

the emerging role of unions in the UK learning
and skills system

From Spearholders to Stakeholders

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Section one

introduction

This article first appeared in the monograph “Trade Unions and Training: Issues and International Perspectives” edit. Richard Cooney and Mark Stuart, published by Monash University, Australia (2004)..

The article outlines the history of union involvement in training from the neo-corporatism of the 1960/70s, through the voluntarism of the 1980s/90s, to the present “post voluntary” era. It concludes that although that there has been significant capacity building in unions under New Labour, the lack of significant collective bargaining over training limits delivering the broad union learning agenda at the workplace. This will require the introduction of a statutory framework.

Section two

skills formation and distribution and the role of unions

Training provision involves more than technical questions about how skills are developed. The level of skills and who possesses them can reveal the prevailing balance of power at the workplace. It has been argued that unions should embrace skill formation as the centre piece of a new co-operative strategy but retain a strong independent power base with a capacity to impose obligations on employers (*Streeck, 1994*). Yet traditionally in the UK, it is the employer who holds the information about available training opportunities. The power of choice over type of provision and who takes it up has resided primarily with the employer; sometimes leaving employees unaware of the opportunities to learn.

There can thus be tensions between employer and employee. The former may view all decisions about the content of job-related training, who receives it and how the acquired skills are utilised as a management prerogative since it involves the organisation of work and related productivity issues. Unions however have a legitimate interest in the effect on skills on job evaluation and reward systems. Many employers may have little incentive to adopt strategies based on the transferability/accreditation of skills and employee development in general; given the fear of poaching. On the other hand, employees and their unions see that it is in their interest to access broad and high skills to promote job mobility and meet sector needs. Progressive unions may also wish for a fairer distribution of training opportunities; with greater increase in provision for low skilled and part-time/temporary workers.

Increasing learning and skills at the workplace is thus not simply a "positive-sum" game even though there is good evidence that increased training leads to returns to both employer through productivity increases and to employee through a wage premium. An important element is the balance of power at the workplace which in turn can be influenced by the decision-making process in the learning and skills system as well as the employer/employee balance in the industrial relations system. This paper attempts to track the significant changes to these systems over recent years resulting from shifts in political ideology.

Section three

the union effect on training activity

The literature in relation to the impact that unions might have on training investment decisions is well documented (*Heyes, 2000*). In the past, human capital theory has implied that the willingness of employers to provide training diminishes where trade unions are able to negotiate real wage increases for trainees. Explanations for the declining volume of apprenticeship training in the UK from the mid-1960s onwards have included unions' attempts to narrow the earnings gap between young trainees and skilled adult workers in the same occupation. The return employers received on training investment was thus reduced (*Gospel, 1995*).

Other perspectives indicate that trade unions may have a positive role to play in encouraging training activity within firms. Trade unions by resolving problems on behalf of their members can help staff retention and lower turnover. This in turn increases employer return on investment in training and thus their propensity to train. Furthermore, unions may close off routes to competitiveness based on the intensive use of low-wage, low-skill labour and help influence employers to adopt a high skills, high spec, and high wages route.

Empirical evidence has found that employees in workplaces where trade unions are recognised stand a significantly higher chance of receiving training than those in non-unionised workplaces. The union "voice effect" led to unionised workplaces being also more likely to have training plans (*Green et al., 1996*). The Workplace Employee Relations Survey found that sixty-two per cent of employees in workplaces where unions were recognised received training in the year prior to the survey, compared to 54 per cent of employees in workplaces where no union members were present (*Cully et al., 1998*). This positive association between unions and training activity in the UK mirrors that of Australia. The Australian Workplace Industrial Relations Survey found that workplaces where unions were active were associated with superior provision of formal training programmes (*Kennedy et al., 1994*).

The union “voice” has however been limited over the last two decades as a result the unremitting decline of union membership in the UK; falling from a peak in 1979 when union density was over a half the workforce to the present level of 27 per cent. This fall has been uneven in the labour force; with three in five employees in the public sector being in unions but only one in five private sector workers being union members. Union membership has stabilised rather than increased under the new Labour government; even in a more favourable political climate where unions have been given more recognition rights and employees given more employment rights. Only one in three employees is covered by collective bargaining and such bargaining does not include the statutory right to negotiate on issues such as training and learning. The union impact on training and learning at the workplace is thus affected by internal factors such as the effectiveness of organisation and recruitment and by externalities such employment law.

Section four

tripartism to employer hegemony

In the UK, unlike in many northern European states, social partnership in education and training has been underdeveloped. This reflects both the nation's relatively unregulated labour market particularly over the last couple of decades and the adversarial nature of industrial relations. With the election of a Labour government in 1997, there has however been increasing recognition of unions as stakeholders in learning and skills policy. Partnership with unions over learning and skills is an important strand of the Government's lifelong learning strategy although formal social partnership is problematic. Devolved decision-making to the social partners is still marginal and relations between social partners still fragile. Nevertheless, government positive support for enhancing union capacity over learning and skills provides a much more favourable terrain for social partnership ever since the 1970s. There have been three distinct stages in union involvement in the UK learning and skills system since the 1960s:

