence begins and where they are critically important. The extent of the significance of Joint Boards was exemplified by the frequency at which Joint Board policy could be represented by either a trade union officer or an employers representative. Simply, a united front would be expressed in CITB meetings.

The NJCBI is recognised as the 'training leader' in the industry, and it is the exception amongst joint boards in having a Training Commission (NJTC) jointly funded by employers and trade unions. It is perhaps indicative of the link between employers and unions and the agreement on training policy that the NJTC is housed in the same building as BEC which facilitates an exchange of
information between the two organisations. The NJCBI has a voluntary industrial agreement between employers and unions, and has agreed a National Joint Training Scheme. This is the agreement, mentioned above, which enables the registration of craftsmen. The level of commitment to training, while in decline in recent years due to the recession, is maintained on a voluntary basis with money allocated by the CITB as the result of debate and persuasion. The involvement of the trade unions in training issues is reflected on the Training Commission, where a trade union representative chairs the meetings, and the policy formulated with employers is then presented within the CITB.

4.2.5 CITB

The previous paragraphs in this sub-section have explained the significance of JIB's as forum for the formulation of training policy in the Construction sector. Equally significant, because of the close link with the JIBs, are the five sector committees within the CITB. One observer noted that it was very unlikely that the CITB main Board would overturn a decision taken in a sector committee (see attached Diagram 1). These committees have an equal number of employer and trade union members, educational representatives and 'other interests' (who have no voting rights). Members are nominated by the organisation they represent and therefore committees will frequently have a number of representatives from the relevant JIB, thereby ensuring consistency of view and the representative nature
of the CITB. These committees make recommendations which are usually formulated within a sub-committee, eg. the level of levy and the nature of training grants.

The main Board is made up of a Chairman, Deputy Chairman, eleven employer representatives, eleven trade union representatives, six seats for educational representatives and four assessors attend from Government Departments, including the MSC. Members of the Board are appointed by the Secretary of State after consultation with the appropriate interest groups. Under the 1964 Industrial Training Act the CITB has the power to raise a training levy from all firms within its scope. There is a difficulty that not all firms within scope declare themselves and BEC claim that there are still a large number of firms and local authorities who benefit from CITB training but who do not have to pay a levy. The CITB is an exception amongst ITBs in that there is no exemption from payment and this has been held to account for a greater level of accountability by CITB to the industry as the levy is set each year. The CITB, as with other ITBs, also has powers to compel and encourage training and to oversee standards of training. The extent to which these powers are used will depend on the ability to ensure compliance and, in the case of the CITB which it is claimed "exists on the goodwill of industry", its activities are set by the recommendations of the sector committees and JIBs. This adherence to the wishes of industry also derives from a period in the 1960s when, due to an 'open-ended' (poorly regulated) grant system with a significant emphasis on
management development, the CITB was in debt to the level of sixteen million pounds. This led to greater control over CITB spending by industry and priority being given to craft training, which has been maintained until the mid 1980s. The concerns which the CITB now, as statutory representative of the Construction industry, emphasises therefore conform to those expressed by the NJCBI: to prevent the dilution of craft status by controlling the intake of trainees and apprentices.

4.2.6 CONCLUDING REMARKS : CITB-MSC RELATIONS

As the statutory representative of the industry the CITB has recently been described by an observer as 'inward looking' and 'defensive'. This can be explained by an increasing sensitivity within the CITB and the industry about the policies being adopted by Government both in terms of the reduction in public expenditure which affects Construction and also the recent attempt to abolish ITB. The proposal for abolition was strongly rejected by the industry, to the surprise of the Minister, simply because CITB is an agent of the industry, controlled by an industry who see the control of entry into the industry and of training and standards as critical in maintaining an influence over the quality and quantity of the workforce. Consequently, there have been initiatives in the past which the CITB has developed only for them to be rejected by industry, who, inevitably implement training initiatives and determine the levy. This emphasis on maintaining the CITB indicates the preference for, and importance of, a
single training organisation in a sector characterised by multi-employers and a mobile workforce.

This desire for a single training organisation for the industry explains the consistent concern of the CITB for the interference of Government, particularly the MSC, in its training activities since the recession commenced in the mid 1970s and the related reduction in Exchequer support for the CITB's administrative costs. As the Chairman of the CITB described in 1983 (6)

"By 1977 the Board was fully engaged in endeavouring to ward off a whole series of policy initiatives from the MSC while continuing to develop and implement its own policies."

However,

"To ignore these approaches would have resulted in the immediate loss of substantial Exchequer financial support for the Board's training programmes. If one could not keep up with the changes in the rules ... there was no Exchequer support."

This resource dependence relationship continued during the debate on the abolition of ITB when the CITB argued that rather than juggling the financing of 16-18 education amongst 'budget heads' more money should be allocated by Government. Furthermore, the involvement of the MSC in industrial training led to "costly, time-consuming and
bureaucratic structure" claimed the CITB. The solution put forward by CITB was that ITBs should be totally responsible for training for employment in industry, being accountable to industry and directly responsible to the Secretary of State. The review of ITBs led to a transfer of operating expenditure back from Government to the ITBs, in addition the CITB had to negotiate with MSC about the pace at which operating subsidies for group training for small firms would be phased out. The CITB responded by cutting costs, streamlining administration (staffing was reduced to 750, compared with 1200 in 1970) and prioritising special projects.

It is against this backcloth that the Government introduced YTS as the only Exchequer support available to industry for first year off-the-job training. Yet for the CITB it was not immediately clear whether their own first year off-the-job training would qualify for funding. At the same time it was not at all clear to the CITB if they could maintain their existing and proposed training programmes without external funding, or by raising the levy (the latter had increased 140% between 1980-83).

Section 4.4 below will present in more detail the negotiation which took place between the CITB and MSC on the form and content of YTS for the industry. It is clear, however, from this section that the CITB is continually concerned about its credibility, i.e. to be seen to be meeting the needs of the industry, and also sensitive to Government interference and the implications this has for
intra-industry relations and industrial relations. In addition YTS raises specific concerns. One centres on the distinction between training for employment and training the unemployed, which the CITB identify as 'economic' and 'social' policies respectively. Put simply, given the incidence of casual labour in the industry, the CITB is concerned to get the numbers 'right' and not train a surplus who could be employed outside the control of employers and unions. Secondly, YTS raises questions about the status of trainees (be they craft, technician or general building operatives), and how they are selected and provided for, particularly the training allowances which have implications for the rates of pay throughout the industry.

Before moving onto these issues the following section will consider the concerns which generated a need for a training scheme for young people and the role and responsibilities expressed by the social partners at national level.
REFERENCES

1. 'Rebuilding Britain: The Facts', 1985, BEC.

2. Personal Correspondence with BEC's Information Department, October 1986.


The case for increased capital investment is well-proven. Investment in new buildings or the modernisation of older ones would create much needed jobs, increase efficiency, improve our quality of life and save money in the long-run.
Table 3

DISTRIBUTION OF CONSTRUCTION WORK

<table>
<thead>
<tr>
<th>Public Works Non-Housing</th>
<th>Public New Works</th>
<th>Public Repair and Maintenance</th>
<th>Private Industrial</th>
<th>Private Commercial</th>
<th>Industrial and Commercial Renovation</th>
<th>Housing Repair and Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>28%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Public Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Private Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SOURCE: DOE HOUSING AND CONSTRUCTION STATISTICS 1974 - 1994 GB

Table 4

TRENDS IN CONSTRUCTION INDUSTRY EMPLOYMENT 1974-1984

<table>
<thead>
<tr>
<th>Year</th>
<th>Self Employed</th>
<th>Local Authority Site Operators</th>
<th>Local Authority Professionals</th>
<th>Private Contractor (Professionals)</th>
<th>(Private Contractor) Site Operatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>74</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>75</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>76</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>77</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>78</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>79</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>81</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>82</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>83</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>84</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SOURCE: DOE HOUSING AND CONSTRUCTION STATISTICS 1974 - 1984 GB
Table 5.

Main Employers' Associations in the Construction Industry

<table>
<thead>
<tr>
<th>Association Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural Aluminium Association AAA</td>
<td></td>
</tr>
<tr>
<td>Asphalt and Coated Macadam Association ACMA</td>
<td></td>
</tr>
<tr>
<td>British Decorators Association BDA</td>
<td></td>
</tr>
<tr>
<td>British Reinforcement Manufacturers Association BRTMA</td>
<td></td>
</tr>
<tr>
<td>Contract Flooring Association CFA</td>
<td></td>
</tr>
<tr>
<td>Construction Plant Hire Association CPA</td>
<td></td>
</tr>
<tr>
<td>Dry Lining &amp; Partition Association DLPA</td>
<td></td>
</tr>
<tr>
<td>Electrical Contractors Association ECA</td>
<td></td>
</tr>
<tr>
<td>Electrical Contractors Association of Scotland ECA (Scotland)</td>
<td></td>
</tr>
<tr>
<td>Electrical Installation Contracts Association EICA</td>
<td></td>
</tr>
<tr>
<td>Federation of Associations of Specialist Sub-Contractors FASS</td>
<td></td>
</tr>
<tr>
<td>Federation of Building Specialist Contractors FBBSC</td>
<td></td>
</tr>
<tr>
<td>Federation of Civil Engineering Contractors FCEC</td>
<td></td>
</tr>
<tr>
<td>Federation of Master Builders FMB</td>
<td></td>
</tr>
<tr>
<td>Federation of Piling Specialists FPS</td>
<td></td>
</tr>
<tr>
<td>Felt Roofing Contractors Advisory Board FRCAB</td>
<td></td>
</tr>
<tr>
<td>Glass and Glazing Federation GGF</td>
<td></td>
</tr>
<tr>
<td>Heating and Ventilating Contractors Association HVCA</td>
<td></td>
</tr>
<tr>
<td>Mastic Asphalt Council and Employers Federation MACEF</td>
<td></td>
</tr>
<tr>
<td>Nat. Assn. of Formwork Contractors NAFC</td>
<td></td>
</tr>
<tr>
<td>Nat. Assn. of Plumbing H &amp; M Services Contractors NAPIIMSC</td>
<td></td>
</tr>
<tr>
<td>National Association of Scaffolding Contractors NASC</td>
<td></td>
</tr>
<tr>
<td>National Association of Shopfitters NAS</td>
<td></td>
</tr>
<tr>
<td>National Federation of Building Trades Employers NFSTE (now BEC)</td>
<td></td>
</tr>
<tr>
<td>National Federation of Demolition Contractors NFDC</td>
<td></td>
</tr>
<tr>
<td>Nat. Fed. of Painting &amp; Decorating Contractors NFFDC</td>
<td></td>
</tr>
<tr>
<td>National Federation of Plastering Contractors NFPC</td>
<td></td>
</tr>
<tr>
<td>National Federation of Roofing Contractors NFRC</td>
<td></td>
</tr>
<tr>
<td>National Federation of Terrazzo-Mosaic Specialists NFMS</td>
<td></td>
</tr>
<tr>
<td>National Master Tile Fixers Association NMFTA</td>
<td></td>
</tr>
<tr>
<td>Pipe Jacking Association PJA</td>
<td></td>
</tr>
<tr>
<td>Scottish Building Employers Federation SBEF</td>
<td></td>
</tr>
<tr>
<td>Scottish Decorators Federation SDF</td>
<td></td>
</tr>
<tr>
<td>Scottish &amp; Northern Ireland Plumbing Employers Federation SNIPEF</td>
<td></td>
</tr>
<tr>
<td>Scottish Plant Owners Association SPOA</td>
<td></td>
</tr>
<tr>
<td>Stone Federation SF</td>
<td></td>
</tr>
<tr>
<td>Suspended Ceiling Association SCA</td>
<td></td>
</tr>
<tr>
<td>Thermal Insulation Contractors Association TICA</td>
<td></td>
</tr>
<tr>
<td>Other Associations</td>
<td></td>
</tr>
</tbody>
</table>

Source: CITB Levy return.
Diagram 1.

Construction Industry Training Board: Board and Committee Structure

Administration Committee

Staffing Committee

National Consultative Committee on Group Training

Board Co-ordinating Committee for the New Training Initiative

Bricks Committee

Building Committee

Civil Engineering Committee

Specialist Building Committee

Joint Sub-Committee for the Levy Category 1 Occupations

Electrical Engineering Services Committee

Mechanical Engineering Services Committee

Scaffolding Committee
4.3 THE EMERGENCE OF THE YOUTH TRAINING SCHEME AND ITS IMPLEMENTATION

4.3.1 INTRODUCTION

This sub-section of the report concerned with the Construction industry will consider the national level discussion amongst the social partners which led to the formulation of the Youth Training Scheme which commenced as a one year scheme in 1983 and was later developed in 1986 into a two-year scheme. In order to present the main attitude of the social partners we draw on the views expressed by the TUC and the CBI. This is preceded by a brief summary of the forerunners of the scheme and the debate in Parliament.

The forerunner to YTS was the Unified Vocational Preparation Programme, launched in 1976 with the aim of fostering the development of vocational preparation schemes for an estimated 200-300,000 16-19 year olds who entered jobs in which they received little or no systematic training. This scheme was a reaction to the low rate of day-release provision offered by employers to young employees. The principle behind the scheme was to create links between education institutions and employers in order to negotiate a curriculum with the employer. The aim was to provide for 6,000 young workers each year, there were only about 3,500 in 1980/81. While both employers and
employees identified benefits of the scheme the level of support was disappointing, coming mostly from ITBs and colleges. Although the scheme offered grants to employers who released employees for training a large proportion of ITBs and other employers were unenthusiastic.

By 1980 the CPRS Report recommended that there should be greater integration between UVP and the Youth Opportunities Programme. The Youth Opportunities Programme (YOP) offered work experience and work preparation for unemployed 16-18 year olds for periods from 2 weeks to 12 months. The scheme attracted 360,000 entrants between April 1980 - March 1982. The shortcoming of YOP was the lack of organised training and education and this caused the scheme to lose credibility and fail to attract a significant proportion of the eligible young people. The 'failure' of YOP, comparisons with training in the Federal Republic of Germany and a reduction in training by employers in the UK led to a discussion, in 1981, about the need for a national training strategy. The central thrust was that a more highly skilled and better educated workforce was needed to compete in world markets, and that with unemployment there were also skill shortages. From this position it was assumed that low skills resulted in unemployment and the failure of some communities to attract industrial investment or stimulate new enterprises.

As part of the New Training Initiative the issue of Youth Training was discussed by a number of working groups within the Manpower Services Commission. Eventually a scheme was
agreed amongst the social partners at national level, although there was little debate within Parliament in spite of the fact that the Youth Training Scheme involved the spending of one billion pounds. The debate which did take place centred on the function of the scheme and its relevance to the needs of young people. The Opposition Party expressed the view that problems of low wages, lack of motivation of young people or lack of skills and the failure of the education system were the wrong problems that YTS was appearing to try to solve. Youth unemployment was seen by the Opposition to have been caused by the Government's economic policies,

"which create unemployment and which are deliberately designed to create unemployment so as to restructure our society and economy. They think that out of that they can cut wages, break trade unions, make society more unequal and more uncompetitive, and that that will lead to more investment and the production of more economic wealth." (1)

The Youth Training Scheme (YTS) was for both employed and unemployed and aimed to improve vocational training for all young people (16-18 years) and some young people up to the age of 21 years, eg. the disabled. Local authorities, voluntary organisations and employers at the local level were induced to get involved, not least by the total budget for the first year of one billion pounds. Administration at the local level was by the Area Office of the Manpower Services Commission, who were accountable to Area Manpower
Boards composed of trade union, local authority and employer representatives, who were responsible for selecting local schemes. YTS offered 34 weeks work experience with employers or in training workshops and 13 weeks vocational training and education. Critics claimed that, as with YOP, YTS offered employers cheap labour, was under-funded and that the distinction between employer based schemes (Mode A) and local authority and voluntary organisation managed schemes (Mode B) would result in the disadvantaged groups failing to get access to schemes offering job opportunities. Finally, the trainees themselves received an allowance which in real terms had not increased in line with the rate of inflation. For the Government the outcome was a scheme providing a net saving of 20 million pounds compared with the situation if the YOP had continued. And one can argue that the combination of UVP and YOP led to a scheme which qualified for European Social Fund support, offering a further subsidy to the Government.

While some commentators were cynical of the scheme and predicted its gradual loss of credibility, other interest groups, noticeably those having something to gain from the scheme, whether a role, status or resources, were prepared to work to get the scheme off the ground. In the eyes of the Youth Training Group, which the MSC set up in December 1981 and which formulated the scheme by April 1982, the aims of the Youth Training Scheme was to provide young people with a better start in working life "through an integrated programme of training, education and work
experience", to equip them with "competence and practical experience in a range of related jobs and skills", and to "develop and maintain a more adaptable, versatile and motivated workforce". The scheme was accepted by the Secretary of State for Employment who described it as "an immense step forward". The TUC General Secretary said the scheme would "provide the basis for a radical modernisation for Britain's system of industrial training". The CBI President regarded it as a major breakthrough. While there was scepticism of the scheme, the way it was presented to the public, as "The only way to get on", and "a bridge from school to work", in newspapers and on television, gave it a high profile. In addition, at national level, the scheme had the support of the groups involved in the implementation. YTS was sufficiently ambiguous that it could accommodate a range of interpretations of its function, ie. training policy, labour market policy, employment policy, industrial relations policy, industrial policy, education policy, social policy and incomes policy. Furthermore, for the public sector local education authorities, MSC resources offered them a 'life-line', faced, as many of them were, with reduced expenditure and a decline in the population of their traditional clients for non-advanced further education.

4.3.2 EMPLOYERS AND YTS

The Confederation of British Industry (CBI) has a tradition of linking with MSC to help deliver youth training and work experience policy. In November 1980 it set up a Special
Programmes Unit to promote employer involvement in the Youth Opportunities Programme having over 30 staff seconded from companies, a Unit which continued its link with MSC activity under YTS. The CBI formerly endorsed its support for YTS at Council level and by a unanimous vote at its National Conference in 1982. YTS was seen as having two benefits, firstly, by helping to relieve unemployment among schoolleavers and, secondly, by providing a more flexible and adaptable young workforce to suit "tomorrow's more technological job requirements".

The CBI exerted direct influence through representative bodies. As a result, the CBI was involved in drawing up the 'ground rules' for YTS through its representation on both the MSC's Youth Training Board and the Advisory Group on Contents and Standards. The position of the CBI is developed within its own structure, particularly its own Education and Training Committee and a special working party which discussed such matters as the method of funding, methods of recruitment and selection, scheme content and trade union involvement. In addition, the CBI set up special regional meetings through which it disseminated the nature and content of YTS and attempted to generate support from its membership. Also special meetings took place with employers' organisations covered by ITBs or NSTOs, and with the employers representatives on MSC's Area Manpower Boards.

The principle behind this consultative process is that it should precede policy formulation which takes place in the
quarterly meetings of the Training Committee who then pass their recommendations to the CBI Council for endorsement. However, in practice, this process can be one of post hoc rationalisation with CBI staff and officers formulating policy in discussions with MSC and then selling these policy 'decisions' to their members. This advocacy role of CBI is based on a judgement about the desires of the membership which are then tested and refined as a result of the feedback from the local meetings. However, whatever the policy outcome of this dialogue within the CBI, ultimately the decision to become involved in YTS is that of the individual Managing Agents and employers.

The CBI saw itself as 'spearheading' employer involvement in YTS through its Special Programme Units cooperative involvement with MSC's Large Companies Unit, which is responsible for negotiating schemes with large companies and major sectors including nationalised industries and the CITB. By the Spring of 1983 the CBI was confident of 100,000 training places being available to the LCU. In addition, the CBI's Special Programmes Unit and regional staff were developing a consortium approach to YTS at the local level through the initiative of employers groups in cooperation with other interests including local authorities and Colleges of Further Education.

The ability of the CBI to deliver YTS to the MSC may have been due to its national policy making role, ie. the influence it has to present members' views, so that the scheme met and satisfied the demands of the private sector.
One, however, would also have to recognise the affinity of values of the Government and business interests in ensuring that a scheme was developed which offered certain inducements to private employers. That this is the case is explicit in the fears of the opposition party expressed above and in the response of employers. A survey carried out by the Institute of Manpower Studies in 1985 indicated that YTS created few extra jobs but facilitated a change of recruitment patterns so that normal schoolleaver recruitment was suspended, and offered significant financial savings. While employers were surprised by the ability of trainees without academic qualifications YTS failed to lower the status of qualifications in the selection process.\(^2\) The CITB offers the most exhaustive list of the benefits to employers of an involvement in YTS;\(^3\)

a) YTS frees employers of the need to employ schoolleavers  
b) it provides a higher calibre of trainee  
c) enables employers to select the most suitable trainees for employment  
d) involves no direct costs to employers  
e) the scheme has been designed and agreed by industry representatives

In addition the CITB was able to identify planned proposals which YTS would enable them to implement, eg. better induction, systematically planned, a national scheme of skill testing, and reducing training costs. With these advantages YTS was a very attractive product, although the
CITB warned of the contradiction between two objectives of YTS, ie. that the content and duration of training should be acceptable to industry, yet that the quantity and quality of provision should meet MSC's requirements.(4)

4.3.3 TRADE UNIONS AND YTS

The TUC has been centrally involved in the MSC since 1973 and played a major point in framing the Act which set it up. One commentator has suggested that,

"The TUC would be most unlikely to abandon its progeny. As long as the TUC remained loyal to the institutions, so too would the majority of affiliated unions, for most of them did not regard training as important, and were happy to follow wherever the TUC led.(5)

The defence of MSC by the TUC was based on the fear that the incoming Conservative Government would abolish it as part of its anti-QUANGO policy (QUANGO: Quasi-Autonomous Government Organisation). The fear now is that the MSC has been successfully adapted to become a significant policy instrument to induce greater flexibility in the labour market which, it is assumed, is the reason for poor industrial performance. The relationship between the TUC and MSC concerned with YTS, then, is a reflection of the contradictions which the trade union representatives both on the MSC and at local level, on AMBs, have had to manage for a number of years. The indication is that the TUC has put a high value on maintaining an involvement in the MSC's
triplarte machinery, at the expense of legitimising training initiatives and managing contradictions. For its part the MSC has utilised ambiguity in policy and a significant (though inadequate) level of resources to gain support from the social partners, which, in relation to the TUC and YTS, is for a response to youth unemployment.

The degree to which MSC has failed to meet the expectations of the trade unions becomes most evident at the local level. Consequently a tension builds up between the local experience and the national concerns of the trade unions. As a result the trade union involvement in YTS is characterised by criticism of the scheme to the extent that some unions call for the TUC Commissioners to withdraw from the MSC while the TUC argues for maintaining involvement in order to 'improve' the scheme.

The experience of YOP led the TUC's General Council in 1981 to criticise the quality of work experience programmes and job substitution and to call for more resources. From this starting point the New Training Initiative was seen as a significant improvement and "consistent with the TUC's overall approach". The view held by the TUC, then, was that NTI offered a positive response to the problem for youth training but that aims and objectives are liable to distortion during delivery due to the unequal levels of influence and control held by employers compared to MSC staff and trade union representatives. When the Government presented a White Paper in December 1981 outlining the proposed youth training scheme it received immediate
criticism from the TUC as it suggested a compulsory scheme with derisory allowance. On the same day the MSC proposed the establishment of a 'high level Youth Task Group', composed of the TUC, CBI and educational interests to develop vocational preparation arrangement for all young people entering the labour market.

At this point the TUC was faced with the threat from the Government and the opportunity of involvement in developing an imaginative if somewhat hasty response. The difficulty for the TUC was the rapid pace of change taking place in a number of areas of vocational training, eg. abolition of ITBs and the lack of its own detailed policy. However broad lines are evident; the TUC's support for MSC involvement in training and six month training programmes for young people. From this base the TUC representatives on MSC's Task Group were instructed to: maintain the level of allowance, ensure that trade unions would be able to negotiate additions to this allowance, maintain young people's rights to welfare payments, ensure equal opportunity policy was adhered to, and that YTS should integrate work experience and training. These conditions are seen by many commentators as indicating that the TUC saw itself in a weak position from which it was concerned with 'damage limitation' as this list of demands failed to include such items as: the rights of trainees, monitoring, trade union control of work experience places and a public sector training monopoly, which had been concerns expressed by individual trade unions.
From this 'weak' initial involvement the experience at TUC Annual Conferences has been one of consistent defence of TUC involvement in YTS by TUC Commissioners on the MSC, for example:

In 1983
"If the TUC turns its back on the scheme ... it will be concentrated in non-union areas ... If we do not speak on behalf of the young, who will? No-one."

In 1985
"We can offer short-term relief and increasingly we can offer training. If YTS is here to stay, with or without us, I say it must be with us"

And in 1986
"Some of the criticism of YTS had 'gone over the top', and that 'TUC commissioners have consistently won support for a commitment to return to the Government if funds prove insufficient."

The justification for involvement is that YTS provides vocational preparation for young people who would not otherwise receive opportunities for continuing education and training and that involvement at all levels in approval, development, implementation, and monitoring offers the opportunity to ensure the maintenance and quality of the scheme, by identifying exploitation and abuses. However the evidence suggests that this influence is difficult to achieve. At national level on the MSC and
the Youth Training Board proposals submitted to Government are ignored and the Government has the power to make decisions without regard to these bodies. Consequently, there is no guarantee of TUC influence. Within the trade union movement the TUC attempts to distribute information to its affiliated unions have been relatively successful but some of the information is policy guidance which reinforces MSC's position rather than supports a trade union position. For example, conceding MSC's right to make rules for refusing a scheme and informing affiliates that they should not frustrate the Government's attempts to reduce the number of Mode B schemes. This clearly indicates the limits to the TUC's influence.

At the regional level the TUC has encouraged the setting up of consultative groups of trade union officials, members of Area Manpower Boards and training experts to monitor MSC schemes and to formulate a response to MSC activities. This is very much a research and policy function, having a 'watching' brief rather than any direct executive powers.

At the local level, Trades Councils and individual officials concerned with the schemes, the response is more critical which is frequently reflected in TUC conference motions. For example, in 1986 the college lecturers union wanted to see YTS replaced with a 'new deal' for young people and also commented on the weak stand taken by trade union representatives of AMB with regard to the rights and responsibilities of workplace representatives. Other unions have commented on the heavy demands placed on
representatives on AMB and the inadequate resources available to monitor the scheme. Such comments have led to an expression of dissatisfaction with the limited degree of control AMB members have over YTS. Another report commented that AMB were "not so much watchdogs but donkeys, bearing the burden of the scheme without taking any real role in its planning or execution". (6) In spite of this criticism the majority of trade unionists believed that the tripartite nature of the MSC should continue.

This brief review of the trade union involvement and response to YTS indicates that the ability of unions to win concessions to improve YTS depends on activity in the workplace rather than relying on the structures for dialogue provided within the MSC. Eversley has commented that just as trade unions are marginalised in the MSC, MSC is marginalised in that it is detached from Government departments making decisions about investment which are concerned with economic planning and job creation. On this basis the value of the MSC under a Labour Government is questioned. While this comment has some force one also has to recognise that access of the trade unions to central decision making machinery is no substitute for activity at the workplace within the collective bargaining arena and involvement in implementation. Consequently, alongside fundamental questions about the commitment of trade unions and the TUC to youth training sits the need to gather information and provide resources which will support commitment and involvement.
It is important to be aware of the issues which those concerned with the management and maintenance of YTS have to confront; and the limited control they have over the scheme. While the YTS was intended to provide sufficient places for all young people this objective conflicts with maintaining the credibility of the scheme and minimising the amount of Government investment. The 'success' and permanence of the scheme depends on its credibility in the eyes of both youngsters and employers. However, there is a conflict of interest which MSC has to manage for in order to guarantee a place to all young people, at least cost, the MSC would prefer to use private sector placements which are relatively cheap. In the past such placements have also been assumed to hold the best prospects for employment, but employers have to be convinced of the benefits of the scheme and be attracted by the financial inducements. The experience of the first year indicated that employers had yet to be convinced of the cost effectiveness of training and young people had yet to be attracted by allowances and were sceptical about the quality and long term benefits of the scheme. The outcome of YTS in the first year (1983/4) was that 354,000 young people were involved, 66% of the target figure. One major disappointment was the failure to attract employed young people onto the scheme which reflected the difficulty of inducing employers to provide training. Furthermore, the unemployment level for 16 and 17 year olds remained at 14% and 17% respectively. The attractiveness of the scheme was
also questionable as some schemes were under occupied and 83,000 young people had left schemes after only eight months, with the total number of trainees dropping to 257,000. With such a low take-up MSC's budget was underspent which generated the criticism of inefficient management.

The MSC's response to this situation took two forms. On the one hand the concern was to increase YTS's credibility as an initiative which facilitated the development of training for all school leavers, both trainees and employees. This was to be done in a number of ways: by marketing and by increasing the emphasis on Mode A funded places, i.e. schemes run by employers, at the expense of a reduction in the number of more expensive Mode B (public sector and voluntary sector) schemes. The justification for this emphasis was that:

"The overriding consideration must be to secure places of the highest possible quality in terms of relevance of the training and the prospects for subsequent employment... There are also heavy costs in excessive provision of Mode B both for the MSC and sponsors, neither of whom is able to secure proper return on their investment."(7)

The resulting reduction in Mode B2 was considered by those in the voluntary sector as an expression of the creation of first and second class citizens with the most 'able' being placed with employers and the most disadvantaged being denied equal opportunity. Furthermore, the reduction in
Mode B schemes meant the closure of many high quality training schemes.

On the other hand, faced with a large number of young people rejecting the scheme, the Government used subtle means, often interpreted as compulsion, to ensure that young people attend the scheme, such as reducing and withdrawing welfare payments, and, in the case of the two year scheme, considering a higher allowance for the second year and the possibility of a model agreement which would oblige the youngster to complete the scheme. In order to understand the reticence of young people to join the scheme the Department of Health and Social Security initiated two investigations. One aimed to gauge the reaction of young people to reductions in welfare payments if they left a job or a training scheme, and, at the same time, to help improve morale. The second involved interviewing young people who rejected the YTS. Finally, local authority careers advice officers and Chief Education Officers were asked to inform the DHSS of young people refusing to join YTS.

One can conclude that MSC chose to extend its influence over young people and withdrew support for the voluntary and public sector schemes, irrespective of quality, on the basis of maintaining the image of YTS as a 'work' (not employment) related scheme closely linked to private employers. While this gives a clear indication of the priority given to private sector involvement it undermines the original objectives of YTS as stated in the New
Training Initiative. Furthermore, it clarifies the degree of dependence that MSC has on private sector provision in spite of many concerns expressed about the poor quality of some schemes, the failure to give sufficient priority to Health and Safety issues and Equal Opportunity policy, and a recognition by MSC that employers providing work experience placement make a net surplus.

4.3.5 TWO YEAR YTS

These comments on the difficulty of managing a youth training scheme having conflicting goals and with responsibility spread across a number of interest groups, each having different motivations for getting involved in implementation and different interpretations of the function of the scheme, continue to apply to the 'new' two year scheme which commenced in September 1986. Similarly, the MSC continues to make adjustments to the scheme which can be interpreted either as 'fine-tuning' or 'crisis management'. As from April 1986 the YTS was extended to provide two years of work-related training for 16 year old schoolleavers and one year for 17 year old school-leavers, both employed and unemployed. The scheme is seen by MSC as a major step towards ensuring that all young people under 18 will be in full-time education, a job, or receiving good quality training, so that unemployment need no longer be an option. As with the one year scheme, the extended scheme was dependent on the outcome of consultations with trade union, employers and other interests. As this support was forthcoming the MSC increased the budget from 800 million
pounds p.a. for the one year scheme to 1100 million pounds p.a., for the two year scheme, with employers bearing a fair share of the increased costs. The main characteristics of the two year scheme are that employers should provide the majority of places as MSC assumed that provision for 'special needs' youngsters would fall from 90,000 under the one year scheme to 50-60,000 under the two year scheme. Using these figures the MSC offers a premium payment to cover the extra costs implied by special needs provision. This premium payment enabled YTS to adopt a single mode rather than maintaining a Mode A and B, and therefore ensure a single mode of administration. Trainees receive 20 weeks training over the two year period and are provided with the opportunity to obtain recognised vocational qualifications. Finally only approved training organisations (ATOs) will be allowed to run YTS schemes. ATO status is based on a number of criteria concerned with arranging and delivering training, which have been criticised by trainers as concentrating on inputs rather than outputs and by employers as being too bureaucratic.

One of the main concerns of the Government in introducing the two year scheme was to increase the emphasis on Mode A (employer led) schemes. This was to be achieved by directing those on Mode B in their first year to Mode A in their second year, and by restricting the number of Mode B places to the existing level.

The administrative changes and the emphasis on 'employer led' schemes were not received without criticism. The
House of Commons Public Accounts Committee expressed serious concern about a "continuing disproportionate decline" in trainees and apprentices in the manufacturing sector of industry. (8) The Committee felt that MSC was restricting the provision of training places by relating them to perceived local demand rather than national requirements. Such a comment is not a new experience for the MSC, however the dilemma is that to provide a greater number of places implies a greater number of the relatively expensive Mode B schemes and also risks a greater number of unfilled (unattractive) places. MSC's proposal to introduce Approved Training Organisation (ATO) status generated the threat of a boycott from some major companies who were concerned about the increase in bureaucracy and the inflexible approach adopted by local MSC staff, which includes a requirement to inspect the financial accounts. (9) Again there is a dilemma, for in order to respond to criticism of low quality schemes the MSC wishes to monitor schemes yet rigorous monitoring creates tension with some of the larger Managing Agents. The CBI responded to this situation by setting up special workshops for MSC staff to discuss the problems of big companies. By the end of 1986 the Youth Training Board was considering a proposal to 'soften' the monitoring procedures once ATO status had been achieved by Managing Agents. The proposals, now under discussion, suggest a 'partnership' relationship between MSC staff and the ATO with MSC staff helping to improve quality, acting as consultants, catalysts for new developments, and promoter to market YTS. The proposal offered a more selective role for MSC staff with a
reduction in the number of visits and therefore more time
for the appraisal of outputs.

This 'hands off' position by MSC sits uncomfortably with
MSC's own findings that employers providing work experience
places made an average net surplus of 220 pounds per
trainee in the 1985/6 year.(10) This surplus would be
greater if YTS was included as part of an apprenticeship or
used to replace adult workers. Furthermore, while
employer-led schemes seem to be gaining from 'rule changes'
the voluntary sector and public sector agencies providing
Mode B (premium) places, often associated with training for
special needs and disadvantaged youngsters, have been under
threat. The two year scheme saw a change in the funding
rules with a two year transitional period involving a
reduction in funding for such schemes. This has led, it is
argued, to a closure of 12% of voluntary projects which ran
the one year YTS, a reduction in training staff of 25% in
one region and a subsequent decline in training quality.
The solution adopted by some schemes was to generate
financial contributions from employers by asking a fee for
young people chosen by employers for work experience
placements set according to a judgement about their
'employability', and by increasing income from goods
produced and services provided by the schemes. Again
training quality is under threat, as is equal opportunity
policy.

4.3.6 CONCLUDING REMARKS
The YTS experience suggests that a scheme which attempts to combine both training and employment (as YTS is for both employed and unemployed) and relies upon private sector employers and managing agents, will inevitably fall foul of the dominant imperatives, namely to select the best trainees for employment and invest very little resources on training input other than that provided by the Government. This statement assumes that the social objectives of YTS, such as equal opportunity, were real rather than symbolic. However, the evidence of this section suggests that the 'rules of the YTS game' were designed to ensure that youth training was strongly influenced by the needs and requirements of private sector employers. This is understandable from the position that assumes that the objective of YTS was to 'reduce youth unemployment', in which case a private sector work experience placement appears to offer the best employment opportunity. Unfortunately, this assumption is wrong if we accept the consistent claim of Government Ministers that the MSC has never been concerned with job creation and would not wish to see YTS judged according to the number of trainees employed at the end of the scheme.

Alternatively, if YTS is to be considered a training scheme then there are a number of questions to be asked about the function of the structures for dialogue provided within the MSC, and the extent to which they enable training issues to be considered and influenced in practice. This section has described the 'hands off' approach that employers have been able to negotiate with MSC in return for their continued
support for and involvement in the scheme.