- a) 1960s - 1970s: neo-corporatist system underpinned by formal tripartite social partnership structures
- b) 1980s - late1990s: employer-dominated voluntary system with unions marginalized
- c) late 1990s-present: increasingly centralised government system with informal partnership arrangements

After a period of voluntarism following the Second World War, came a more interventionist approach at sector level. It resulted in the establishment of tripartite statutory industry training boards (ITBs) in the 1960s with powers to introduce training levies. Decision-making on skills formation was thus devolved to employers, trade unions and educational interests. In the 1970s there was a cross-party political consensus that there was a need for national neo-corporate machinery to intervene in the economy and the labour market. As a result the Conservative Government set up the tripartite National Economic Development Council and the Manpower Services Commission

(MSC). The intention of the MSC was to address market failure in training and to deliver active labour market measures and it was modelled on the Swedish Labour Board. As unemployment grew from the mid 1970s however the MSC became more and more directed towards designing and delivering programmes for unemployed young people and long term unemployed adults. Through the MSC Commissioners appointed by the Trades Union Congress and union members of the 54 MSC Area Manpower Boards, unions were very much engaged with the Commission's programmes. Their aim was to limit any job substitution, protect the quality of the training and to enhance training allowances. Employers however were less engaged in this agenda and were increasingly concerned about the role of the MSC in the running of the ITBs at sector level.

Section five

unions in a cold climate

The election of the Thatcher Government in 1979 ushered in a much more ideological approach to training. The training market was to be that exclusively determined by the short-term needs of employers; the wider needs of the state and society as a whole being seen as a neo-corporatist irrelevance. State intervention would be superseded by voluntarism. To allow unions to continue to have a say in policy making would undermine deregulation. It has been suggested that there were two stages in the Conservative strategy (*Jones, 1999*). The first was that “the structures of corporatism were annexed for the purposes of furthering neoliberalism” with a weakening of trade union and local authority influence on the bodies and strengthening of employer influence. This would inevitably be followed by the second stage; with the dismantlement of tripartite bodies such as NEDC, the MSC and ITBs and the ascendancy of an employer-driven system. The MSC was emasculated into a Training Commission. With the Labour movement riven over whether to try to reform “workfare” government programmes such as Employment Training from the inside or outside the new Commission; the government decided to abolish it in its infancy. Furthermore, all the ITBs except two in the construction industry were replaced by employer-led industry training organisations without any levy powers to the delight of the CBI.

The most significant institutions occupying this new terrain were the Training and Enterprise Councils (TECs) which based very loosely around the Private Industry Councils in the USA. They were introduced by the Thatcher administration with the fulsome support of the Confederation of British Industry (CBI). There were 47 locally based TECs in England and Wales run by boards dominated by employers and chaired by an employer. TECs were founded on the myth that the training system would be privatised and they could yoke market forces with the enlightened self interest of employers to bring about the CBI’s “skills revolution”. There were however seemingly irreconcilable objectives. One aim of TECs was to meld training with enterprise yet at the same time promote a “workfare” policy. They were also meant to secure local employer empowerment of training yet at the same time act as sub

contractors for national government programmes determined by Whitehall. The White Paper that ushered in TECs *Employment for the 1990s* demanded that they “must have as a prime objective the mobilisation of employers, collectively and individually”.. It has however been stated that TECs merely became the deliverers of government policies on unemployment and failed to increase substantially employer engagement with education and training (Robinson, 1996).

Section six

unions and TECs

The ways the unions reacted to these adverse circumstances were diverse. Some unions such as those representing transport, local government and shop workers (TGWU, NALGO and USDAW) refused to engage with TECs. The reasons for this included opposition to the Employment Training scheme for the adult long-term unemployed which was being operated by the TECs at the behest of the government. TECs were thus seen as “new style workfare institutions”.. There was also general union antipathy to the replacing of the tripartite MSC Area Manpower Boards by the employer-dominated councils. Some unions such as the engineering union (AEEU) however decided to engage fully with the TECs and initially secured the lion’s share of union seats on TEC boards. Union membership of TEC boards was however on a “grace and favour” basis and those TECs which did appoint union members only provided them with one out of perhaps fifteen places.

The TUC decided pragmatically that the union movement needed to “do business” with the TECs if it was to remain an actor-albeit a minor one-in the training arena. As the then TUC Deputy General Secretary counselled:

“In our view, the proposals [in the white paper] failed to address the reluctance of many British employers to provide adequate training, the shortfall in funding and the need to for action to safeguard quality and standards... in the absence of a statutory framework TECs will be the predominant decision makers in localities and they will continue in some form or other regardless of which party forms the next government. Union involvement in them recognises these facts” (*Monks, 1992*).

The TUC was not against devolving executive power to local level; with TECs assessing local skills needs and devising local training plans. It did however call for them to be radically reformed. They needed to be more accountable and open; be better funded (a position shared with the CBI) and collaborate, not compete, with providers such as local education authorities and colleges. A national framework also needed to be established in which TECs could operate and be supported (*Monks, op.cit.*)

The stance of the union movement during this period had not been blanket opposition to all training initiatives as a whole, particularly those originating from the CBI. For example, it had already made a formal commitment to the national education and training targets established by the CBI and was a champion of Investors in People (IIP)-the new corporate standard again based on thinking done by the CBI. The President of the engineering union (then the AEU) was appointed to the National Training Task Force which advised the Government on a national strategy for TECs. The TUC and a number of unions had also supported the concept of a national framework of competence-based qualifications-the National Vocational Qualifications (NVQ) system as well as Modern Apprenticeships based around the qualifications. It therefore seemed a logical step for unions to engage with TECs since they were funded on the basis of delivering the national targets, IIP, NVQs and Modern Apprenticeships.