For trade unions one opportunity for influence exists in the negotiation surrounding the approval of Managing Agents which takes place at Area level involving MSC staff and centrally in the Large Companies Unit. The principles surrounding the approval of a Managing Agent is that the relevant trade union should be consulted and approve the scheme. As was suggested above, there are difficulties in ensuring that local practice meets these requirements due to resources, information and haste. In most cases the MSC staff and the prospective Managing Agent decide if there is a recognised and appropriate union to consult and, if so, who to consult. There are many cases of schemes being approved without the approval of trade union District Committees simply because the union to be consulted has not been specified. There is also evidence that trade unions have not had sufficient advice or information on which to base an objection to the satisfaction of the Area Office, and cases where the delay of the trade union has enabled a scheme to be approved without waiting for its comments. At the level of the Large Companies Unit the vetting of schemes is the responsibility of a sub-group of the Youth Training Board, which has one TUC representative. This sub-group does not consider all schemes, only; those submitted by the LCU because there are 'points of difficulty', those brought to the attention of the sub-group by members, and a sample of regular schemes. As with the Area Office the discretion of MSC staff is an important factor in setting the 'agenda' for the tripartite bodies as
the scale of the operation and the limited time ensures that trade union representatives are unable to consider all of the applications. Similarly there are variations between and within unions and across the UK in the commitment and concern of unions to YTS.

The indication is that the difficulty for trade unions is that they are involved in structures for dialogue, thereby legitimating YTS, but without being offered adequate opportunity to influence the training scheme. MSC and its structures thereby absorb trade union criticism and pressure for change. That the trade union representatives continue to utilise these structures is either an indicator of lack of alternatives, or an indicator of a lack of commitment to youth training issues, and of a failure to get training onto the collective bargaining agenda.

Finally one must adopt a significant degree of caution before assuming that greater trade union involvement in the YTS dialogue will result in an immediate adoption of social objectives. As was indicated in the Engineering case, each individual trade union has its own specific interests and trade unions have regularly adopted the role of facilitating the restructuring of the labour market. Therefore, while meaningful involvement in dialogue might be an advance in the trade union position this in itself would not be sufficient to overcome the dominant imperatives of economic and labour market efficiency and to establish social objectives such as equal opportunity and a reappraisal of the status of qualifications.
REFERENCES


10. MSC's 'YTS Providers Survey' reported in *Transition*, November 1986, n.8.

11. Davies T., Mason C., with Davies E., 'Government and Local
4.4 THE CITB AND YTS

4.4.1 INTRODUCTION

The previous sub-sections have presented the impact of the current recession on the Construction sector and the implications of this on the nature of the workforce. The relationship which exists between unions and employers in the industry have developed in response to uncertainty of investment in the industry and the multi-employer and mobile workforce characteristics of the sector. Consequently industrial relations have centred upon controlling the workforce and the nature and quality of training. It is in this context that YTS has to be seen. The experience of YTS in the Construction sector centres upon the dominant influence of the Joint Industry Boards, the coordinating role of the CITB and the severe financial strains it was experiencing in 1982, partly as a result of the review of ITBs. This section will describe the developments with regard to the training of new entrants which were taking place immediately before the introduction of YTS. These developments, the dependence on external funding and the priorities of the JIB then influenced the negotiations with MSC on the size and content of the CITB Managing Agency. In analysing these negotiations it is important to recognise that the CITB involvement in YTS covered three categories of trainee; craft, technician and general building operative. General building
operatives is a new category of training for the industry, while the existing technician scheme was incorporated into YTS. Both categories are aimed at providing training opportunities for low achievers. Furthermore, the dialogue with MSC is complex as it involves three separate departments: the Large Companies Unit (LCU), Quality Branch, and Sector Training Branch, each of which has different concerns and priorities. Consequently, just as consistency and coherence is difficult to identify across the JIBs, the same comment can be made of MSC. From this account we will arrive at the YTS scheme agreed between the CITB and MSC and we will identify some of the issues and concerns at both organisations which were critical in influencing the CITB's response.

4.4.2 CITB AND THE TRAINING OF NEW ENTRANTS

Early in 1986 the Chairman of the Vocational Training Commission of the Federation Internationale Europeene de la Construction presented an overview of the CITB Training activities in an address to the CICCOPN in Portugal. As a member of the CITB this employer commented that "the Training Board is controlled by Industry", and, more explicitly, that "it is the employers' side which generally predominates and sets policy for industrial training." This complements the view of the representative of the trade union UCATT that their own role was mainly reactive in defence of their members interests, and the view of the Building Employers Confederation that unions play a supporting role. This dominant role of employers and the
long traditions of attempts to maintain control over the internal labour market of the sector through JIBs sets the scene for negotiations with the MSC over YTS and has implications for the amount of adjustment or adaptation the MSC could persuade the CITB to concede in the interest of supporting YTS. The advantages to employers were mentioned in Section 4.3 but in spite of these the concessions sought by MSC would require major adjustments in traditional practice.

As we have explained, craft apprenticeships have been managed by the NJCBI's National Joint Training Scheme since 1945 and the length of the apprenticeship has reduced from seven years to three years. Also recruitment has declined to 8,000 in 1982/83 of which 3,000 were subsidised under MSC's Youth Opportunities Programme. The NJCBI is the recognised training organisation with whom employers had to register their apprentices and in order to do so had to satisfy the appropriate JIB that the training conformed to its requirements. Training grants were then available from the CITB. Prior to the YTS, in the 1970s, only craft education, as opposed to training, was available to apprentices as an 'off-the-job' basis. Later the CITB integrated further education with training on a full-time basis over a period of six months in colleges of further education or in company training centres.

4.4.3 YTS CONSULTATIVE PAPER

The announcement of the 'New Training Initiative' led the
CITB to set up a special Coordinating Committee which sent out a consultative paper to industry and further education interests for comments. This paper outlined the approach suggested by the CITB's Building Committee which expressed a preference for a one year YTS which provided for three months off-the-job training and three months work experience in the form of a core curriculum, followed by three months off-the-job and three months work experience in a selected trade or skill negotiated between the employer and trainee. Following this foundation year those trainees who obtained employment would receive industrial training in accordance with the industry's appropriate training arrangements. The structure of the CITB's proposal was based on the desire to "develop the potential of selected young trainees with the appropriate attitude", but in doing so "care would need to be taken that the content was such that a trainee could not enter industry without first achieving the qualified standard". This makes clear the CITB's concern to ensure that the trainees have learnt sufficient specific skills at the end of the year appropriate to the needs of industry which can then be the basis of integration with the apprenticeship.

The CITB's structure contrasts with the structure proposed by the MSC which was simply broad based training with a minimum of three months off-the-job training and relevant further education, followed by planned work experience. According to the responses to the Consultative document there was widespread support for the CITB structure but many interests wanted it incorporated
into the existing Standard Scheme which was about to lose Exchequer support. As a result of comments the structure was amended so that the YTS years should provide 24 weeks job-specific training and the remainder work experience with the CITB funding the additional training from the levy. This general structure applied to craft, general building operatives and technicians so that YTS then became the preferred method of entry to the building industry from 1983/84. As Grant and Rainbird rightly observed

"The employer organisations made it clear to the MSC that broad-based training would not be acceptable to the building construction industry, and in discussions, minor modifications to the industry's proposals were accepted."(1)

4.4.4 THE CONCERNS OF THE CITB

The consultative document makes quite clear the two major concerns of the CITB. Firstly, that although YTS is voluntary and therefore the industry could continue with its own provision the withdraw of financial subsidy from the Exchequer for the existing Training scheme would mean a doubling of the levy in order to continue existing policies. An increase in levy was considered unacceptable and a radical review of Training would have been necessary with the imminent withdrawal of financial support. YTS, then, was the only form of financial support for the industry. Secondly, as MSC would proceed with YTS and Area
Manpower Boards would approve construction oriented schemes, it was felt that this arrangement would undermine the CITB's own arrangements and could lead to a lowering of standards, therefore it was considered

"essential that industry itself should exercise a strong influence over such schemes ... schemes should be agreed nationally for mounting locally and should not be modified without the agreement of industry at national level."

While these were the major concerns they encompass a number of other considerations related to funding, allowances, the number of trainees and skill testing, all of which have ramifications for industrial relations in the industry.

Initially the MSC were looking for 460,000 training places nationwide with an estimate that the Construction industry would accommodate 37,000, a figure far in excess of the 8,000 apprentices entering in the industry in 1985. This figure was also far in excess of the number that the CITB could accommodate without fueling the informal economy. As one BEC representative explained:

"We wanted the trainees to have jobs, an excess would have meant them becoming 'cowboys' (casual labour and unqualified)."

A leading trade union official suggested that 20,000 was a number which reflected a national 'normal' intake. The
fears of UCATT regarding numbers is understandable as union membership in construction has been estimated at only 20% of the workforce and at present the informal economy is perceived as having a 'stranglehold' on the industry. The union is, therefore, concerned to take control of the intake of craft apprentices, and YTS offered a way of 'saving' apprenticeships. Trade union support for YTS, then, was justified as a way of saving the skill base of the industry, of protecting their members and of responding to youth unemployment. In the trade-off between YTS as a response to youth unemployment and saving the apprenticeship system it is clear that the former was an important symbolic justification for involvement but in practice little more than lip-service was paid to it. In fact one national trade union official has been quoted as rejecting the use of the CITB YTS as a 'social sponge', a view accepted by the employers associations.

"We don't want two 'tracks' (training for industry and training for the unemployed), political charade or cosmetics is for the Government, we are not going to get involved in that, we would not get the quality of trainee we wanted, so Industry went for a job specific scheme and recognises the training. MSC wanted YTS to be recognised by industry. Our view is that Industry knows what it needs in training terms. With YTS we said 'no half-baked schemes, ie. not the next guy off the dole queue', nor broad based. BEC, UCATT and the CITB all agreed that they wanted a scheme suitable to industry, ie. job specific. Anything else is a waste of
time. The Government's problems of unemployment are their own."

The consensus emphasises the industry's clear concern to control YTS and to ensure that the size of the scheme matched employment opportunities. This consensus was powerful enough to persuade MSC that a scheme of 21,740 proposed by the CITB was acceptable. Also the prospect of a high employment rate at the end of the year's training was attractive to the MSC who were uncertain about the ability of YTS to lead to jobs, notwithstanding that MSC emphasised, in public, that YTS did not guarantee a 'bridge to employment'.

The concern for specific training and the 'right' quality of trainee are reflections of the CITB's concern to control all YTS training places in the Construction sector. During negotiations with MSC the CITB asked that it be made compulsory for other Managing Agents to follow the CITB's 'model' scheme in order to ensure consistency in training across the sector and in the interests of maintaining stable industrial relations. The MSC rejected the notion of a CITB monopoly over control but agreed to commend the CITB's scheme to the approval agency at local level, the Area Manpower Boards. Departure from the CITB model, MSC recommended, should only exist because of special local circumstances, however the CITB have never been satisfied as to the clarity of these recommendations. The concern of the CITB rose in the summer of 1983 when it was reported that some Area Manpower Boards were approving schemes which
did not conform to their 'model' because, at that time, the CITB/MSC contract had not been agreed. Trade Union leaders stated that unless the schemes conformed then the trainees would not be recognised. One negotiating counter which the CITB could utilise to attract trainees was that its scheme qualified for a reduction of six months in the length of their apprenticeship.

By June 1983 the contract between MSC/CITB was signed with MSC still concerned that the CITB 'model' should be amended to conform to their model. This contract resulted in about 41 million pounds of funding from the MSC for 18,500 trainees, which is a reduction from the proposed 21,000 as the delay in signing the contract reduced the expectations of the CITB. CITB were able to keep their levy at its 1982/83 level and further savings were made as the YTS allowance reduced the cost to the employers of apprentice pay. This situation contrasts with a non YTS situation of a loss of 10 million pounds from the Exchequer and current costs of first year craft training of 22 million pounds. The financial attractiveness of YT§ to the CITB is therefore obvious, however there have been and will continue to be industrial relations issues as a result of the level of allowances paid to trainees. Under the one year YTS starting wages for apprentices were approximately halved, the trade unions conceding this as part of the price for maintaining and controlling apprenticeships. A problem which the Industrial Relations Division of BEC is now concerned with is the second year of YTS in 1987/88. In that year it will be possible to have four 'grades' of
YTS trainees, employed and unemployed craft and general building operative. The problem for the IR Division is that the gap between the rate for employed and unemployed craft trainees is so small that there will be pressure to widen the gap in order to accommodate the 'new' status of employed general building operative. To increase the allowances of apprentices, however, is undesirable as it will increase the total costs of the scheme and will have implications for pay rates in the sector.

The issue of skill testing, something which had been under discussion within the CITB for five years prior to 1982/83, was a longer term aim of YTS. Plans to introduce this were announced by the CITB in 1984 to commence in 1986. The difficulty this raises is the relationship between testing craft recognition, and a further education qualification. Traditionally the NJCBI gives craft recognition which, in the view of BEC,

"is what skill testing is all about so City and Guilds (the validating body) is not linked, yet, into craft status. Nor is the CITB our standard setting body."

Yet there has been a debate within the City and Guilds Advisory Commission, composed mainly of further education representatives, about craft certification and the critical question of the recognition of vocational qualifications. The NJCBI responded to what was seen as a direct challenge by sending more senior representatives to attend the Advisory Commission, who carried the support of the trade
unions, to defend the NJCBI traditional role. The outcome has been that the NJCBI has persuaded City and Guilds to recognise its status, which the NJCBI feels gives a higher status to City and Guilds certificates. While the NJCBI expects similar confrontations with other validating bodies in the future an almost identical situation arose with MSC over the status of the proposed skill testing for job knowledge and practical skills. MSC's philosophy is that once a trainee has passed the skill tests at the end of the apprenticeship then s/he has craft status. This approach conforms to Objective 1 of the New Training Initiative to end time-serving. The NJCBI prefer a more flexible approach which includes both time-serving and skill testing on the basis that work experience is a critical part of training. Consequently, the minimum requirement is time-serving and completion of skill tests. For post two year YTS this means a minimum of one and a half years.

At present, 1985/86, skill testing is at an experimental stage but already some industry representatives see the MSC/CITB YTS partnership as a threat to JIB's control. In the view of a trade union official the employers main concern is a trainee that is a "commercially viable animal". While the trade unions support skill testing some employers see failure as creating two difficulties, firstly if a significant proportion fail this is seen as a waste of training resources, secondly, failure implies pay differentials, for example an increase if a trainee passes, which has cost implications. An extreme view is that an extremely high proportion of trainees should pass. This
then raises questions about who has the skill and knowledge to judge skill levels. Industry's view is that MSC staff know little about training for the industry. The result of the first pilot scheme realised the fears of the employers and staff at BEC's Industrial Relations Division who were hoping for 95% pass rate. The concern now is to find a skill level which achieves a commercial standard and ensures support for training, in contrast to the pilot tests which had a high number of failures and suggested to BEC that the standard demanded was too high.

The preoccupations of the CITB analysed above continue to be expressed in the negotiations surrounding subsequent years of YTS. While MSC have continued to press for broad-based training the CITB potential threat to withdraw from YTS with the loss of 18,000 places has tempered MSC's requests, particularly as 96% of the first year craft trainees were offered apprenticeships in the first year. With the introduction of the two year YTS the CITB kept the second year numbers at 18,000 which attracted 70 million pounds from MSC towards the total costs of 84 million pounds. The 2 year scheme also generated a debate within the CITB about the threat of trainees leaving after two years of training and being attracted to self-employment and thereby outside the CITB's control. The solution is seen in the form of introducing a certificate of achievement for trainees achieving craft status to distinguish it from the certificate of competence offered after two years of YTS. The CITB continues to request that the MSC's training standards advisory service should not
duplicate its own responsibilities and continues to negotiate its control over other Managing Agents.

Finally, the benefits of YTS to employers are now recognised by the CITB as saving employers 7,000 pounds per trainee over two years compared to the apprenticeship system. Furthermore, the indication is that, with the majority of trainees being offered employment, employers are getting MSC grants for young workers they would normally take on. While this is achieving the CITB's desired objective of increasing the proportion of the workforce under its control the likelihood is that young trainees are being offered employment which may have previously been offered to adults. Alternatively, YTS is enabling the basic rate of pay for adult workers to be kept at a level which a UCATT representative feels is "too low to attract skilled workers".

4.4.5 MSC-CITB RELATIONS

The previous paragraphs in this sub-section have expressed the CITB's concern to control as much of the YTS provision in the construction sector as possible in terms of administration, content and quality assessment. The following paragraphs will briefly present the main concerns and tensions that the strong negotiating stance of the CITB generates within the MSC as it attempts to formulate and deliver YTS according to its own guidelines. Three Branches within the MSC were contacted. The Youth Programme (YP) Branch deals with all matters relating to
those Managing Agents (MA) not covered by the Large Companies Unit. The perception of this Branch is useful in identifying the extent to which the CITB Managing Agency differs from the schemes of other Managing Agents and for comment on the feasibility of a monopoly MA for construction. It is the Sector Training (ST) Branch which provides the MSC Assessor on the CITB who therefore has a central coordinating role. Finally the Quality (Q) Branch is involved in the negotiations with the CITB of model schemes and standards.

With the YP Branch concerned with keeping MAs informed and offering guidance and support, the ST Branch negotiating with the CITB to try to persuade it to amend its training activities, and the Q Branch involved in negotiating quality and content with CITB there is clearly an overlap and a potential conflict of interest.

a) Youth Programme Branch

The impression gained from this Branch is that while there are clear principles, criteria and rules which provide the basis for contracts with MAs they are liable to adjustment in the light of experience and the merits of each particular case. Some degree of adjustment can be accounted for by the fact that YTS is a relatively recent initiative which required 'fine-tuning' in the light of experience. For example the MA Handbook containing MSC policy and rules has been revised a number of times. The principle of the non-negotiation of contracts is a policy
response to the reality that there are 6,000 MAs and it is impossible to deal with each one individually. However, the fact that YTS would not be delivered without employer involvement ensures that the MSC has to be prepared to make adjustment according to local circumstances. This need for MAs, while variable, certainly applied to the CITB MA and initially the CITB reacted to a number of requirements in the "standard" contract. For example, there was some concern about the equal opportunity clause which asks MAs to ensure adherence to statutory obligations. A similar concern was expressed with the Health and Safety requirements. The concern in both cases appears to be the issue of relevance to the particular characteristics of the Construction industry and also a matter of interpretation of the clauses. Equal Opportunity according to race was not considered a problem by BEC, while a UCATT official clearly assumed that construction was not for girls. These assumptions are common in other sectors of industry and research into the delivery of YTS indicates that equal opportunity is not yet practised.