The TUC was desirous to have more formal involvement with the TECs. It wanted all TECs to appoint union representatives on to their boards, for a better spread of union representation on the boards and greater accountability of union board members to the wider union movement. The conundrum was that as having the legal status of private companies, TECs appointed people as individual directors not as representatives to their boards whilst union officers had a purely representational role. It was however solved in the longer term; with every TEC having a union member on its board, most of whom were appointed through the regional TUC.

The vast majority of such representatives were full-time officers and TEC union membership gradually became more representative of the union movement as a whole as all those unions who had boycotted TECs reversed their policy. The TUC nationally made serious efforts to maintain their accountability by establishing a network of union TEC representatives, providing them with policy briefing on TUC policy on training. The briefing sessions often involved contributions from officials from the TEC National Council and chief executives of TECs. It is ironic that the only group of TEC board members supported this way was the trade unionists; the CBI did not provide a similar service for their TEC members who they saw as individuals not as representatives (*Banham, 1992*).

With the election of the Labour Government in 1997, there was much more engagement between DfES officials and union TEC directors under the auspices

of the TUC. A representative group of union TEC directors was even established to meet the Minister responsible for TECs with a view to influencing government policy on the future of the councils and training in general.

The establishment of the TEC National Council which tried to bring the diverse and atomised TECs into a more coherent TEC movement enabled more formal engagement with the trade union movement. The Council recognised that organised labour could stimulate the demand for training particularly amongst employees and help meet the TEC targets which were important to them since they were outcome funded. The TEC National Council/TUC “national accord” of 1996 was a symbol of such recognition and collaboration and this was followed by a joint guide setting out good practice between TECs and unions (*TEC National Council/TUC, 1998*). Although the TEC National Council, as an umbrella organisation, could not direct TECs on policy and operational issues it did exercise considerable influence on the TEC movement as a whole and certainly helped to promote union/TEC partnerships.

Section seven

the Bargaining for Skills projects

The most significant partnerships on learning and skills between TECs and the union movement were the joint projects with the TUC. They were generically named *Bargaining for Skills*. Although this was really a misnomer; they were more about increasing the capacity of unions to enhance employee demand for learning and skills than helping them exercise leverage on employers to train their workforce. The reason why TECs established the projects was that they could help meet some of their targets within the contracts with government. Their activities covered awareness raising events for union officers concerning programmes such as NVQs, Modern Apprenticeships and Investors in People and their contracts often stipulated numbers of employees covered by such activities. In more developed projects such the North West, the TECs contracted *Bargaining for Skills* to work with specific employers and unions through "demonstrator" projects at workplaces to meet outcomes such as commitment to IIP. Projects were also instrumental in brokering learning provision between employer, unions and providers such as colleges.

Bargaining for Skills was initially a patchwork of projects which mirrored the fragmented TEC system. In those regions such as the North West where TECs worked together more, they funded regional projects. They pooled their discretionary funding and where appropriate used the European Social Fund to maximise the impact of the projects. Other TECs operated their own projects but with limited effect. In some English regions such as the South East and the South West there was no *Bargaining for Skills* activity until the late 1990s.

The scope of the projects were by their very nature limited to the TEC agenda; with project workers trying to use the projects to promote the wider trade union agenda of lifelong learning. With the election of a Labour Government with a much more inclusive view of lifelong learning, TECs needed to adopt this new agenda. *Bargaining for Skills* projects were used by TECs to promote and deliver government initiatives (see below).

Section eight

other innovatory union learning activity

It would be erroneous to think that all union activity on learning and skills was centred on the partnership with TECs. There were some very imaginative partnership schemes established between unions and employers albeit within the voluntary system with no statutory entitlements for employees and no collective rights for unions to bargain over training or learning. For example, the unions at the Ford motor company made a collective agreement with the management to establish the Employee Development Assistance Programme (EDAP) in 1987 modelled on the collective agreement in the USA plants. This scheme is co-funded by the company and the employees collectively and jointly run by management and unions. It offers a wide range of non-vocational and recreation courses outside working time and over half of Ford employees have taken up courses ranging from philosophy to the care of koi fish.

Other innovatory programmes included *Return to Learn* initially set up by the National Union of Public Employees in the West Midlands and extended nationally by its successor, UNISON, from the mid-1990s. The courses cover basic skills, women's studies and are very much about confidence building. The programme is targeted at groups of workers such as women, part-timers, the low paid, black workers and manual workers. The course is delivered by the Workers Education Association and takes approximately nine months to complete resulting in accreditation. A key component is the peer support that learners have in the form of access to "local education advisers".. Many of them have gone through the programme and have subsequently been trained by the union to give advice and guidance to new entrants; thus creating a cascade effect. Public sector employers such as local authorities and hospital trusts have seen the direct and indirect benefits of their workers going on the programme and some have reached agreements with UNISON on the provision of paid time off to attend Return to Learn courses.