The principle of no monopoly by any MA, as requested by the CITB, is a central feature of the case study presented in sub-section 4.5. At this point it is important to appreciate that the number that the CITB negotiated had to be distributed across the country. To achieve this the LCU has to consult with each of the Area Offices of the MSC, some of whom gave preference to local MAs independent of the CITB MA. This principle raises questions about the extent to which the CITB is representative of the sector
and also reflects the competition for trainees which enables MSC staff to use their discretion in approving schemes. This situation explains the feelings of a member of staff at the BEC who commented that

"We don't like Area Manpower Boards for construction but we have to have representatives on them, they may approve other YTS schemes. We have our local network and can estimate national need so we don't like the AMB approving because it creates competition for the trainees and competition harms the corporate effect, so BEC is into 'damage limitation'.'"

Once again this concern about competing for trainees was common to many MAs, particularly in the first year of YTS whereby it was essential to attract a sufficient number of trainees in order to ensure the economic viability of the MA. In the case of the CITB there were the additional concerns we have already referred to. As a response to this situation the CITB has recently been negotiating with MSC to extend their influence even though, in the opinion of one MSC officer, this enables the large MA to negotiate a better deal. Nevertheless, MSC and the CITB are in the process of developing a model scheme which will become the basis of an instruction to AMBs to inform the CITB of any scheme that doesn't conform. In return the CITB has agreed to invest levy money in training for 'out-of-scope' MAs who place trainees in 'in scope' companies. The extent to which monitoring can be 'successful' is questionable as in other 'areas', such as the acceptability of conditions
requested by trade union representatives, interpretation varies across the country. The significance of the CITB's negotiations with the MSC about a monopoly and its criticism of competition for trainees is that it raises questions about: (a) the function and value of rational principles and guidelines, and (b) the notion of YTS as a locally delivered scheme responsive to local needs. Furthermore a request for a monopoly assumes that monitoring at the local level is consistent and effective.

In spite of the difficulties generated by the CITB YTS the view of the YP Branch was that although the CITB were demanding of the MSC the potential existed for the CITB to become a 'leading' body in youth training.

b) Sector Training Branch

The potential for the CITB to become a leading body, in spite of being demanding, is possible to judge from the views expressed by ST Branch. The function of staff in this branch is to develop a dialogue and persuade industry to adopt MSC policy and objectives. However, staff recognise that each sector would like their interests represented within MSC. This can lead to a difficult balancing role if there is strong disagreement. The general trend in the relationship between MSC and CITB is confirmed as the CITB making demands for resources without wishing to alter their practices in exchange. On occasions when general MSC activity impinges on CITB activity then the CITB will complain. One clear difficulty of this defensive stance
which the CITB adopts is that the more MSC resources the CITB attracts the smaller amount of influence it "buys" because, as with YTS, the MSC builds a dependence on the CITB which it is not prepared to risk because of its very significance.

Furthermore, there are restrictions on the ability, in terms of resources, expertise and time, of MSC to intervene in the construction sector. ST Branch recognise that MSC as a single organisation does not have specific skills and, perhaps more significantly, there is no consistent approach across MSC branches towards the sector. Furthermore, while consistency may be desirable and a priority objective of ST Branch the conflicting objectives of the various branches will undoubtedly make such consistency very difficult to achieve.

The reality seems to be that the limited impact of MSC resources on the Construction sector, in the form of the CITB and JIBs, and the lack of clarity on what form and content a consistent approach might contain suggests that MSC is inevitably limited to attempting to achieve incremental gains. To take the specific case of YTS the impression is that contradictions within MSC "policy" have to be managed in order to achieve small gains. One concern of the YP Branch is to guarantee a YTS place to every schoolleaver requesting one. At present this Branch is concerned about a lack of places in the Construction sector. This contrasts with the desire of the CITB to avoid a "social sponge" role and to restrict the number of
trainees to job opportunities which are limited because of the trend in the industry towards casual labour and labour only sub-contractors who are outside the control of the CITB/JIBs. Consequently to increase the number of training places requires the ST Branch of MSC to help the CITB to extend its influence by ensuring that all construction MAs conform to the CITB's model scheme. This is clearly contrary to the 'no monopoly' principle and the desire of MSC's Advisory Group on Contents and Standards to maintain a degree of flexibility in the structure of YTS content.

In such a situation the ST Branch is hoping that in return for its support the whole question of the number of training places in the sector can be brought on to the agenda. The MSC admits that it has no scientific way of measuring the number of training places. Unfortunately for the MSC the precedents for collaboration are not favourable. Recent research funded by NEDO indicates a lack of interest in a local network of construction interests to discuss skill shortages and training need. Similarly SEC commented that:

"We already have a "body of numbers", we have local NJCBI committees, if MSC wants numbers about construction skill shortages or training need we can provide it, but it will cost them."

A comment of UCATT suggests that the solution to the problem of limited training capacity may be more fundamental. A national officer argued that the "numbers
game' should be avoided as skill shortages are a reflection of low rates of pay. This suggests that without greater public investment in construction the pace of change will be slow and the degree of change minimal.

c) Quality Branch

Staff in this branch are working closely with the CITB's staff on developing a model scheme. The affinity between them is reinforced by the fact that the MSC staff involved have a construction background and, therefore, their views and opinions are respected. The result is that MSC staff are well aware of the concerns of the CITB, particularly the desire to control the intake of trainees and to prevent the dilution of craft status. The result of this empathy is that the limits to, and direction of, change is negotiable. Consequently, Q Branch staff accept that incremental change is a realistic expectation and therefore seek to make small gains. In one case when MSC were critical of the CITB YTS for being too specific, without defining the term broad-based, the Q Branch carried out an evaluation of YTS in one trade within the Construction YTS. This evaluation provides evidence that the CITB YTS was broad-based yet Q Branch staff recognise that this particular case was not representative. In this case then the MSC staff used their discretion and supported the CITB YTS against vague MSC policy. In another case the Q Branch worked with the CITB staff supporting the Specialist Building Committee and persuaded them to introduce 40 hours of training in non-specific skills. MSC staff argued that
this was in the interests of the small no specialist building firm, however multi-skilling is contrary to CITB policy which is for specific skill training.

These two brief examples suggest that small changes can be made through dialogue between professional staff, although the outcome or the initiative has to be recommended or endorsed by the representative body. One explanation for these modifications is that YTS was developed in such haste that refinements during implementation were inevitable due to the lack of clarity in policy. One should also appreciate that while 'model' schemes may be developed and policy may be adjusted at the national level, conformance at the local level cannot be guaranteed, particularly in an industry so diverse as the Construction sector.

**4.4.6 CONCLUSION**

This sub-section has presented and analysed some of the major concerns expressed by the CITB with the negotiations of a YTS Managing Agency. We have also presented an impression of the relationship between CITB and MSC Branches dealing with the YTS. What is clear is the importance that the CITB attaches to job specific training related to real job opportunities in the industry. These concerns are the consequence of the primary concern to maintain and increase control over new entrants into the workforce. This is a priority expressed by both employers and trade unions in Joint Industri, wards/Councils. So it is clear that industrial rela ic, concerns expressed in
this case are typical of a multi-employer industry. The strength of the CITB's negotiating position is also reinforced by the fact that the CITB is a statutory training body representing the sector.

While one might expect a subsidy of 40 million pounds for one year YTS and 80 million pounds for two year YTS to provide MSC with significant negotiating strength to assure conformance with its desired model scheme there were a number of factors which underpinned their position. Firstly MSC was under pressure to deliver to all young people leaving school the guarantee of a training place therefore the prospect of a 20,000 place MA was a significant influence in negotiations. In addition it is clear that MSC was uncertain about the relevance of YTS as designed to the needs of the labour market, and lacked sufficient knowledge of the Construction sector, particularly information on skill shortages.

Consequently the CITB can be seen as the dominant partner. That this is so is confirmed by the CITB's strength in defending its role as the protector of craft status against City and Guilds and its control over skill testing, both of which have important industrial relations implications. MSC's relationship is further confirmed by the experience of three of its branches which indicates that the policy stance contrasts with the reality of piecemeal incremental change and adjustment by exploiting the ambiguity and lack of clarity in policy and principles. The limits to change are, however, clearly set by the economic health of the
sector which determines the CITB's view of the appropriate scale of youth training which the sector is able to accommodate. This explains the relatively low status attached to social goals which were dismissed as irrelevant to the immediate concerns of the industry, in contrast to selecting the highest possible calibre of trainee for the industry in order to maintain the standard of new entrant to the sector.
REFERENCES


4.5 YTS: THE LOCAL CASE

4.5.1 INTRODUCTION

The information for this local case is drawn from the perceptions of national and local MSC staff, BEC staff, trade union officials, and the Director of the Managing Agency which attempted to provide YTS scheme which was out of scope and failed to conform with the CITB's preferred (model) scheme. Given this variety of inputs to this account it is predictable that there are very different interpretations of the nature of the negotiations at national and local level. However, the benefits are that this offers an example of the complexity which exists for those managing YTS.

4.5.2 THE "MAVERICK" MANAGING AGENT (MA)

The MA is a non-profit making training agency set up especially to run YTS which provided training under one year YTS for 180 trainees with the most able receiving craft training. When the two year YTS was introduced the "Maverick" applied to the AMB to continue the Managing Agency which included a proposal to provide a higher quality of training. While outside the scope of the CITB both the one year YTS scheme and the proposal for the two year scheme met MSC requirements.
4.5.3 THE AREA

The Area Office of the MSC manages approximately 80 Managing Agencies. Of the construction related MAs very few are outside the scope of the CITB and the 'Maverick' organisation is the only MA which provides out-of-scope craft training. However, staff at the Area Office estimate that there are up to 400 young people in their Area who are employed in the Construction sector and receive further education on a day-release basis but are not within YTS. The explanation which MSC staff have for this failure of the CITB to extend YTS to include these employed trainees is that the CITB have ignored the changing structure of the industry towards small firms. This assumption on the part of MSC staff explains why they have not asked the local BEC office for information on skill shortages as they suspect the estimates would be below the true level. There is even a suspicion that CITB/YTS targets have been set according to the availability of training places in the local Colleges of Further Education.

4.5.4 THE AREA MANPOWER BOARD (AMB)

There are a number of trade union representatives on the AMB, the most senior of them is the UCATT representative. It is quite common for these representatives to meet immediately before the AMB meeting in order to discuss specific issues and to agree a consistent policy line: this contrasts with the practice of employers who tend to
express their own particular interests. Furthermore, the employer representing the Construction sector is a builders merchant (supplies building equipment and materials) who approves of multi-skill training, contrary to CITB policy. BEC influence at the Area level is achieved through informal means and issues are discussed at the regular meetings of the regional NJCBI which is attended by BEC and UCATT representatives. The impression held by senior staff in the MSC is that the local UCATT representative on the AMB supports community schemes, which provide for low achievers and involving some building work. This may provide some explanation for this representative's initial support for the activities of the 'Maverick' agency which provided mainly for low achievers.

The normal practice in the Area was for all the schemes submitted by prospective Managing Agents to be considered by the AMB. Of the 80 existing MAs it is estimated that 70 of them received a response from the trade union representatives. Furthermore, it is generally accepted on the AMB that the trade unions have a stronger veto position than employers as YTS schemes have, in principle, to have the approval of the trade unions. The role of employers representatives is more restrained although one MSC officer felt that employers could have expressed themselves more forcefully on some occasions.

4.5.5 THE DECISION TO APPROVE

When the 'Maverick' submitted a scheme for the one-year YTS
the consensus on the AMB was to approve. Others in the YTS policy network disagreed. A member of MSC's staff at national level explained that the 'Maverick'

"got UCATT support for '5 minutes' so they managed to run the scheme (for one year), but UCATT support was withdrawn as a result of CITB pressure ... there was an alliance between the CITB and UCATT."

A senior national official in UCATT confirms that

"for one year YTS we 'shut our eyes' to the scheme, we felt we couldn't close it down. It was the employers who informed UCATT nationally, it was not the local UCATT office. Local employers were worried about the Maverick."

BEC national staff explained further

"it got approved through the stupidity of UCATT locally, so the local representative was 'got in a corner' by BEC and UCATT national officials."

The decision to approve generated some anxiety. Senior MSC officials at national level discussed the situation with senior UCATT officers and then national representatives of BEC and UCATT visited the MSC's Area Manager. During this meeting the local BEC representative fiercely criticised the 'Maverick' scheme on the basis that it would threaten the formal 'controlled' labour market.
4.5.6 THE DECISION TO REFUSE

The opportunity to translate the anxiety into action occurred when the 'Maverick' organisation submitted an application for a two year YTS scheme. At this stage the AMB rejected the scheme on the grounds that the quality of training was too low. A senior MSC official at the Area level conceded that CITB should be commended on setting standards but felt uneasy about the way the CITB seemed able to dictate to MSC. More significant to some staff at MSC was the fact that the AMB did not use the trade unions objection as a justification for refusal.

4.5.7 THE RESCUE

The AMB suggested ways that the 'Maverick' organisation could improve the scheme as a way to get approval. One suggestion, to restrict training to general building operatives rather than craft was unacceptable to 'Mavericks' Managing Director who then appealed to the Chairman of MSC who turned down the appeal admitting that UCATT had displayed reservations about 'Mavericks' proposal. The Area MSC then suggested that craft training would be acceptable if the scheme conformed to the CITB's model. While this was acceptable to Maverick a further condition was not, namely, that craft training should be restricted to a maximum number of 24 trainees and that if any of the general building operative trainees should appear good enough for craft training they should be
transferred to a CITB scheme.

The Managing Director's thoughts on this situation are interesting as they raise arguments against the CITB's dominance of YTS and appear to be in tune with the present Government's philosophy, notably:

- that healthy competition should be safeguarded

- that training relevant to small enterprises and self-employment should be supported

- that optional routes to craft training offer flexibility and reflect the changing skill needs in the industry

An argument in favour of equal opportunity for all young people with potential to become craftsmen was also utilised. A further frustration for the Managing Director was the lack of funds to achieve the requirements of a CITB model scheme. A further appeal was made to Lord Young (former Chairman of MSC and presently Secretary of State for Employment) who confirmed MSC's support for the CITB.

The final outcome was that the Maverick was able to achieve the requirements of a CITB model scheme with the assistance of CITB finance. This financial support was conditional on the providers of work experience placements being within the scope of the CITB.

4.5.8 CONCLUDING REMARKS
One obvious observation to be made from this local case is the clear expression of the dominant influence of the Construction industry over YTS. That the MSC should make concessions may be explained by its dependence on the CITB because of the size of its Managing Agency which at 18,000 places is the largest, the second largest being only 2,000 places, and which guarantees most trainees employment.

This case also suggests that out-of-scope MAs play a useful, if uncomfortable, role. Their activities could be interpreted as 'pioneering' the extension of the CITB's control of YTS by testing the demand for training places and also involving 'in scope' companies in YTS through the provisions of work experience placements. Put simply, the 'Mavericks' test the market place and take the greatest risk.

The extension of CITB's 'zone of influence' was supported by the Chairman of MSC, a political appointment, and by Lord Young, the Secretary of State. This support is in clear contrast to MSC staff who were unsettled by the experience of the principles underlying the design of YTS being distorted during implementation. What is particularly interesting, as indicated in para 4.5.8, is the view amongst MSC staff that the use of quality as a reason for refusing the Maverick scheme was adopted in order to cover up the reality of the vet power of the trade unions on the AMB. This opinion seems to be fueling a myth which presents trade unions as disruptive in attempting to
influence the character of YTS through their representation on the AMB. This contrasts with the not uncommon view amongst MSC staff that employer representatives are involved in YTS 'for social reasons, and avoid disputes which could sour industrial relations.'

This view is consistent with the assumption that AMB's are part of a tripartite and consensual framework. This assumption is expressed in a number of MSC documents, a review of which led to the following conclusion, that

"the involvement of trade unionists and employers at local level is seen as a cooperative and consensual process contributing to an essentially apolitical delivery of training schemes."(1)

This same review concluded that the involvement of the social partners at local level aimed to fulfil an advisory and legitimating role with the partners having very little control over the design of training programmes. Both employer and trade union representatives have expressed dissatisfaction with this limited role. However, in the case of trade union representatives, their attempts to develop a monitoring role in order to identify abuses is supported by the requirement that MAs consult with recognised trade unions. The power of veto which arises as a result is essentially a reactive role which is limited according to the time and resources available.
In the 'Maverick' case, however, the myth of trade union disruption is questionable. The evidence indicates that local employer concern was expressed at national level within BEC which then led to a discussion at senior level between MSC and UCATT. This is an outcome consistent with BEC's ten year link with direct representation to the Prime Minister and Secretary of State. Once this level of concern was expressed the use of the trade union's right of veto to reject the 'Maverick' scheme was consistent with discussion at area level between MSC staff and BEC and UCATT local and national representatives. The salutory lesson to be drawn from this case is the ability of informal dialogue to bypass and utilise formal structures. That training quality was a useful criteria for refusing the scheme is recognised, but the assumption that trade union interests are independent of employers interests is not credible in this case.

That MSC staff should be concerned about the distortion of and difficulties involved in implementing YTS is not being questioned. However implicit in this is a short-term concern, namely delivering YTS according to plan. This emphasis was also reflected in the comments of both a senior MSC official at Area level and the Managing Director of 'Maverick' when asserting that the CITB was insensitive to the changes taking place in the construction sector. In contrast one could argue that it is because the CITB are aware of the dramatic changes taking place in the industry that they are using YTS to exert some control over the...
skill levels in the workforce. In this case long-term industrial relations concerns are more powerful than the maintenance of MSC's 'Model' YTS.
REFERENCES

1. C. Randall, "The Nature of Consultative Arrangements on AMBs", Research Working Paper, Bristol 1986. This is one of a number of working papers which Colin Randall produced for the project. The others are:
   - MSC AMBs - their rules and roles
   - Selected extracts from a survey of trade union and employer representatives on Area Manpower Boards in the UK
   - 'Trade Unions and Area Manpower Boards: conflict or consensus', Initiatives, June 1986.
4.6 SUMMARY AND CONCLUSIONS

4.6.1 DIALOGUE

This study of initial skills training in the Construction sector has, due to the very nature of YTS funding and changes in the Government's training policy, ensured that we have studied the nationally recognised route into apprenticeship or comparable training for 16 and 17 year old school-leavers. Young school-leavers have to use the CITB's YTS if they wish to achieve craft status as set by the NJCBI. The dominance of JIB's and the CITB is a reflection of their concern for the erosion of the craft skills in the sector. This has occurred as building-investment and demand in the Construction sector has declined which has led to a reduction in training-investment by employers.

YTS, then, was used by the industry as a vehicle for overcoming industrial relations problems by subsidising the revival of the apprenticeship system. It is clear that without Government investment in construction projects or training schemes the priority of training in the sector would have continued to decline. One could conclude that for a Government concerned with reducing public spending YTS was the cheaper option.
Without investment the process of decline would have created labour force control, pay differential, and skill dilution problems, as indicated in the analysis of industrial relations in a multiple-employer industry. Furthermore, the likelihood is that the status and membership levels of the trade unions would have been reduced and, for employers, difficulties would have arisen due to instability and inconsistency in pay rates, and in the quality of work. This would have threatened the cohesion within and between employer associations and trade unions and would have led to conflict within and between Joint Industry Boards and Councils.

Faced with such a prospect and the financial attraction of YTS neither the involvement of the industry nor the unity of employers and trade unions is surprising. The attraction to the MSC of CITB involvement in YTS was the size of the Managing Agency, 20,000, and the likelihood of a high rate of subsequent employment. The respective negotiating strengths of the partners' in practice suggests that the MSC did not consider themselves in a sufficiently strong position to negotiate a YTS scheme conforming to their preferred model and, instead, a concession was made to maintain the CITB/NJCBI's job specific craft training.

MSC's own negotiating strength is influenced by a number of factors which offer a contrast with the CITB's position. Firstly, the MSC does not have an implementation system which can ensure compliance at the local level, if so desired. The MSC relies for the delivery of its policies
on a number of agencies so that distortion is possible according to the dominant interests.(1) Secondly, the MSC is not autonomous. As the case study indicated, political support was aligned with the CITB. No doubt this reflects the empathy between business and Government as indicated in the access of construction industry's 'Group of Eight' to Ministers. The conflicting preoccupations of the MSC's Branches, similarly reflects the difficulty of achieving consistency in relations with industry.

One would have to conclude therefore that the CITB and the construction industry have sufficient influence and unity to ensure support for its specific interests at both national and local level. For example, achievement of the 20,000 target figure for the Managing Agency was attainable because the CITB, in conjunction with the Joint Boards and Councils, set this target according to the reliability of the information received from the local level. Simply, CITB's 'promise' to deliver was credible. This information, it should be noted, was on the industry's capacity to employ school-leavers who carried a financial inducement. As with the MSC, the CITB is dependent on local agencies for the delivery of YTS and therefore has difficulty in guaranteeing conformance and consistency in content and quality. However, the CITB, through the NJCBI, also has control over certification of craft status and skill testing and therefore has the capacity to make adjustment where necessary or desirable.

This ability of the CITB to 'deliver' a construction YTS
provides an interesting contrast to the national debate of the social partners. The CBI and TUC involvement in the formulation, endorsement and marketing of YTS can be interpreted as essential for maintaining their own credibility. The TUC has continued to support MSC policies since 1973, in spite of trade union criticism of this involvement and the quality and function of youth training initiatives, on the assumption that involvement assures certain significant benefits, such as defending the interests of young people. One, however, has to conclude that the TUC's main concern is to maintain a presence in the national policy-making arena (the first rule of politics) whatever its level of influence. Similarly the CBI has endeavoured to represent business interests, and mainain their voluntary membership, by being involved in the MSC. This involvement has developed in recent years with the growth in its Education and Training Department, with 10 staff, and the increasing activity of its Special Programmes Unit. These developments have increased the CBI's ability to facilitate its membership's involvement in, and inform them of the implications of, MSC policy initiatives. One can conclude that the CBI and TUC involvement in MSC creates 'tensions' within the groups they endeavour to represent which they have to manage and placate. The diversity of interests and the voluntary (CBI) and affiliate (TUC) nature of their membership contrasts with the CITB and JIB's situation. The CITB is a statutory training agency maintained (in effect) at the discretion of the JIBs whose employer members are not exempt from paying a levy. Consequently there is a unity
and high priority given to training because of its significance to industrial relations.

The concern of the CBI and TUC to maintain their own credibility facilitates the legitimation of the MSC. This relationship is clearly reflected in the emergence of YTS. The CBI and TUC's involvement in the formulation, endorsement and marketing of YTS were important in making YTS visible, credible and legitimate, i.e., generating a 'climate' of support and commitment. The relevance of advertising and marketing language was confirmed by the use of the press and television to 'sell' YTS to the client groups. Interest and support for YTS was also generated by the ambiguity of its objectives, so that a number of interpretations could be accommodated. The involvement of the social partners varied ranging from an interest in employment subsidies and training subsidies to a concern to provide for the unemployed. As we can see from the CITB case, the third social objective was rejected in practice although the presentation of YTS as a scheme for all unemployed school-leavers was important in attracting support and commitment, including European Social Fund subsidy.

Credibility and ambiguity were presented as problems to be managed in order to achieve success in the implementation of YTS at local level. The experience of both the one year and two year YTS indicates the progressive and incremental adjustment of the scheme by MSC. The main impact has been a gradual erosion of ambiguity as administrative rules have
emphasised cost-effectiveness and private employer Managing Agents. The desire to increase the proportion of YTS Managing Agencies in the private sector is based on the assumption that this increases the credibility of the scheme by linking it to 'real' work experience and related job opportunities, and also a desire to increase employer involvement in training. The CITB Managing Agency, 20,000 places and a 97% subsequent employment rate, clearly increases the credibility of YTS as related to work opportunities but increased employer involvement is at the expense of a loss of MSC's control.

4.6.2 YTS STRUCTURES FOR DIALOGUE : AN APPRAISAL

The desire of the CITB/JIBs to maintain exclusive control over youth training exists in spite of a pre-YTS situation when employers failed to avert a rapid and significant decline in the number of apprenticeships. Furthermore, it has recently been estimated that there are, in the industry, in excess of 13,000 school-leavers registered for taxation purposes as self-employed each year. These young people have no hope of training and are employed as 'sub-contractors' performing only heavy manual labour. Consequently this raises a question about the level of priority employers in the sector give to training and suggests that YTS is used by the CITB as an employment subsidy and as a mechanism to maintain control over the craft training which can be accommodated in that proportion of the sector which it represents. The multi-employer structure of the construction industry and the priorities
of the CITB/JIB ensures that there will be a large number of young people, working in the sector and unemployed, who will not have access to YTS. Decreasing this number depends upon: 1) increasing the proportion of employers and workforce in scope of the CITB, and 2) increasing training resources and facilities within the industry and ensuring they are also made available to unemployed school-leavers to enable them to gain construction skills. The indications are that the CITB and JIBs will not favour training the unemployed until a far greater proportion of employers and workers are within their control. The present business climate in the sector (and reduction in Government spending), which is inducing a greater degree of 'self employment' and casualisation of labour, is, no doubt, a major barrier to a change of practice.

It is against these circumstances that the structures for dialogue have to be judged. YTS provides for dialogue between the social partners at the local level in the form of Area Manpower Boards. The indication from a great deal of research into the functioning of AMBs is that because they have no executive powers, and the social partners are limited to an advisory role within a climate of consensus the influence of the social partners is limited. Some commentators suggest that AMBs deliberately marginalise training issues and attempt to isolate training from industrial relations issues. This explains the view of some trade unions which argues that more monitoring is necessary in the workplace, and the concern that trade union officials in the workplace do not have sufficient
time and resources to carry out this task. Furthermore, there are other settings in which discussion about YTS takes place, for example, District Committees of trade unions may represent the trade union in Local Authority Consultative Committees where the local authority as an employer is a YTS Managing Agent. In many cases YTS is the most recent addition to the agenda of such formal committees. In addition to formal arrangements, informal dialogue occurs, when necessary, between the social partners, for example where the employers staff, trade union officers and MSC Area staff belong to the same local political party.

While ad hoc dialogue, by its very nature, is difficult to monitor, there is evidence to indicate that such exchange is considered significant. For example, in the CITB case, BEC and the NJCBI staff were frequently in discussion with CITB staff. Similarly MSC staff commented that informal discussions with CITB members and staff, and with UCATT officials were more useful than formal meetings as they were conducive to forthright exchanges on sensitive issues. Formal discussions, by comparison, deliberately avoid contentious issues or involve the representatives in 'role' playing due to the 'public' nature of discussions. Perhaps the most important of formal structures is to introduce the representatives and thereby enable informal dialogue.

Our CITB case provided a clear example of informal dialogue. In this case, the construction employers at the local level were able to mobilise their national
representatives in order to exert pressure on the national officers of UCATT who then instructed the local representative to object to the 'maverick' scheme on training quality grounds. From this example it is clear that the setting for the formal dialogue, the AMB, received decisions that were made elsewhere. One could also speculate that the use of informal dialogue was contingent on the need for a rapid response which may not have been possible with routine, regular meetings.

Within the tripartite CITB the structure of the organisation provides for specialist committees which are composed of employer or trade union representatives, educational interests, and assessors from Government departments. The employer and trade union representatives are nominated by organisation such as BEC or UCATT who are members of the Board. The likelihood is that the nominees are already members of a JIB or active at that level. As we explained above, decisions made by JIB/C's are rarely rejected by the CITB's specialist committees and those of the specialist committee are usually endorsed by the Board. The CITB endorsed decisions made by the committees on volumes of training and training standards and sets the size of the levy. Discussion about the volume of training and standards will be debated in the JIB/C's, each of whom will be trying, in CITB committees, to argue for their "fair share" of the levy. In the light of JIB 'bids' the employers representatives on the CITB set the levy. This set of structures enables related issues and problems to be allocated to the appropriate committee or body. In this
way the industrial relations consequences of training, such as the allowances for YTS trainees and pay rates for apprentices will have been negotiated between employers and trade unions in the JIBs prior to the discussions within the CITB. With "industrial relations issues" debated in a sectoral forum and "training issues" in tripartite committees commentators are able to argue that training dialogue does not generate the level of conflict associated with industrial relations. Observations such as this and claims that training is special because training agreements can be reached within days of the end of a major strike ignore the facilities available to "hive off" (separate) industrial relations dialogue from training dialogue. In the Construction sector the industrial relations ramifications of training have been discussed in bipartite fora prior to the discussion on training in a tripartite setting. Simply, the content (subject) of policy determines the level of conflict, the location of the dialogue and the interests involved in the dialogue. Furthermore, as we explained in Section 2.5, the structures for dialogue, the "rules of the game", are themselves the subject of negotiation.(3)
REFERENCES


and


307
SECTION V: WOMEN IN THE LABOUR MARKET - CAREER BREAKS IN THE BANKING AND FINANCE SECTOR

5.1 INTRODUCTION

5.2 THE INDUSTRY AND FEMALE EMPLOYMENT

5.3 EQUAL OPPORTUNITIES POLICY

5.4 THE CASE STUDY

5.5 CONCLUSIONS
5.1 INTRODUCTION

The banking and financial services industry in the UK is, like many such industries in Europe, a major provider of employment for women. It presents a paradox that, while the vast majority of employment in the industry is for women, its senior positions are dominated by men. Not wholly unconnected to the use of a large female workforce with a high labour turnover is the fact that in the UK the workforce is not highly unionised. There is a single union, the Banking, Insurance and Finance Union (BIFU) which, while large, does not have a majority of the employees as members in any single bank. The individual employers, for their part, express very ambivalent attitudes to BIFU which is an independent union, affiliated to the Trades Union Congress. BIFU receives a fair degree of support and acceptance in what most banks both recognise it and provide it with facilities, office space and support within the general codes of good practice recognised in the UK by public authorities. On the other hand, each bank sponsors and subsidises its own individual staff association (which is not TUC affiliated) and prefers to use them for consultation and discussion. In common parlance in the management and personnel departments of the banks the staff associations are referred to as 'unions'.

This section of the report looks at one specific policy for improving the career opportunities for women in an industry where there is clearly an opportunity for improvement, but
in a context where there is minimal effective interaction between the social partners on the wider issues of training and personnel work.
5.2 THE INDUSTRY AND FEMALE EMPLOYMENT

The banking and financial services industry in England and Wales, until about 1980, exhibited a high degree of centralisation and concentration as well as a high degree of specialisation. The main sectors were:

a. a small number of discount and other banks providing financial services largely to other banks and finance houses

b. a small number of banks specialising in raising or providing capital for large industrial trading companies (the merchant banks)

c. a single Trustee Savings Bank offering a service to small savers and citizens

d. a very small number (four in 1980) of 'High Street' banks offering banking services to individual customers and businesses of all sizes.

There was in addition:

e. a system of building societies which both received savings deposits and provided long-term loans for house purchase.

The separate financial agencies kept a high degree of
separation with virtually no organisational links of ownership or control between the sub-sectors and no competition between the sectors in terms of trying to reach the same markets. It was a financial system established essentially in the late nineteenth century with very little subsequent modification, until about 1980. Since 1980 the cross-sector financial competition has vastly increased although there has been little further concentration of activity. Our concern in this case study is with the 'High Street' banks, in an era both of expansion and direct competition with the Trustee Savings Bank and the building societies for individual customers, small deposits and cheque account facilities as well as the provision of loans.

The 'High Street' banks were also known in the past as the 'clearing-banks' after a mechanism, developed in London, for jointly clearing or handling cheques drawn on each other. This mechanism enabled its members to greatly reduce their needs for surplus cash and increased their ability to lend. In the late nineteenth century London clearing-banks were thus able to expand, buy out smaller regional banks and come to totally dominate banking in England. By 1900 there were less than 20 effective banks and by 1945 less than 12. By 1980 the number was down to four (although a couple of the smaller banks have been bought by one of the Scottish banks thus, in effect, creating a new fifth group in England). All the four banks are completely 'national' with several thousand branches and with every 'High Street' of any size containing a
branch of each of the four.

These four large bureaucracies had a long established traditional pattern of recruitment. For virtually the whole of the century they had each had a pattern of recruiting staff at 16 or 18 years old usually from Grammar Schools (or the equivalent after 'comprehensive-isation' in the 1970s). These staff were effectively offered employment for life and were the cadres from which all managerial staff were drawn. The banks almost never recruited from outside people older than 23. Although some rapid career advancement took place in the head office, most staff could expect a steady career-rise through branch and regional positions with moves of location largely financed by the banks. Salaries were secure, if not generous, with good support in financial services such as house purchase. It was not until the 1960s that any significant amount of recruitment of graduates from Universities took place. The career patterns were thus disturbed.

Careers in the High Street Banks thus took place in a tradition of patronage and also had a patriarchal feeling to them. This can be quite simply illustrated by the practice of banks of promoting people to jobs without internal advertisement or consultation.

"Other key features include a promotion system in which people are appointed to jobs without them having been even internally advertised" (1)
Women were not excluded, but the differential effects of recruitment, preference, the need to move to make careers and the effects of making career breaks meant, in effect, that women were severely disadvantaged. This disadvantage is reinforced from a gender-oriented (or feminist) viewpoint for the fairly rigid separation of, on the one hand, 'bank-clerks' (counter-assistants) as the basis of a career from the non-career entry of secretarial or clerical. Movement was important. This is reported as follows:

"Bank jobs are especially difficult for women to go back to once they have young children. A common condition of service in a bank is willingness to be moved to any branch in the country. For a woman with young children this is almost impossible, especially if she has a partner who earns more than she does." (2)

Management always came, in the old system, 'off-the-counter'. A key reinforcement of career potential was success in the examinations organised and conducted by the Institute of Bankers.

The Institute of Bankers is an independent organisation providing a professional association for those in the banking industry. It has a series of examinations at intermediate and associate levels leading to full professional membership. Acquisition of examination-based
credentials was regarded as an important beginning to a career in banking, marking the dedication necessary to such a bureaucratic career as well as the technical competence. For 16 and 18 year old entrants an ambition of full professional membership was always a long-term goal with many years of part-time study. In the last decade or so the attitude of the Institute to giving exemption from its intermediate examinations by virtue of possession of other qualifications (such as general awards in Business Studies, or A level - University Entrance - examinations) has varied. Similarly the attitudes of the employing banks to granting day-release for study for the examinations has varied. As a result it would be fair to say that access to the key qualifications has not been automatic nor rigorously an invariably sponsored by the employers.

As far as training policy in general goes the banks all rely on a mixture of good qualifications at entrance, short periods of attendance at training college or centres inside the banks and direct learning on the job. Regular systematic training on a long-term basis or in close association with the public sector colleges is not a major feature of bank training. The experience of the public sector colleges is that of some slight support but with a degree of suspicion of the value of the training.

Graduate entrance has not improved the situation either. As that has proceeded, increasingly the early career entrance routes to management have suffered a relative weakening. Furthermore, most banks have more formally
instituted an 'A' stream and 'B' stream to distinguish routine clerical from managerial-potential at the point of 16-18 entrance (although the linguistic forms have varied a little). This latter policy has come about at the same time as new technology has affected employment.