Section nine

New Labour and the "Third Way"

Up to the election of the Labour Government in 1997, education and training policies were given a prominent place in New Labour's thinking. The policy challenge was daunting given the legacy of a serious skills gap; low demand for skills; a marketized education and training system and the uneven distribution of education and training opportunities. (*Hodgson, 1999*). Policy options canvassed by Labour in opposition included a revised training levy system; a compulsory company membership of TECs similar to the German chamber model; a legal entitlement to five days training days each year; and individual learning accounts (ILAs). These policies had in fact been proposed by the TUC but as integral parts of a statutory package; not as individual options (*TUC, 1995*).

Although the "Third Way" approach was to put much less reliance on the market, it eschewed any statutory obligations on employers to train that the trade union movement was pressing for. New Labour's approach has been described as an attempt to create a "modified market" as a half-way point between Conservative marketization and Old Labour regulation and planning (*Hodgson, op.cit.*). It was to emphasise the responsibilities of individuals to enhance their employability and prevent social exclusion, backed by state support where there was market failure in the case of people with low or no qualifications. This ruled out the first four policy options which were based around employer obligation and to rule in individual learning accounts which were modelled on individual/state obligation.

Section ten

Individual Learning Accounts: the sunken flagship

The commitment to introduce a million ILAs was very much championed by the present Chancellor of the Exchequer, Gordon Brown, and set out in Labour's Manifesto of 1997. The two key principles behind the account as set out in the Government's seminal Green Paper *The Learning Age* (DfEE, 1998) were that "individuals are best placed to choose what and how they want to learn and that responsibility for investing in learning is shared". ILAs were to be heart of "a learning revolution", galvanising non-traditional learners into developing their own skills. The concept had in fact been around for some time in Conservative thinking but had been discounted due to fears that it would not broaden participation but would subsidise existing activity (DTI, 1996).

On the face of it, it might be assumed that such individual solutions could shake the collectivist roots of the union movement. Trade unions were not however against a shared approach to learning but held the view that any such system should adhere to the principle of "additionality". The total investment in learning should increase as a result of ILAs; not have a substitution effect of transferring employer responsibilities for training to the individual and the state (Clough, 1998). Nor could the accounts be any substitute for securing employer commitment to training through statutory underpinning such as the reintroduction of levy-type arrangements.

The £150 million scheme initially involved TECs being required to put £150 from their reserves into each of the one million accounts with the employee contributing £25. Employers could also contribute voluntarily. There was union concern that low paid union members would find even £25 a disincentive to study. Some unions convinced employers to pay this amount on their behalf of their employees even though this was against the "self-help" notion behind the ILA concept. The view of the TUC was that ILAs could do much to

improve the supply of and demand for learning but only if they were a part of an infrastructure providing adequate guidance for learners and securing employer commitment.

Trade unions saw their role as helping to target accounts on those employees who had no or few qualifications. They should get the lion's share of the state subsidy or there would be a "dead-weight" effect. Unions also brokered access to adult guidance services to ensure that members could make informed choices on the type of courses they bought through the accounts. They also tried with some limited success to persuade employers to make a contribution to ILAs. The union movement's ultimate objective was to establish "collective learning funds" co-financed by employers, employees and the state to fund learning opportunities at the workplace but not directly related to their jobs. Such collective accounts however operated in few workplaces; possibly because of incompatibility between the notion of individual ownership of the ILA and a collective approach to funding and managing employee development such as that practiced by the Ford EDAP scheme.

TECs were given the role of running 12 ILA pilots in 1998/99. A few of these involved trade unions and *Bargaining for Skills* projects, primarily targeting unskilled workers. This was followed up by two major DfES/TUC regional projects. The evaluation of all this activity recognised the added value of unions (DfEE, 2000a). The number of accounts opened through unions is difficult to estimate but was not large. The union value had been in stimulating innovative partnerships in learning rather than in terms of numbers of ILAs opened. The key to these were "union learning representatives" (see below). They helped to help market the accounts to their members; provide them with "front-line advice and guidance" and ensure they were used to meet employees' individual needs and not misused for company specific training. They also helped to broker learning opportunities with colleges and other providers and maximise employer contributions to the accounts and set up workplace learning centres.

The roll out of a national scheme in autumn 2000 resulted in significant changes. After the millionth account was opened, a course discount operated; involving a 20 per cent discount for all course subject to a ceiling but with an 80 per cent discount for ICT and Maths courses. ILAs became more a voucher system skewed to certain courses than a saving-to-learn scheme which helped to sustain lifelong learning. With the demise of the TECs and the reluctance of

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financial institutions to get involved, a national framework was established using a national service centre run by a private company CAPITA.

Against the achievement of headline targets, ILAs could be seen as phenomenally successful by a Government concentrated on achieving targets. The plan was for a million accounts holders by March 2002; a target that was actually met as early as May 2001. This however hid important policy failures. A major problem was encouraging new learners through both a universal and targeted approach. The universal approach led to an exponential take up of ILAs but with a resulting overshoot on the budget. The targeted approach had little impact however except when intermediaries such as trade unions were used to introduce accounts to employees with few or no qualifications. There was thus significant deadweight; two fifths of ILA account holders had a degree or equivalent; with almost a half of those with accounts stating that they would have been able to pay for their course without the public subsidy.

Another policy problem was that of encouraging new providers into the market; a “let a thousand providers bloom” approach. Although there was a high satisfaction rate for the quality of the courses undertaken, the lack of regulation resulted in a significant number of unscrupulous providers mis-selling accounts and in some cases fraud even took place. This ultimately resulted in the Government closing the scheme in November 2001.

There were no scams when unions were involved in brokering provision since this was with recognised providers such as colleges. The House of Commons Select Committee on Education and Skills in its inquiry into ILAs recognised the positive role of unions and recommended that “the successes of trusted intermediaries, such as trade union learning representatives, should be taken fully into account in designing the new scheme.

Initially, there was a government commitment to refloat the flagship but within a much more robust regulatory framework. The new Skills Strategy with its individual entitlement to free learning at level 2 however made an ILA system redundant (*DfES, 2003*).

Section eleven

the University for Industry

Another important symbol of New Labour was that of the University for Industry (Ufi). Like ILAs, it was championed by the Chancellor of the Exchequer. As the Open University had used distance learning to widen participation in higher education so the Ufi was to harness modern communication technologies to help reskill the nation. Its name however was based more on rhetoric than reality; for it was not a university and it was designed just as much to meet individual personal development as the requirements of industry. Indeed its brand name became not Ufi but “Learndirect”. It was designed to help deliver a demand-led lifelong learning system. Essentially, it was to act as a broker between learners and learning opportunities in a specific setting or via ICT technologies directly into the home or workplace. It was to identify gaps in the market and commission specific learning packages. It also was to provide on-line advice and guidance on learning opportunities.

Trade unions had a long tradition of providing education for their activists through direct contact with learners using innovative study methods. The TUC and many unions recognised however that using ICT to access on-line learning could provide opportunities to more learners at a pace and place to suit them. The objective of learndirect is to establish about 1,000 centres to bring more than a million adults into work-related learning; backed by a massive promotional campaign. The TUC and its unions have set up a partnership of providers as an Ufi “hub” for the trade union sector to assist union delivery of Learndirect courses. By 2002, a network of 11 TUC learndirect centres operated in union offices, workplaces and trade union study centres with a further 10-20 planned. Union Learning Representatives are supporting learners in these centres. The trade union “hub” enrolled almost 3,000 learners between August 2001-May 2002; with numbers increasing rapidly on mainly ICT courses. Again the number of these learners are relatively small but the most significant outcome is the increase in union capacity which could help sustain this new activity.

Section twelve

the demise of TECs

Although there was great scepticism about how TECs could deliver the Labour's lifelong learning agenda, they continued to operate until the outcome of their review in 1999 when their fate was sealed. *The Learning Age (op.cit.)* which set out the Government's strategy for lifelong learning expressed concern about the lack of quality control of TEC-funded training and even evidence of fraud and the misuse of resources.

There was a common concern shared between the Government, the CBI and the TUC about the variability in TEC performance and excessive bureaucracy which needed to be addressed by a review. There were however very different views between the social partners as to its desired outcome. The review took place at a time when some councils were changing into even more employer-dominated bodies through mergers with chambers of commerce. A key principle within the TUC's submission to the review was that "TECs have the support of business but they must not be seen as exclusively supporting business" and that "TEC/ chamber mergers would result in them "being even more accountable to the business at the expense of the wider community and that there could be conflicts of interest" (TUC, 1998). This contrasted with the CBI's position that "TEC boards retain their clear business majority" and that they should have the freedom to merge with chambers (CBI, 1998).

Section thirteen

the rise of the Learning and Skills Council

The surprising outcome of the review was the demise of the TECs and a much more centralised model. The Government's reasons were set out in its White Paper *Learning to Succeed* (DfEE,1999). They were that current arrangements provided an insufficient focus on quality, were too provider driven and that there was inconsistency and contradictions in present funding and delivery mechanisms. It also noted that there was widespread support for the creation of a single body to oversee national strategies for post-16 learning. This view was supported by the TUC in a resolution carried at its Congress but it was not shared by the CBI which still cleaved to the TEC local business-driven model.

The ensuing legislation established probably the most potentially powerful agency over education and training in the history of vocational education and training - even surpassing that of the former MSC. The Learning and Skills Council (LSC) established in 2001 assumed responsibility not just for the funding and quality control of TEC training provision but for further education colleges and local authority adult learning as well as sixth form provision. In fact, the only post-16 provision in England not controlled by the LSC in its vast £8bn. empire is higher education and company-funded training.

In view of the pivotal role of the "quango", trade unions pressed the Government for representation on its Council and its 47 sub-regional local councils as well as union involvement in the delivery of post -16 provision. Representation was secured and, unlike under the TECs, it was not on a "grace and favour" basis. It was not however a return to the MSC days when unions appointed representatives to a third of the places on public bodies. Although employers were no longer in the majority, they formed the largest group on the Council and each local LSC. Like TECs, they were chaired by an employer; with only one union representative appointed to them. Furthermore, all

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appointments to public bodies had to follow the principles set out by the Committee on Standards in Public Life chaired by Lord Nolan. Under the “Nolan Principles”, all places on public bodies have to be advertised; with applicants interviewed as in the case of applicants for paid employment. This cut across the principle of accountability in respect to representative organisations such as unions and local authorities although was compatible in respect to individual employer membership.