The advent of new technology and computerisation in handling the clerical work has further deepened the divide between clerical and managerial routes. Geoffrey Cooke reviews earlier research as follows:

"The view has been widely voiced that women's employment is particularly vulnerable to the effects of changing technology. BIFU (3), Huws (4), Palmer (5), and Povall (6), for instance all put forward this view. The arguments supporting it rest on the fact that women are at present heavily concentrated in a number of routine, junior clerical and secretarial positions, where technology may bite particularly hard in future. One example often cited is that of the cashier's role. Povall (7) suggests that many women will also be stuck in dead-end jobs because of their lower educational levels, while disruption of traditional career paths may affect women's promotion particularly badly. She asserts that: 'Traditional career ladders will disappear, and the jump out of the lowest level jobs where many women are, will be increasingly difficult.' She states that if restructuring requires staff to move in order to retain jobs, women will be worse hit than men since
they cannot move home because of their domestic commitments. The same commentators have also expressed the fear that many women's jobs could be deskilled as technology advances."(8)

The situation can be summed up as follows. In one manor bank the bank recruited in 1974 71% women and 28% men, a pattern not very dissimilar to previous years. Its procedures and policies led to the following situation:

<table>
<thead>
<tr>
<th>% of Workforce</th>
<th>% of Females in Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clerical Grade 1</td>
<td>14.2</td>
</tr>
<tr>
<td>2</td>
<td>30.7</td>
</tr>
<tr>
<td>3</td>
<td>23.9</td>
</tr>
<tr>
<td>4</td>
<td>8.3</td>
</tr>
<tr>
<td>Senior Clerical</td>
<td>9.3</td>
</tr>
<tr>
<td>Appointed Senior Staff</td>
<td>13.6</td>
</tr>
</tbody>
</table>

Source: BIFU (9)

Boyden and Paddis or (10) report as follows:

<table>
<thead>
<tr>
<th>Women managers</th>
<th>Women in senior clerical and junior management posts</th>
</tr>
</thead>
</table>
In this context the development of a national policy for equal opportunities was critical for the improvement of the position of women.
REFERENCES


7. Povall, M., ibid.


9. The figures are taken from an internal memorandum of The Banking Insurance and Finance Union (28.11.1985),
concerning the case-study bank. No precise source is quoted here to protect the confidentiality of the case.

10 Boyden, T. and Paddison, L. ibid, see 1 above.
5.3 **EQUAL OPPORTUNITIES POLICY**

It proved difficult to develop a case-study of training in the Banking sector for the purposes of this report. It would have been possible to look at the Youth Training Scheme, as in the case of the Construction industry, but that would have been relatively repetitious. In the event we decided to pursue the development of certain aspects of Equal Opportunities policy and its interaction with training and careers for women since such a case reveals the dynamic between the social partners. The whole notion of 'career' and 'professional commitment' is usually a distinctly 'male' oriented concept as has been pointed out by Spencer and Podmore (1). The concept interferes with the notion of child-bearing and child-rearing and is thus sexist in itself.

In the arena of developing fair practices in personnel and training the state has become important. In the UK it provides not only legislation but the Equal Opportunities Commission, an independent body which provides research and advice on best practice as well as having significant powers of investigation and thus to display of bad practice in the public arena. Its legal powers exist, but in the UK it is the former powers that are probably stronger. The banks in England in particular feel the need to continue to be seen in the public arena as careful, caring employers operating within sound practice. The banks feel the need to project such images to retain deposits and gain business in an increasingly competitive world.
Povall has studied the position of women in banking extensively in Europe and reports that, amongst other factors, the following are reasons for pressure for equal opportunities policy:

"* The existence of laws and, in some countries, of their enforcement;

* Possible commercial advantages in encouraging women to develop their potential, e.g. the provision of better quality staff, and the positive publicity which could attract more women customers or high quality women recruits;

* Media publicity about the small number of women managers in a particular organisation or sector, and

* Contact with women in North America who were competently doing jobs either considered unsuitable for women in Europe or of which it had been thought women were not capable." (2)

During the period 1980-1984 in the United Kingdom the publicity of the Equal Opportunities Commission was also fully supported and developed by another public agency, the Manpower Services Commission. The MSC sponsored much research and development work on the specific problem of a
career break for women managers, focusing in particular on the point of 're-entry'. Other public bodies, such as the Engineering Council, have further publicised the work. (3) Eventually the EOC, in the mid 1980s, turned its attention and investigatory powers to the problems in large bureaucracies and the financial sector in particular. A decision was taken to investigate the career system, and in particular the mobility clauses, of the Leeds Permanent Building Society. This decision, the investigation and report (4) had powerful effects on the rest of the financial sector.
REFERENCES


THE CASE-STUDY

By 1985 the bank which is the subject of this case-study had developed its equal opportunities policy. It had appointed an Equal Opportunities Officer in a manner similar to the process already referred to (see para 5.2.5). The representatives of BIFU had been pressing for some time for the development of a policy but the appointment came as a surprise to them, as well as to the appointee and other staff(1). At first the policy developed mostly around the system of 'patronage' and 'talent identification' endemic in the bank's personnel policy. Initially the awareness-training amongst the managerial staff was the focus of the Equal Opportunities Policy. Later on women staff were also included in seminars on awareness raising and also to help define the outlines of a career-break policy. The representatives of BIFU continued to seek discussions and were listened to, but on the clear understanding that this was not a matter of negotiation.

In early 1985 the Equal Opportunities Commission decided to consider a formal investigation of the bank although it is not clear to what extent, if any, this was promoted by BIFU. Certainly the formal processes do not always allow such informal prompting to be formally acknowledged. The bank responded quickly to the EOC's request for informal prior meetings and offered very high levels of cooperation. The bank pointed out that the new policies were in final
stages of formulation and would cooperate in finalising them and monitoring them with annual reports made up until January 1989. A formal agreement along these lines was signed by the bank and the EOC in mid-1985. The EOC, for its part, agreed not to conduct a formal investigation until monitoring was complete. The bank avoided the undesirable publicity that had befallen the Leeds Permanent and had four years to 'put its house in order'.

The career break arrangements in the agreement were regarded as a major advance by the bank. It allowed for men or women to have two career breaks, each of two years (in addition, for women, to statutory maternity leave) and to re-enter the service of the bank at the same salary grade as when taking leave, and return on a full-time or part-time basis. There were, however, conditions that applied. BIFU remained sceptical about the conditions and their effect. Firstly; the scheme only applied to persons in grade four and above (thus eliminating 89% of the bank's female employees, but only 35% of the males). Secondly; the scheme applied only to those already identified in annual personnel reviews as having managerial potential (although no guarantee was given that all managers would receive 'awareness-training'. Thirdly; only those with appropriate qualifications were eligible (although the bank was removing sponsorship and day release for qualification). Fourthly; employment was only guaranteed within the district (too large to guarantee return to child care quickly after work without a house-move).
The protestations of BIFU were largely ignored. The union did not even receive a full copy of the agreement signed between the bank and the EOC from the bank (which sent BIFU only the two-page 'agreement' without the sixteen pages of 'schedules' which were in effect the substance of the agreement). These latter pages had to be obtained from the EOC. In short, the bank ignored the trade union. In interviews, bank staff urged to the researchers that the real understanding of the policy lay with the staff association. Pursuit of this line of investigation did reveal more sympathy and tolerance of the approach of the bank but no evidence of higher levels of influence nor of any refutation of the doubts expressed by BIFU. The policy will be monitored for four years by the EOC and therein lie the answers to an evaluation of the policy.
This case and evidence is based on private interviews with the staff involved and was obtained under conditions of confidentiality. No further information can therefore be given.
5.5 CONCLUSION

In the recent past the labour market practices of the banks which in effect discriminated against women, have been called into question. The financial institutions, in a buoyant and competitive market, have felt some need to pay some attention to the claims for equality within the workforce. In practice the bargaining processes have led to what is probably a diminuition in training for all but a shift towards equality of opportunity within that framework. This shift has taken place under the influence primarily of legislation, image and market concerns rather than the impact and influence of trade unions or staff associations that have, while having some influence, been relatively ineffective in this situation. It would be unwise to claim that in this sector there has been a policy distortion. It is more that a national policy orientation has not been fully accepted within the institutions in this sector.

Nevertheless the effects of public law and public agencies, that is to say the state as a social partner, can bring about changes in personnel and training policy, independently of the influence of trade unions. Our main point in this chapter is that the state can exercise power directly over employers if it so chooses.
SECTION VI: SUMMARY AND RECOMMENDATIONS

6.1 : INTRODUCTION

6.2 : SUMMARY

6.3 : LIMITS TO CHANGE

6.4 : RECOMMENDATIONS
6.1 INTRODUCTION

This final concluding section of the report will provide a brief summary of each of the main sections of the report. From this summary it is clear that the dialogue on training is a complex process involving the management of change and the resolution of conflict. From this list we consider the limits to change in terms of increasing the quantity and quality of training and the possibilities and limits to dialogue. Finally we present our suggestions for change. This sub-section contains three dimensions. Firstly, we comment on the subject of dialogue, i.e. the function of training, as an influence on the ability to attract the social partners. Secondly, we consider the level of dialogue (local, sectoral, national and European) and the experiences of dialogue at these levels and the opportunities for improvement. Thirdly, we look at the range of 'levers' for change by which dialogue can be increased and improved, which are available to all levels of Government to pursue.
6.2 SUMMARY

This report is structured into four main sections. The first presented the function, roles and responsibilities of each of the social partners, giving particular reference to adjustments in mechanisms for managing vocational training. From this section it is possible to identify an increase of Government influence over the Manpower Services Commission (MSC) which, on occasions, has threatened the image of national consensus. The purpose of this greater intervention by Government is due to a concern to increase the central control of public expenditure. This is a significant trend evident in central-local relations generally in the UK. While this has led to a conflict between national representatives of the social partners the imperative to act locally has ensured the maintenance of dialogue, particularly for financial reasons. Government and the MSC have also emphasised the critical role of employers and trade unions at the local level in ensuring the cost effective provision of training. The involvement of employers in publicly funded training initiatives is on a voluntary basis and justified on the assumption that employers are the best judge of training needs, and that statutory arrangements in many sectors were maintaining traditional activities and were too bureaucratic.

In practice the involvement of employers has been induced by the subsidies available through publicly funded training initiatives and the opportunity to influence and control
training through Managing Agencies. By comparison trade union involvement in training occurs at the discretion of employers or the professional staff of Government agencies, Industry Training Boards and the non-statutory training agencies. Where trade union representatives are offered a role, resource, time, information and expertise become critical in determining the level of their influence. However, it is a reflection of the limited value which trade union representatives attach to formal mechanisms for training dialogue that collective bargaining arrangements and activity in the workplace is considered more meaningful. This emphasis on the resolution of conflict through collective bargaining is evident in the European Parliament, the UK Government, the Confederation of British Industries and the Trade Union Congress. The significance of this emphasis is the recognition that training issues can be brought into the industrial relations arena, which is inevitable when training is related to industrial productivity. As the reference to the work of ACAS indicated, the collective bargaining arrangements are within the employers and company managers control and evidence was presented on the trade unions responsiveness to, and acceptance of, technical change, contrary to myth. As a result it is possible, as some commentators and researchers have done, to place responsibility for low investment in training and human resource development at the feet of employers. For their part, employers argue that flexible work practices are more urgently needed than training and that training in transferable skills should attract Government funds.
This emphasis on the significance of the local', suggests a more limited but nonetheless influential role for national, formal mechanisms for dialogue. One can identify the opportunity for representatives to gain information, a route for exerting influence, legitimating policy, and legitimating the national organisations. Between, and in addition to, the national and local we also recognise the existence of 'policy' or 'implementation' networks which stimulate and accommodate the dynamic iterative process of change and adaptation. These networks contain lobbying, persuasion, information exchange, negotiation and bargaining and involve specific interests, sector interests or general interests represented by officials and professional staff of each of the social partners.

The complexity inherent in the world of 'policy' and 'action' is partly a function of the range of interests involved in the formulation of training policy and delivery of training. In this respect Sections 3, 4 and 5 offer three sectors of industry each investigated through a different 'training vehicle'. The Engineering sector (3.3) enabled us to present the dialogue surrounding training to overcome skill shortages, particularly in the high technology sector. The Construction sector (3.4) is important as it provides by far the largest Managing Agency for the delivery of initial training for 16 and 17 year old school-leavers. Both the sectors have retained their statutory Training Boards which provides a tripartite arrangement for discussing and responding to training
matters. They differ, however, in respect of the way in which training for the sector is funded, in Construction there is no exemption from the levy. Furthermore, both cases provide an insight into the support of industry in the development of the Government's national training strategy. In the Engineering sector Vital Skills Training Grants are part of the Adult Training Strategy which aimed to emphasise retraining for adults. The Construction sector's Managing Agency for the Youth Training Scheme incorporated two of the Government's objectives to develop training to standards and to provide work and work-related training to all school-leavers (employed and unemployed). Our third sector (3.5) is the Banking sector which considers the development, provision and utilisation of Career Breaks for women. Explicit in this case is the status of equal opportunities in the industry, for both employers and employee associations.

The main conclusion from the Engineering sector derive, in part, from the nature of the sector, (namely, diversified and undergoing rapid technological change), particularly in the high technology skills. As one civil servant observed, rapid change makes consensus and solidarity very difficult, if not impossible, to achieve. Our review of the national debate indicated the lack of agreement on the level and nature of skill shortages and on the allocation of responsibility, with little reference made to trade unions having a role to play. Of the two main actors, Government and employers, the employers are divided as to the level of investment needed for training. Consequently, while some
employers criticised the EITB as being too costly and too interventionist others called for more resources from the MSC but less bureaucratic control. In this context the Adult Training Strategy, including Vital Skills Grants, meets the employers requirements and achieves for the MSC 'more policy for the same money'. While trade unions do not have a consistent view of their role in training, one, the EETPU, has developed an active role by providing training centres in response to employers needs in the interests of their members. This is partly in response to the rapidly changing skill requirements of the sector, change which challenges the traditional skill base to trade union membership. Whatever the response of trade unions the clear indication is that their role is at the discretion of employers, usually to facilitate change by alleviating the impact of restructuring.

The short-term perspective attributable to employers was evident in our case study. VST grants were treated as another block of funds to help implement the existing training plan. Involvement of the trade unions was minimal and the EITB field officers, who negotiate training grants, saw no reason to question the status quo. Consequently VST grants were not used to influence existing practices. The emphasis was on immediate short-term needs in a period of increasing competitiveness. It has to be recognised also that trade union members have very little enthusiasm for training issues unless informed and stimulated by trade union officers. The myth of trade unions as a barrier to change and training was not
reflected in our case, which reinforces recent more comprehensive research. As trade unions are marginalised and under resourced responsibility for the level and direction of training investment lies with employers and Government.

The Construction sector, in contrast to Engineering, is experiencing a decline in investment parallel to the prevailing recession and continues to generate the difficulties inherent in a multi-employer industry with a 'mobile' workforce and the high potential for casual employment. The main feature of this sector is the common, and traditional, concern of employers and trade unions to control entrants in apprenticeships which lead to craft status. This tradition enabled the CITB to offer itself as a large Managing Agency of 20,000 places for YTS training to the MSC. This scale of commitment enabled the CITB to negotiate extensive control over YTS in the Construction sector, aided by significant support from politicians. This unity of the Construction sector contrasted with the divergent interests within the MSC and its dependence on other social partners and interests to deliver YTS.

The implementation of YTS through the CITB expressed the predictable interpretation of YTS as an employment policy. The CITB used YTS to revive the apprenticeship system and to subsidise employment costs. Social objectives were rejected. While this conforms to the trend gradually evolving through the adjustment in YTS rules, which emphasises employer based Managing Agents, it contrasts
with the message used to 'market' YTS. The CBI and TUC, as members of the MSC, endorsed an advertising campaign presenting YTS as a bridge between school and work, offering work experience not as a link to work. The contrast between policy and action is used only to indicate the distortion of policy that is facilitated by the ambiguity of policy and the difficulty and expense of developing implementation structures which can ensure conformance.

The study of this sector, and particularly the case study, suggest that the level of public investment in construction is critical to an increase in an expansion of training through the CITB and the Joint Industry Councils and Boards. In this respect the dominance of the CITB and MSC's dependence upon it inhibits the rate at which YTS will be available to young people, as reflected in the 13,000 self-employed school-leavers. The case study also reflects the findings of other research on the value and role of Area Manpower Boards; limited to an advisory function in the interests of a consensual climate which marginalises its members from the decision-making process. We commented that decisions may be made in older structures or in informal exchanges between professional staff. However, the case study provided an example of informal structures for decision making which were used in order to develop a rapid response. This was a decision which formal and routine structures could not accommodate either for reasons of speed, privacy or limited representation. As a result an alternative route was used by the main
employers association which led the local trade union representative to use his veto in the interests of the CITB and NJCBI. A clear conclusion from this case is the indivisibility of training and industrial relations, with industrial relations decisions pre-empting (setting the limits to) training decisions, whatever the formal structures for dialogue.

The Banking sector, in contrast to the two other sectors considered, is experiencing sustained and vigorous growth during this decade. Because of the policies of the current Government, the sector is experiencing a very rapid rise in the level of competition between the sub-sectors of this range of activities. The general, commercial or 'High Street' banks once had a highly differentiated role from the Building Societies, and the Trustee Savings Banks and other forms of financial services to individuals. Traditional and legislated sub-sector differentiation has rapidly diminished. Shortly after the turn of the nineteenth/twentieth century, this sector of financial services to individuals experienced a process of rapid monopolisation so that each of the sub-sectors was reduced to a relatively small number of national, competing, institutions. The career patterns that developed in this situation were highly traditional and the personnel practices were highly patriarchal. Recruitment was traditionally at the age of sixteen with very short careers for young women and extended careers for men within the single employing organisation. Transfer between organisations was extremely unusual. Training in this
context, in as much as it used public sector educational services, moved towards training for the examinations of the quasi-professional bodies associated with the industry. In the last two decades the financial institutions themselves have displayed a remarkable degree of ambivalence towards the utility of this training and qualification system. Short-run, in-house localised and specific training was a dominant concern of the organisations. On the other hand, possession of membership of the professional associations was regarded with some favour for promotion to managerial positions. In the more recent past the labour market practices which in effect discriminated against women have been called into question. The financial institutions, in a buoyant and competitive market, have felt some need to pay some attention to the claims for equality within the workforce. In practice the bargaining processes have led to what is probably a diminution in training for all but a shift towards equality of opportunity within that framework. This shift has taken place under the influence primarily of legislation, image and market concerns rather than the impact and influence of trade unions or staff associations that have, while having some influence, been relatively ineffective in this situation. It would be unwise to claim that in this sector there has been a policy distortion. It is more that a national policy orientation has not been fully accepted within the institutions in this sector.