In terms of union representation it seemed that little had altered in the change over from TECs but in reality there were significant changes. The General Secretary of the TUC was appointed Vice Chair of the LSC and chair of its influential Adult Learners Committee. Furthermore, the TUC with support from the DfEE did manage to secure nominations to the local LSCs of trade unionists who were accountable to the TUC and their unions, even though they were appointed through open competition under the Nolan process. There is however less autonomy for local LSC boards than TEC boards which ironically is resulting in union members having less influence at sub-regional level. This is not so at national level. The LSC Workforce Development Strategy extensively highlighted the pro-active role of unions in workplace learning and the former *Bargaining for Skills* activity and the Union Learning Fund is being transferred to the LSC.

Section fourteen

regionalisation

The reforms under New Labour which are likely to be the most sustaining will be those related to devolved government. The Scottish Parliament and the Welsh Assembly and their Executives have been established with legislative power over education and training in their countries. Regional Development Agencies in England were established in 1999. Like local LSCs, these bodies are quangos chaired but not dominated by employers; with unions having a single member again appointed under the Nolan process. Unlike LSCs, they have more of a strategic than a direct funding role. They also have a much wider remit including economic development and regeneration, sustainable development and matching skills to the regional economy.

Unlike the LSC, RDAs are responsible to the Department of Trade and Industry, not the DfES. They are very much championed by the Treasury who regards them as potentially powerful instruments in tackling productivity and income disparities between regions. They have been relatively successful in securing increased government funding for their roles. An important role is drawing up Frameworks for Regional Employment and Skills Action. There is increasing collaboration between them and the LSCs and other bodies in their regions over developing the frameworks.

Union members of RDA boards are either senior TUC or union regional officers who exercise considerable influence in their regions. They have been able to promote the increasing recognition of the role of unions particularly over economic development and learning and skills in RDAs; with effective joint projects in RDAs such as the North East, South East and London. TUC regions have established fora involving RDAs and other stakeholders to maximise their policy input on regional learning and skills.

There is likely to be very significant constitutional changes if directly elected regional assemblies are established in some regions under enabling legislation introduced in Parliament in 2002. They will address the democratic deficit in English regions; with RDAs being accountable to them as is the case in respect of the present elected London Assembly. Regional assemblies will assume responsibility for RDAs which will inevitably change decision making over learning skills in those regions.

Section fifteen

sector bodies

The sectoral impact on skills has been much diminished as the systems architecture has been successively weakened since the 1960s. Under the industry training board established in 1964 with the support of the major employer federations, a levy-grant system was introduced whereby all firms paid a levy to and claimed a grant towards the cost of the training they undertook. Once this arrangement was replaced by a remission system which exempted small companies and central government assumed responsibility for their operating costs, the ITBs' impact on their sectors was considerably weakened. The subsequent abolition of albeit two of the ITBs led to the creation of a voluntary network of industry training organisations which in turn were rationalised into a system of national training organisations. Unlike the ITBs which were tripartite in composition, these bodies were employer dominated and where trade unionists sat on their boards they were appointed on a "grace and favour" basis. Evaluations of such bodies have found that, with notable exceptions, they were weakly resourced and relatively ineffectual organisations (*Keep, 1999*).

The present Labour Government is introducing yet more changes; with the aim of further rationalising the system and having a smaller number of more effective sector bodies. A few of these "sector skills councils" have already been established under the direction of a Sector Skills Development Agency which has been appointed by central government. Unlike the case of the national training organisations, the new bodies although employer-led, are required to appoint trade unionists to their boards. There is was however little early indication that such councils would have marked impact on employer behaviour at sector level in the continued absence of any significant incentives or penalties and without strong collaboration with the LSC and RDAs. The Government's new Skills Strategy envisages them having a more robust role although without any automatic right to introduce measures such as training levies (see below).

government intervention in a "post-voluntarist" age

It was been increasingly recognised that skills shortages were hampering the economy and that a large swathe of people were without basic qualifications. A high powered National Skills Task Group was established in 1999 to advise the Government how these chronic problems could be tackled. Three senior union general secretaries sat on the Task Group and attempted to press the Group to adopt solutions based around a statutory system. Its seminal reports made useful recommendations about introducing entitlements to free tuition for people under 25 studying to level 3 (craft level) and for the adult workforce to level 2 (below craft level). It rejected however the union argument for any legal obligations on employers to train even when there was clear market failure (*DfEE, 2000b*).

The Secretary of State in his response to the Task Group's report however did indicate that intervention was not entirely ruled out. Where social partners agreed that there was a serious skills problem and that this was the best way forward, he would use existing powers to provide statutory backing for appropriate collective skills funding arrangements in the sector (*DfEE, 2001*). This was reiterated in the Government's election manifesto for its second term of office and in its Skills Strategy (*DfES, 2003*).

The first challenge of how to implement this commitment was when the printing union reached agreement with the major employer federation that some intervention was required. Ministers were involved in such discussions. A major obstacle however was that small employers would block any attempts to re-establish any statutory-based ITB. Discussions are continuing on how such a veto could be removed.

government intervention in a "post-voluntarist" age

One early government intervention was to the introduction of legislation to provide 16 and 17 year old at work without a basic level 2 qualification with the statutory right to paid time off to reach this level. Although the TUC supported the objective, it felt that very few young people would use an Employment Tribunal to enforce this right against a recalcitrant employer unless they were members of a union which many young workers are not. The employee right needed to be matched by an obligation on the employer. There is no evidence of any such use of an Employment Tribunal and the effect of the legislation is likely to be minimal.

Perhaps the most significant recognition for intervention came from the Treasury when the Chancellor of the Exchequer publicly admitted that the voluntaristic system was not delivering the skills that the nation required. He asked both the CBI and the TUC to prepare a report on what actions were necessary to be taken in respect to four major elements of his "Productivity Initiative" - investment; technology and innovation; best practice; and skills. A CBI/TUC working group was established chaired by the TUC General Secretary to make recommendations on skills policy. Although informal social partnership arrangements had occurred at workplace and sectoral levels, very little had been done between the CBI and the TUC nationally; the CBI being instinctively opposed to social dialogue/partnership based around the European model. The process of getting agreement was a protracted process. Nevertheless, a consensus was reached over identifying some major problems; that about one in five adults needed training to overcome problems with literacy and numeracy; more of the workforce needed to be qualified to level 2; and small firms needed to adopt corporate standards such as Investors in People (IIP) (CBI/TUC, 2001).

The report was heavily dominated by the CBI; with its major thrust being the need for government to provide carrots for employers to tackle these deficiencies. Any sticks to change employer behaviour was ruled out by the CBI. The report's principal recommendations included the introduction of an employer tax credit to provide incentives to employers who supported their workforce to obtain basic skills and level 2 qualifications. The subsidy would be particularly targeted on small companies. Such enterprises would also be given a tax credit to assist them to get the IIP standard. The recommendation

that was most aligned to the trade union agenda was that which reiterated the National Skills Task Force's recommendation of free tuition for employees to obtain a first level 2 qualification.

The Government reacted quite positively to the recommendations. In the Budget, the Chancellor announced £30 million to support small companies to achieve IIP. Of most significance was the establishment of Employer Training pilots run by local LSCs. They are testing free tuition and employer subsidies as incentives for employees to take paid time off for training up to level 2 qualifications including basic skills. Trade unions have been much more supportive of the pilots than the CBI. There has been significant TUC Regional Learning Services and Union Learning Rep involvement in delivering the pilots which has been evaluated (*TUC, 2003*). Although employer involvement is voluntary, the TUC and unions are pressing the Government to universalise such paid leave through a statutory entitlement which the CBI strenuously opposes.

Section seventeen

the Skills Strategy

The publication in 2003 of the Government skills strategy *21st Century Skills: Realising Our Potential* (DfES, 2003) marked a shift towards a more interventionist approach and a commitment to social partnership arrangements. The strategy has been welcomed by the TUC and its unions (*TUC, 2003b*).

Entitlements to free tuition for lower skilled workers as recommended by the National Skills Task Force are to be phased in. A more proactive role for Sector Skills Councils is envisaged with councils able to broker a skills agreement with employers in its sector although this is permissive not obligatory, with “ employers not Government to decide”.. Such agreements could include an assessment of the scope for collaborative action by employers in the sector to tackle skills shortages and “the extent of agreement amongst employers and unions as to its desirability”.

The most significant issues for trade unions in the Skills Strategy is its proposals for social partnership.

“ Our new national Skills Alliance will bring together the key Government departments with employer and union representatives. The Alliance will represent a new social partnership for skills between Government, the CBI, TUC and the Small Business Council, working with a group of key delivery partners. It will pursue a shared agenda in raising productivity for the common good. It will be led by the Secretaries of State for Education and Skills and Trade and Industry “.

21st Century Skills DfES 2003

The Skills Alliance consists of a high-level Social Partnership Board and will engage employers, trade unions and their representatives in taking forward the skills strategy, advise Government on enhancing it and monitor progress.

Section eighteen

enhancing union capacity

A key factor in unions assuming the role of stakeholder in learning and skills under New Labour was not necessarily any increase in union influence on policy-making bodies. The Government has been the most interventionist when wanting to enhance union capacity to help deliver lifelong learning within an agenda broadly shared with the union movement. As noted above, there had been significant capacity building under the Conservative administrations but within the straight jacket of the employer-dominated TEC framework. Under the Labour Government the scope for union involvement dramatically increased. There are a number of landmarks in this process.

The National Advisory Group for Continuing Education and Lifelong Learning chaired by Professor Bob Fryer was established by the Secretary of State for Education and Employment to advise him on the preparation of a white paper. Its report *Learning for the Twenty-First Century* (1997) was wide in scope. It put great emphasis on an inclusive approach to lifelong learning, giving priority to those without basic level qualifications and stressed the need for extensive partnerships to promote and deliver this lifelong learning culture. Such partnerships would need to include trade unions. The "Fryer Report" was probably the first major policy document which recognised the role of unions in learning over the last two decades.