This brief summary of the report enables us to make some statements about the characteristics of the UK system:
a) None of the social partners has a single national organisation which can speak with authority for all its members at sector level.

b) Exhortation has not motivated employers to increase substantially their investment in training, and Government funds, rather than inducing employers to act, have simply subsidised employers training programmes.

c) The trend towards decentralisation of the responsibility for implementing training programmes, and local negotiation of content, within broad guidelines, suggests that the role of national tripartite bodies should be reassessed.

d) Notwithstanding the rhetoric, the level of training activity and investment indicates that training is a low priority for all the social partners. (Government, Employers and Trade Unions.) All of them remain to be persuaded of the value of significant increases in investment in training.

e) The debate between the social partners (including their professional staff) suggests that responsibility for taking the initiative on training issues is passed from one to the other; Employers criticising the lack of Government investment and trade unions restrictive practices, Government making employers and trade unions responsible at the local level and Trade Unions calling
for more investment by Government and employers. Employers, when criticised, identify 'the City' (Stock Exchange) as the imposer of the short-term gain, crisis management perspective.

f) A fundamental characteristic of the UK vocational and continuing education system is the absence of a legal or statutory force to any definitions of training content.

The role of the social partners in the design and delivery of vocational and continuing education is a very complex subject, so much so that it is difficult to limit the area of the study. For example, it is clear from the sector studies that training relates directly to industrial relations and the corporate strategy of companies, which is influenced by the health of the national economy and Government expenditure plans. To suggest, therefore, that adjustment in training policy can withstand the rigours of other, more powerful, concerns and interests would be misplaced. Alternatively, to suggest a fundamental change in, for example, company law to require investment in training would ignore the prevailing climate in the UK towards greater voluntarism in Government-industry relations. Similarly, to suggest a change in the law would be to ignore the distortion of policy during implementation which takes place at present under existing law. Therefore, we also have to be aware of the barriers to change which exist at the sectoral and local levels, and also the restrictions on the direction of change.
6.3 LIMITS TO CHANGE

6.3.1 QUANTITY

The UK experience that all the social partners appreciate that greater commitment to an investment in training is desirable. There is a great deal of activity induced by the Government through the MSC. Nevertheless, there are insufficient levels of investment in 'human resource development' by Government and industry and a marginalised role for the trade unions.

The question we have to confront then is not a question about the need for change or desire for change but the method to induce change. Furthermore, even if a significant increase in commitment and resources were to be forthcoming the question of who should receive the benefit of resource growth remains.

In making our suggestions we have to be clear about the limits to their influence:

a) The complexity of the training policy and practice environment indicates that recommendations which concentrate only on setting up formal structures for dialogue are unlikely to be sufficient to induce change, although they may serve an important symbolic function. At present the corporate strategy decisions of employers pre-empt training decisions and determine the limits to
trade union influence and the extent and nature of links with Government.

b) Changing the 'agenda' of employers to increase the priority of training may be possible by the use of legislation and sanctions (contract compliance). The difficulty, however, is to ensure conformance. Similarly, the advocates of Statutory Training Committees should recognise that such a mechanism is only useful if time, information and expertise is available to all the partners. The present climate of opinion in the UK would appear to 'rule out' statutory instruments and an attempt to introduce them may impede progress rather than facilitate it.

c) The UK experience is one of inducing the social partners to become involved in VCE & T by exhortation, co-optation and financial subsidies. This indicates the voluntary approach to involvement. While the financial subsidy to employers appears to be effective it does not guarantee an increase in the total amount of resources as a substitution effect is possible. A suggestion advocating a substantial increase in Government and employer investment, frequently made by the Trade Union Congress, is unlikely to meet with a positive response.

d) Within the context of limited resources the current experience in the UK indicates a more concentrated stratification of the workforce and the unemployed as a basis for allocating training resources. This is a
reflection of the emphasis on "backing winners" and cost effectiveness in the interests of improving industrial productivity. The use of public funds in this way indicates the increasing priority given to training related to industrial restructuring. Whether this is the most desirable use of public funds is open to question, particularly in a period when industry is reducing its training budget. Suggestions advocating a reversal of this trend have to confront the myths and stereotypes used in training investment decisions which marginalise groups and communities.

e) We recognise that the low priority of training, other than for immediate, short-term, crisis management and economic restructuring purposes, is justified by the prevailing economic recession. Training as a means of overcoming the recession and with a view to a longer-term perspective is inhibited by resources and has to take into account important industrial relations concerns. Attempts at raising the status of training are already being applied in the UK:

i. the adult training strategy has attempted to persuade employers of the benefits

ii. NEDO research institutes have produced case studies of good practice

iii. LEA colleges are attempting to become more responsive to employers needs
Such techniques have not persuaded employers to increase their level of investment. Equally Government is reluctant to increase its own spending levels. Trade union are preoccupied with rising unemployment and discussions on flexible working practices.

f) The indications from the comments above is that the social partners are not persuaded that training is critical to economic performance to the extent that a significant increase in financial investment is likely. However, the existing arrangements appear to give employers a significant influence over the way in which public funds are allocated.

6.3.2 QUALITY

While it has proven impossible to reach agreement or develop adequate information systems on training quantity, quality issues are inevitably the outcome of the design and assessment of training. The means of determining skill need and assessing skill level is dispersed amongst a number of agencies and varies according to the level of the skill, the sector of industry and the perceived function of the skill. The United Kingdom has always relied on the use of external validating and examining agencies, on Industrial Training Boards to publicly define contents and standards in training (though not with statutory force). The employers have tended to use their definitions but, because the agencies neither directly train nor produce, the
definitions of content and standards shift towards a loose "labour market need". As a result the system works best in periods of stability. Then concern shifts to a definition of training that becomes what is needed to get a job. New demands, that require new definitions of what is needed to do a new job move back to individual employers.

For example in the Construction sector case, characterised as multi-employer and with relatively slow changes in skill requirements, the employers and trade unions have maintained their traditional dominant control over the content and assessment of craft skills. In the Engineering sector, by contrast, we noted rapid technological change having a fundamental impact on skill requirements and the organisation of work. The expertise for determining the level and nature of the skills required therefore often lies with the employer through the product research and development function. From this knowledge of skill need the personnel or training manager then negotiates with training providers to determine the content of the training programme. Managers will, of course, vary in their knowledge of training courses available either in the public or private sector, which may account for the development of an in-house training facility.

Similarly, companies will vary in the nature of their capital investment plans which will influence skill needs. For example, some may match machinery to the skills within the existing workforce, others may invest in training or recruitment to provide the skills necessary to use newly
acquired machinery. As European research has indicatedtrade union involvement is unlikely to occur at the mostinfluential stage in this decision process.

Skill need, then, is defined by the employer andmanagement. In the Engineering sector the EETPU hasalso attempted to meet this need. In our case study theTraining Manager negotiated a custom-made training modulewith an external training agency. In both cases thetraining provider responded to and, no doubt, informed, theemployers' notion of higher skill requirements.

The indication is that a wide range of training provisionexists: public, private and in-house. Furthermore, in thehigh and information technology sectors training needs aremet in the form of short courses which are outsideconventional validation and certification bodies, whichreflects the rapid developments taking place in thissector. The involvement of trade unions in these sectors,if they exist, will often be at the discretion ofmanagement. In some companies staff appraisal system havedeveloped to monitor the training needs of certaincategories of staff. Such developments have been advocatedby the Engineering Council and are considered to adevelopment of employer-employee relations rather thaninvolving trade unions.

The link between quantity and quality fluctuates dependingon labour market conditions, hence it is possible to have skill shortages during a period of high unemployment.
However, research into recruitment and training policies of large employers has indicated the out-dated assumptions of many employers who have traditionally dominated the local interpretation of training needs. Particularly influential are the stereotypes held by training and personnel staff and civil servants of the characteristics and skills of the unemployed, males and females, young and old, able or disabled, with or without formal qualifications, nationals or immigrants, and from a range of ethnic backgrounds. Exposure to evidence and good practices should sensitise such staff to the existing arbitrary nature of selection and judgement of skills and enable the distinction between skills needed to do a job and skills needed to get a job to be clarified.

6.3.3 PROFESSIONAL STAFF

In considering both quantity and quality issues it is clear that dialogue, formal and informal, involving all or some of the social partners does take place. We believe it is also important to recognise a common professional network which encompasses all the social partners. This is the manager and civil servants who are employed by each of the social partners to help formulate and implement policy. As we described in both the Engineering and Construction sectors dialogue is ongoing within this professional 'network' and although it may be difficult to monitor there can be no doubt that the knowledge they hold and the discretion they have provides them with a potentially influential role. Both our sector studies indicated that
professional staff dealing with employers and employer/industry associations were involved in a dialogue which considered the quality, quantity and function of training resources. The extent to which such staff reflect the aims and objectives of the social partner that employs them is not always clear. However, in situations where policy is unclear or ambiguous there is certainly opportunity for incremental adjustment.
6.4 RECOMMENDATIONS

6.4.1 INTRODUCTION

The form, content and functions of dialogue, whether formal or informal, is extremely varied. We also recognise that the commitment or need for dialogue varies within and between the social partners. For purposes of generalisation we could argue that: Government activity has taken the form of exhortation, co-option and financial subsidy in order to involve and influence employers; Trade Unions are involved at the discretion of employers at plant level and involvement in Government mechanisms, while accepted, is seen as marginal to collective bargaining procedures; Employers determine the involvement of trade unions, usually to alleviate the impact of restructuring, and have the facility to persuade Government to subsidise their training costs.

This variety of involvement, responsibilities, concerns and priorities may be perceived as characterising incoherence, instability and disorder. We would argue, however, that these characteristics are not unique to the UK and reflect the dynamic, rapidly changing and adaptive conditions predictable in complex industrial society which is continually restructuring. Having recognised this variety, we identify it as indicating opportunities for change and development rather than inhibiting change.
We suggest that incremental change is possible in a number of ways and in most cases will involve some additional resources. For example, if statutory instruments were introduced resources would be necessary to ensure conformance. Where new mechanisms for dialogue are suggested or where mechanisms exist there is a clear need to consider the time, financial, information and expertise implications for each of the social partners. Separate from dialogue one might also consider making specific grants available for staff development to trade union officials/officers, personnel managers and civil servants.

The level for making decisions on allocating resources is also significant. One might use European institutions of each of the social partners, national bodies such as the CBI and TUC and individual trade unions, in a 'top-down' approach. One might also consider stimulating discussion and debate at the local level by financing training or staff development workshops of a single or multi social partner status, in a 'bottom-up' approach. This latter approach would certainly reinforce and support the trend towards local determination of training need evident in the UK. Evidence of good practice, case study research and action research would facilitate local discussions.

6.4.2 INTERVENTION

These introductory remarks can be organised around three themes which should be considered before choosing the nature of intervention: function, level and methods of
introducing change and support for dialogue.

a) **Function**

The three sector cases we have presented were concerned with three specific and different functions:

- **Vital Skills Training Grants** were developed in order to provide retraining and conversion courses to highly skilled members of the workforce to overcome skill shortages which were seen as inhibiting the development of the high technology industry.

- The **Youth Training Scheme** was presented as a response to youth unemployment by offering young people work experience which would make them more competitive in the labour market.

- **Career Breaks for Women** contain a specific equal opportunity function in order to enable women to return to the labour market.

In simple terms, VST grants were designed to **facilitate productivity through restructuring**. To achieve this objective skill shortages were overcome by employing and retraining graduates rather than members of the existing workforce. The Youth Training Scheme (YTS) was developed to **alleviate** the adverse impact of economic and industrial restructuring. Career Breaks were developed to **redistribute opportunities** to a group in the labour force.
who suffer disadvantage. The indication of these cases is that an equal opportunity initiative, such as Career Breaks, had a very low priority and, because of the relatively small number of women eligible for the scheme, failed to provide adequate career opportunities for the vast majority of women in the Banking sector. Simply, the scheme enabled identified "high fliers", those who were considered a good investment as they had been able to achieve a senior position, to be retained in the workforce. YTS, presented as a youth unemployment policy, has rapidly fallen victim to the short-term economic imperative and the social role has been distorted. This was clearly the case in the Construction sector whereby a social role was presented as threatening industrial relations, diluting skill status and feeding the casual labour force. As a result training for immediate need resulted in a large number of young people adopting self-employment status and receiving no organised training. This same imperative, which marginalises a large number of young people, is evident in the way that the funding rules surrounding YTS have been changed. This has resulted in a large number of non-private employer related training schemes, which are relatively expensive, being closed or threatened with closure. The training in these schemes may be as good or better than employer based schemes but the trainees are marginalised and stereotyped as "unemployable".

The YTS and Careers Break cases are referred to in this way as they both represent examples of policy distortion during implementation. This is not to indicate that the policies
were wrong but simply to indicate that such policies are often under-resourced and have relatively low status in the eyes of those administering them. For example, one has to question the commitment to equal opportunity in the Construction sector whereby women have a very low presence. The conclusion to draw from this is that the resource and implementation implications of such policies should be recognised, which suggests more resources but also requires staff training for those concerned with implementing the scheme.

We recommend that: in order to reduce the distortion of training policy, policy objectives of each of the social partners should be clearly stated and appropriate resources allocated to ensure that these objectives are recognised and supported by those responsible for the implementation.

b) Level of Intervention

Local

The UK case has indicated the emphasis given to locally determined activity on a voluntary basis, on the assumption that training needs are best determined by employers and that collective bargaining is the preferred machinery for change. This trend is reflected in the decentralisation of Government activity to local agencies and plant level bargaining while financial control is being centralised. The evidence of existing local machinery, both that created
by MSC and that within the plant, is the lack of influence experienced by trade unions. In the case of collective bargaining trade unions have a reactive, alleviative role. On the Area Manpower Boards influence is reactive in the form of a veto. Within the plant the time available to monitor training is limited. A critical issue then is the expertise, time and resources available to trade unions at local level to influence or set the training agenda. Advocating this activity may, however, require that some support is centralised at the National office of the trade union in the form of information units and technical experts and the provision of training workshops or courses for local officers. It is clear that if plant level officers are to be involved then a critical issue is the time available to them. As we mentioned in the Engineering case the climate of opinion is against this, although evidence of the benefits of dialogue may be available amongst large employers, eg. Austin Rover and Lucas.

Support for a greater role for trade unions in the training debate would be welcomed by a number of national officers who perceive member ignorance and apathy as a problem. Other, national, observers have also expressed the desire for more activity by trade unions in order to increase the pressure for greater investment in training by employers. The caveat to all these comments was a recognition of the limited resources available to trade unions.

We recommend that: in order to facilitate trade union involvement in the training dialogue, a greater
consideration should be given by Government agencies to trade union representation and the resources implications of meaningful involvement should be recognised and supported by Government.

Another option at the local level would be to organise dialogue between the partners, perhaps on a sector basis. Developing further the dialogue at local level would appear to have benefits for all the social partners. Firstly, admittedly limited, investigations have unearthed a desire by training managers and trade union officials to be better informed of the training facilities available from external agencies such as the ITBs and the MSC. This failure to disseminate at the local level is evident from the disappointing response to the national Adult Training Campaign.

We recommend that: at the local sector level, information between social partners on training opportunities and training demand should be disseminated through formal arrangements. This will require additional structures and resources applied to key sectors of the local economy. The local education authorities and the Manpower Services Commission will need to be involved together with employers and trade unions.

Secondly, existing mechanisms for dialogue, such as Local Employer Networks and Non-Advanced Further Education Local Development Plans, emphasise the role of employers and
leave trade union involvement to the discretion of MSC, local education authority and college staff. With the prevailing myth of trade unions as inhibiting change an invitation to involvement is unlikely to be forthcoming. Finally, given the distortion of policy, there is a case for increasing staff development for MSC staff at the local level to include an awareness of the nature and content of local dialogue. The objective of such local level activity would be to facilitate and enhance the dialogue through the provision of structured support, which would question stereotypes, myths and assumptions, inform the social partners, clarify ambiguities in policy and identify opportunities for development. The action research activity implicit in this suggestion is one which the European Commission has adopted in the past, and training workshops are commonly associated with Commission directives.

We recommend that: staff development workshops and action-research projects be initiated by the EC (perhaps via local MSC administrative structures) in order to clarify and improve the nature and content of dialogue between the social partners at the local level.

Sectoral

This report has described the recent changes at sectoral level with a move from statutory to voluntary training bodies. Under the voluntary arrangements the involvement of trade unions is at the discretion of the employer
associations. Such marginalisation of trade unions is also evident in our Engineering case, although at the discretion of ITB staff. The presence then of trade union representatives on the remaining ITBs (with the exception of the CITB) appears to be for the purpose of gaining information and advocating greater investment in training.

The trade union role at this level appears to be constrained by the priority given to collective bargaining at plant level. Nevertheless, for the purposes of stimulating dialogue, one can argue for a greater MSC involvement, beyond attendance at ITBs and informal links with trade unions which develop incrementally. The creation of formal dialogue between MSC staff and trade union representatives would facilitate information exchange and sensitise each partner to the concerns of the other.

The Joint Industry Boards and Councils which characterise the Construction industry are a consequence of the structure of the sector. Consequently the possibility of replication is severely limited. However, formal structures for dialogue, initiated by MSC, may offer benefits. This would require MSC to move towards the specific training and labour market concerns of industrial sectors implicit in changing skill requirements and the organisation of work. Simply, we see the sector level as an opportunity for MSC to develop its role as a facilitator of corporate debate.

We recommend that: the Manpower Services Commission develops a greater involvement in the training concerns of specific industrial sectors and, in doing so, include
a trade union involvement as part of the development of its training policy and programmes and as a stimulant to corporate debate. Careful coordination with the activities of the new National Council for Vocational Qualifications will be required where these are not the direct vehicle for MSC initiative.

National

Just as the sectoral level debate is pre-empted by local/plant level activity and priorities the value of national debate and agreement is open to question. One function is post hoc endorsement or rationalisation of local activity. Another is to set the climate of opinion. Another is to legitimate the role of the participants, for example, the CBI and TUC. The extent to which local 'actors' respect or adhere to national statements is open to question. Some observers suggest that the attention of firms/employers to national agreements is low, partly because reaching agreement at national level can be a slow process. Similarly, in a period of rapid economic change, solidarity amongst trade unions is stretched to breaking point. The pace of change, then, is determined by individual employers/managers, as the bargaining power of trade unions is low.

We recommend that: public procurement policy be recognised and utilised as a policy instrument for stimulating investment in training. This policy could also be seen as offering examples of good practice to
other large employers.

The role and prominence of both the CBI and TUC in training matters should be put into perspective. The CBI Education and Training Department has 10 staff (contrasting with 26 staff in the equivalent Danish organization). The TUC Education Department has 2 staff. The purpose of presenting the level of staff resources is to indicate the limited potential for impact on training and education issues and implicitly the low status attached to training. Given the voluntary membership of the CBI and the loose affiliation to the TUC the statements and policies emanating from these two 'representative' bodies should be treated with caution.

ACAS made a special point about the influence of external factors on collective bargaining, particularly Government. We can interpret this as Government's influence on the 'climate of opinion'. In recent years the climate has been set against trade union involvement in training and other issues. In spite of this it is possible to identify opportunities for action. Perhaps the most powerful agents for bringing training onto the agenda is central (and local) Government through its own personnel practice (internally) and through public procurement (externally). As the House of Lords Select Committee noted the contracts of the Ministry of Defence offer an opportunity to introduce a training provision clause. Similar requirements could be made in a vast number of contracts made by Government departments and nationalised industries.
with the private sector. As we pointed out above, legislation to impose a levy on companies to invest in training may have a significant impact as a symbolic gesture or perhaps even as a threat, but conformance is not ensured and even conformance may simply stimulate creative accounting within companies. Furthermore, forcing companies to train could be used to justify a further reduction in public sector training rather than redirecting resources to alternative client groups. Nevertheless, greater investment by both Government and industry is advocated by a great many commentators.

The issues of skill quality and how and which people are selected to receive training would remain as a significant subject for dialogue between the partners. From this perspective a statutory training committee in each firm, supported by the necessary sources, would appear to be desirable.

We recommend that: training committees at plant or firm level be set up in order to confront the issue of the allocation of training opportunities to the workforce within the plant or firm. In the absence of staff appraisal and development systems, a statutory system of training committees is desirable. At the very least a training committee, on which trade unions are represented, should be a necessary condition of a firm being an accredited training organisation for YTS or JTS.
European

One obvious mechanism for influencing the 'climate of opinion' is the European Commission and its agencies. However, the limits to the influence of the EC on member states and European and national level employer organisations in the industrial relations field may be very small. The experience of the Vredeling proposal indicates the difficulties. The indications are that intervention through guidelines or directives will be resisted. This is confirmed in a recent account by a representative of the UK's Engineering Employers Federation (EEF) on the issue of trade union involvement in the introduction of new technology.(1) The EEF and similar organisations in other member states, through the Confederation of European Industry (UNICE), have consistently rejected the idea of guidelines for dialogue. Such guidelines are resisted on the basis that they are formulated by organisations relatively remote from plant level developments. It is argued that the success of the present informal framework in introducing new technology "without undue difficulty" has been ignored. This is a defence of the traditional collective bargaining machinery.

This response suggests that a development in the social partners dialogue is unlikely to be achieved through legislation without a great deal of difficulty. Legislation, moreover, would have to confront the difficulty of compliance. Consequently, while discussion on directives and legislation may influence the 'climate of
opinion', and are therefore useful, influence through persuasion, example and support should also be considered. This could take the form of developing and disseminating 'good practice' as a means of sensitising the social partners to the benefits of dialogue. In addition, one would expect support for local representatives of the social partners in the form of access to information and expert advice. While our case suggests that trade unions are disadvantaged in resource and information terms there is an advantage in all of the social partners being involved in development workshops. This is a form of activity which the European Commission has funded in a number of policy areas.

We recommend that: a European Programme of development workshops be instigated to identify and disseminate 'good (dialogue) practice'. These workshops should be supported by resources, information and expertise to enable social partners to attend and benefit.

c) Methods

The preceding paragraphs have considered the function and level implications of intervening or facilitating dialogue between the social partners. We have also identified some opportunities for intervention and facilitation. A decision to introduce new structures involves a choice based on a judgement of what is desirable and feasible. As with the discussions on the function of policy, a consideration of structures implies questions about access,
information influence and control. Consequently suggestions for, and criticisms of, mechanisms are inevitably contentious as they imply a criticism of the status quo. The prevailing, and traditional, attitude in the UK, which is held by Government, Trade Union Congress, Confederation of British Industry, employer associations and trade unions, is that collective bargaining at plant level offers the most appropriate level for dialogue.

From this statement it is clear that structures for training dialogue will not pre-empt collective bargaining frameworks. Training dialogue, however, may help to confront issues and facilitate the exchange of information and expertise which could influence discussions in the collective bargaining area. While it is impossible to state which 'structure' is best suited to generating and facilitating dialogue between the social partners it is clear that a range of structures exist in practice and that a package or programme of action would include a number of options, both formal and informal. We present some examples below.

Enabling Legislation

For example, statutory training committees at plant level, the introduction of a company tax, and the re-establishment of statutory industry training boards.

Facilitating 'Agents'
a) These could take the form of financial inducements to organise training programmes which have been designed through dialogue between the partners. A similar inducement could be provided through public procurement policies and contract compliance whereby public sector contracts (both central and local Government agencies) made training and structures for dialogue a requirement of the contractor.

b) We noted that the professional staff employed by each of the social partners provided an 'informal network' for dialogue. We consider that 'staff development' funds could be used to good effect if directed at each of the social partners and in combined training and development workshops. Such workshops, or conferences, could also include representatives.

c) We have commented on the lack of information available to employers and trade union representatives at local level. The dissemination of information on training opportunities and developments to both employers and trade union representatives on an individual, sectoral, generic and geographical basis would facilitate a more meaningful dialogue and raise the visibility of training policy. There are two important caveats, firstly, the information should be capable of regular up-dating and, secondly, the implications of the work-load for representatives would have to be confronted. This could be overcome, in part, by allocating grants for the appointment of experts and advisers but the restriction
on work-based trade union officials activity is a significant impediment.

**Development Projects**

The staff development and training workshop proposals mentioned above imply the resourcing of development projects as an input for the purpose of discussion. We would envisage a number of issues being confronted in such workshops which would need support in the form of empirical evidence: examples of the barriers to dialogue, the ways in which policy can be distorted during implementation, the monitoring of existing structures for dialogue, particularly the main influences which determine the 'agenda', the way in which members of the workforce are selected for re-training opportunities. All of these examples would be working towards developing and identifying good practice 'models'. We also think it is important to investigate the relative merits of dialogue at sector, generic and local level.

**Advocacy**

We have indicated that exhortation to train is a characteristic of the UK case, particularly the advertising campaigns for the Youth Training Scheme and the Adult Training Strategy. We also noted that 'Career Breaks' have been used by Banks to represent their social responsibility ethos. There is an indication here that prestige and image are instruments of influence. We recognise, however, that
advocacy at national level using the media is an expensive activity beyond the scope of trade unions. Similarly, the resources available to the Trades Union Congress to influence its affiliates does not compare with those available to Industry or Government. Furthermore, the evidence of the House of Lords Select Committee indicates that the dialogue between the social partners is concerned with passing responsibility for training rather than confronting the resource implications of meeting that responsibility.

6.4.3 THE UK EXPERIENCE

None of this range of 'options for action' is new in the UK. For example, the Youth Training Scheme utilised a combination of: mass media advertising, regional conferences, staff development funds, financial inducements and ambiguous policy. MSC also provided structures for dialogue at national and local level as part of the formulation and implementation of the scheme. However, the influence of each of the social partners on the outcome (YTS in practice) was not equal and so reflected levels of commitment, resources, expertise, information and time.

In the case of the Adult Training Strategy a campaign was developed to advertise the benefits of training and informed employers of the grants available to them. These grants were delivered to employers by the MSC and sectoral bodies with little trade union involvement. Information such as the 'Paying for Training' guide to sources of
finance, for example, was made available to employers, training providers and business and education advisers.

In the case of 'Career Breaks' the threat of legislative power to enforce Equal Opportunity policy has proved effective independent of the will of employers in initiating policy. This success, however, has been conditional on a high level of competition within the industry in which individual firms have become increasingly conscious of the need to maintain a good public image, particularly where an increasing proportion of their clients are women.

Other structures exist in the UK which offer techniques for involving the social partners. Non-Advanced Further Education local development plans were imposed on local authorities by Government and, in implementation, it was the discretion of local authority staff formulating the plan that determined the extent and nature of the dialogue with social partners. In most cases the existing links were maintained and consultation with trade unions appears to have been limited to these unions representing teaching and lecturing staff in educational institutions. Similarly, Non-Statutory Training Organisations utilise MSC funds and union involvement is discretionary. Statutory Industry Training Boards differ in the level of trade union involvement but employer control over the levy is the major determinant of the quantity of training. The recently devised Local Employer Networks offer an opportunity for increased dialogue between employers and local education
authorities on the delivery and content of training, but once again trade union involvement has not been considered.

In recent statements emanating from Government the MSC indicate that increasing priority is being given to the role and quality of training providers, both in industry and the education service. (3) This parallels, in part, the emphasis we have attached to the development of professional staff and representatives of all the social partners. The recent concerns of the MSC emphasise influencing vocational education staff in the public sector and instructors in industry. Once again trade unions as a partner having an interest in vocational and continuing education and training and having some potential to influence the status and priority of training are ignored. As the MSC's concern is to utilise trainers in order to influence attitudes and activities we consider this an activity which could also be utilised within trade unions.

This section has indicated the range of methods available to intervene and influence social dialogue. Many of these methods have been adopted in the UK yet it is clear that the involvement of trade unions has not had a high priority. This is understandable in situations where trade unions may be apathetic or disinterested in training issues because of other preoccupations. We have to conclude that if trade union involvement in a dialogue with the other social partners is a serious objective then it is important that consideration is given to the support facilities necessary to facilitate that involvement.
We recommend that: if dialogue between the social partners is to be meaningful then serious consideration should be given both by employers and government to stimulate trade union involvement in the debate. It would seem there are resource barriers to the equal involvement of all the partners and that pilot schemes could be used to test the propensity for dialogue 'ween partners.
REFERENCES


BIBLIOGRAPHY

ADVISORY, CONCILIATION AND ARBITRATION SERVICE, 'Collective
Bargaining in Britain: Its Extent and Level', Discussion Paper

BARRETT, S. and FUDGE, C. (Eds), 'Policy and Action: Essays on

BARRETT, S. and HILL, H., 'Policy Bargaining and Structure in

BEAUMONT, P., 'Industrial Relations Policies in High Technology
Firms', in New Technology, Work and Employment, Vol.1, No.2,
Autumn 1986.

BEVAN, S. and HUTT, R., 'Companies Perspective on YTS', Institute

BIFU, 'Jobs for the Girls? The Impact of Automation on Women's


CONSTRUCTION BOARD NEWS, March 1983.

CONSTRUCTION BOARD NEWS, April 1983.


Daly, Hitchens and Wagner, 'Productivity, Machinery and Skills in a Sample of British and German Manufacturing Plants', NIER, February 1985.


EPIC SURVEY of Industrial relations and Employee Communications, 1986.


EUROPEAN PARLIAMENT, Mr J. Livine-Groenendaal, Draft Report on 'Education and Training in New Technologies' (drawn up in the framework of the reports on the restructuring of the community employment market). Section A - Motion for a Resolution. 16 June 1986, Committee on Social Affairs and Employment.


FINANCIAL TIMES, 22nd May 1984.

FINANCIAL TIMES, 20th March 1986.

FINANCIAL TIMES, A review of an internal study by the TUC's National Education Centre, 14 October 1986.


THE GUARDIAN, 10 February 1986.


'LABOUR RESEARCH', November 1986.


MANPOWER SERVICES COMMISSION


'Youth Training Scheme News', April 1983.


"Improving Information on Skill Supply and Demand", 1986.


MARGISON, P.M., "How Centralised is the Management of Industrial Relations", in Personnel Management, October 1986.


NATIONAL ECONOMIC DEVELOPMENT OFFICE

"Computer Manpower in the 80s", 1980, HMSO.


SHORT, C., Hansard, Column 564, 8 July 1983.


SPENCER, A and PODMORE, D., (eds), "In a Man's World', 1987 Tavistock.


YOUNG, D., Chairman of the Manpower Services Commission in a speech to the Royal Society of Arts, February 1984.
CONSULTATION WITH THE SOCIAL PARTNERS

In addition to a meeting to discuss the Interim Project Report with the UK members of CEDEFOP's Management Board the following organisations were contacted for written material, discussions and/or interviews:

Government

National Economic Development Office: Manpower and Industrial Relations Division

Manpower Services Commission: Youth Programme Branch
Quality Branch
Sector Training Branch
Area Manager
Area Project Development Co-ordinator
Employers

Confederation of British Industry
Building Employers Confederation
National Joint Training Council
Construction Industry Training Board (officers and members)
Engineering Industry Training Board (officers and members)
Electrical Contractors Association
Engineering Council
British Aerospace
Vocational Training Commission of FIEC (Federation Internationale Europeene de la Construction)

**Engineering Case Study**: Industrial Relations Director and Training Manager

**Construction Case Study**: Managing Director of the YTS Managing Agents

**Banking Case Study** : Equal Opportunity Officer of the Bank
Trade Unions

Trade Union Congress
UCATT (national official)
EETPU (national official)
ASTMS (national official)
TASS (national and local officials)
BIFU (official)
Staff Association representative

Experts Contacted

A. Anderson  Consultant to NEDO
G. Bamber  Durham Business School
M. Boddy  University of Bristol
H. Levie  Ruskin College/FNV Amsterdam
J. Lovering  University of Bristol
R. Moore  Ruskin College
M. Povall  City University
H. Rainbird  University of Warwick
B. Willey  Kingston Polytechnic
Workshop

The researchers were invited to attend an Economic and Social Research Council Workshop, 'Tripartism and Training', 14 November 1986, to discuss the findings of research projects.
ANNEX B

ABBREVIATIONS USED IN THIS REPORT

ACAS          Advisory, Conciliation and Arbitration Service
ACC           Association of County Councils
AMA           Association of Metropolitan Authorities
AMB           Area Manpower Board
ASTMS         Association of Scientific, Technical and Managerial Staff
ATO           Approved Training Organisation
ATS           Adult Training Scheme
BEC           Building Employers Confederation
BEMAS         British Educational Management and Administration Society
BIFU          Banking, Insurance and Finance Union
CAD           Computer Aided Design
CBI           Confederation of British Industry
CELP          College-Employer Links Project
CET           Continuing Education and Training
CFE           College of Further Education
CITB          Construction Industry Training Board
CPRS          Central Policy Review Staff
CSEU          Confederation of Shipbuilding and Engineering Unions
DES           Department of Education and Science
DHSS          Department of Health and Social Security
DTI           Department of Trade and Industry
EC/EEC        European Commission/European Community/European Economic Community
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>EEF</td>
<td>Engineering Employers Federation</td>
</tr>
<tr>
<td>EETPU</td>
<td>Electrical, Electronic, Telecommunications and Plumbing Union</td>
</tr>
<tr>
<td>EITB</td>
<td>Engineering Industry Training Board</td>
</tr>
<tr>
<td>EOC</td>
<td>Equal Opportunities Commission</td>
</tr>
<tr>
<td>FE</td>
<td>Further Education</td>
</tr>
<tr>
<td>FESC</td>
<td>Further Education Staff College</td>
</tr>
<tr>
<td>FGPC</td>
<td>Finance and General Purposes Committee</td>
</tr>
<tr>
<td>IR</td>
<td>Industrial Relations</td>
</tr>
<tr>
<td>ITB</td>
<td>Industry Training Board</td>
</tr>
<tr>
<td>JIC/B</td>
<td>Joint Industry Council/Board</td>
</tr>
<tr>
<td>JTS</td>
<td>Job Training Scheme</td>
</tr>
<tr>
<td>LEA</td>
<td>Local Education Authority</td>
</tr>
<tr>
<td>LCU</td>
<td>Large Companies Unit</td>
</tr>
<tr>
<td>MA</td>
<td>Managing Agent</td>
</tr>
<tr>
<td>MSC</td>
<td>Manpower Services Commission</td>
</tr>
<tr>
<td>NAFE-LDP</td>
<td>Non-Advanced Further Education - Local Development Plan</td>
</tr>
<tr>
<td>NEDC</td>
<td>National Economic Development Council</td>
</tr>
<tr>
<td>NJCBI</td>
<td>National Joint Council for the Building Industry</td>
</tr>
<tr>
<td>NJTC</td>
<td>National Joint Training Council</td>
</tr>
<tr>
<td>NP-SP</td>
<td>National Priority Skills Programme</td>
</tr>
<tr>
<td>NSTO</td>
<td>Non-Statutory Training Organisation</td>
</tr>
<tr>
<td>NTA</td>
<td>New Technology Agreement</td>
</tr>
<tr>
<td>NTI</td>
<td>New Training Initiative</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PICKUP</td>
<td>Professional, Industrial and Commercial Updating.</td>
</tr>
<tr>
<td>Q</td>
<td>Quality</td>
</tr>
<tr>
<td>QUANGO</td>
<td>Quasi-Autonomous Non-Government Organisation</td>
</tr>
<tr>
<td>ST</td>
<td>Sector Training</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Description</td>
</tr>
<tr>
<td>-------------</td>
<td>----------------------------------------------</td>
</tr>
<tr>
<td>TASS</td>
<td>Technical, Administrative and Supervisory Section</td>
</tr>
<tr>
<td>TUC</td>
<td>Trade Union Congress</td>
</tr>
<tr>
<td>TVEI</td>
<td>Technical and Vocational Education Initiative</td>
</tr>
<tr>
<td>UVP</td>
<td>Unified Vocational Preparation</td>
</tr>
<tr>
<td>VCET</td>
<td>Vocational and Continuing Education</td>
</tr>
<tr>
<td>VET</td>
<td>Vocational Education and Training</td>
</tr>
<tr>
<td>VST</td>
<td>Vital Skills Training</td>
</tr>
<tr>
<td>YOP</td>
<td>Youth Opportunities Programme</td>
</tr>
<tr>
<td>YP</td>
<td>Youth Programme</td>
</tr>
<tr>
<td>YTS</td>
<td>Youth Training Scheme</td>
</tr>
</tbody>
</table>
The role of the social partners in vocational education and training in the United Kingdom

Charlie Mason
Russ Russell

CEDEFOP Document

Luxembourg: Office for Official Publications of the European Communities
1987 — 388 pp. — 21.0 x 29.7 cm
DE, EN
ISBN 92-825-7703-1
Catalogue number: HX-49-87-866-EN-C
Price (excluding VAT) in Luxembourg
ECU 10 BFR 400 IRL 7.20 UKL 7.00 USD 10