"The active involvement of trade unions will assist in legitimising the purposes and processes of workplace learning in the eyes of their members facilitating take up of learning and the development of learning partnerships at work" (Fryer, 1997).

Section nineteen

The Union Learning Fund

The resulting Green Paper, *the Learning Age (op.cit.)*, stressed the need to encourage demand for learning from the bottom up and reaffirmed confidence in unions to stimulate such demand by establishing the Union Learning Fund. £2 million was initially allocated to support union-led innovative projects in workplace learning.

The DfES fund which is now in its fifth year has resulted in a total of £24 million invested in over 350 union-led projects. This investment has been increasing rapidly with the annual budget increasing from £11 million in 2003 to £14 million in 2004. Many of the workplace projects have provided innovative ways of accessing learning for hard-to-reach groups such as low skilled and part-time workers. Some have assisted unions to help professional workers access continuous professional development. Much of this union activity was supported regionally by *Bargaining for Skills* and subsequently TUC Learning Services, with national support provided by an European Social Fund ADAPT project.

Quantitatively, the projects have resulted in relatively modest outcomes but this reflects the relatively small scale funding compared to other government initiatives. For example, in the fourth year of the Fund over 13,000 union members took up learning. The importance of the projects has been building union capacity over learning. It has involved partnership between unions and many other bodies such as LSCs, RDAs, adult guidance services and colleges. Employer commitment however has been less forthcoming.

Section twenty

Union Learning Representatives

The most sustainable of the capacity building has been the development of a new genre of union officer - the union learning representative. Under the Union Learning Fund, over 6,500 trade unionists have been trained and accredited as union learning representatives. Their roles include analysing learning or training needs; providing information and guidance to their members on learning; arranging provision and consulting the employer about such activities (*TUC, 2002*).

The development of such representatives is at an early stage compared with the long established health and safety representatives who now number as many as 200,000. Nevertheless, by providing statutory recognition for these new representatives under the Employment Act 2002, against CBI opposition, the Government has boosted this development. Like union representatives as a whole, union learning representatives in union recognised workplaces now have a legal right for paid time off to train and to carry out their duties. Union members also have the right to access their union representative during working hours but without the right to pay during this time. It has been estimated that these statutory rights will result in about 22,000 union learning representatives being trained up to the year 2010 and that they will help about half a million union members into learning during this period.

Section twenty-one

collective bargaining over training

Without rights to negotiate over training then unions will remain in a relative weak position in relation to employer prerogative. Training is negotiated in as few as 5 per cent of unionised workplaces, with consultation taking place in about 30 per cent (*WERS, op.cit.*).

If a union obtains statutory recognition through the Central Arbitration Committee under the Trade Union and Labour Relations Act 1992 then the union does have the right to be consulted but not to negotiate. But such workplaces are in a small minority; with the vast majority of workplaces getting union recognition through the voluntary process. Trade unions are pressing the Government to include the right to bargain, not just to be consulted, over training under the statutory recognition process. Unions which have a voluntary agreement which does not include issues such as pay and conditions can obtain “top up” recognition which includes them under collective bargaining arrangements. Unions have been pressing for this to be extended to training . The Government in its consultation paper on the Review of the Employment Relations Act 1999 has however ruled out that the core topics covered by the statutory scheme for collective bargaining be extended to training and (non pay) equality issues (*DTI, 2003*).

The greatest impact on consultation over training is likely to come from Europe when the Government is required to transpose the EC Information and Consultation Directive into domestic law. It is likely that training will be included as a issue which employees will be required to be consulted on; through their unions in recognised workplaces and through elected works councils in the absence of such recognition.

Section twenty-two

conclusion

Under New Labour, trade unions have been increasingly recognised as trusted intermediaries that can help stimulate employee demand for learning and skills. They have been used to help deliver a number of lifelong learning initiatives promoted by the Government which has acted to enhance the capacity of unions to develop these activities. These activities however have mainly been aimed at meeting the needs of the individual and restricted to basic skills and employee development in general rather than encompassing company training directly related to productivity.

Direct union impact has so far been more marked in respect to the delivery of the Government's policy initiatives rather than union influence through representation on bodies such as LSCs or RDAs which employers dominate. There is still a relatively weak framework; with little incentives for and no obligations on employers to train their workforce. There has however been a constructive dialogue between the Government and the TUC and its unions on the need for intervention where there is market failure. We may be entering a post-voluntary era; with early policy interventions such as the Employer Training pilots and the involvement of unions in them. Certainly the proposed establishment of a high level body as the Skills Alliance indicates a significant Government commitment to national social partnership in learning and skills that has been missing since the 1970s.

At workplace level, however, there has so far been little shift in the balance of power. This is due to a reluctance to change employment law and give unions statutory rights to bargain over training. Thus training and occupational skills are still regarded as a management prerogative in the vast majority of workplaces. This is likely to change substantially however with the implementation of the EC Information and Consultation directive. The union effect on learning and skills in this new post-voluntary era will be determined by how capacity building continues to be enhanced in this increasingly important policy area.

Section twenty-three

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