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# Preface

The aim of this study is to assess the impact of setting up the Learning and Skills Council on Modern Apprenticeship. Since it is about a change in structures we focus particular attention on a network theory which we present in chapter three. Keywords in this context are interdependencies, resources, perceptions, and network management.

To grasp the current situation regarding Modern Apprenticeship we conducted a qualitative research in England last year. The results of this are mainly presented in chapter four. The analysis highlighted in chapter five indicates some severe shortcomings in the current approach; these shortcomings are explained in that chapter as well.

We conclude in chapter six with summarising our main findings and answering the main question. Lastly, we present our recommendations.

Personally, I would to thank a few people without whom I could not have come this far. First of all, I would like to mention some of my best college friends. I thank Bart for his friendship as we enjoyed good times together; I am grateful to Tim for it was a pleasure studying with him; I will not forget Toeska, she's just amazing; and I thank Geer for the wonderful times and memorable cuppas we had. Furthermore, I want to thank Paul for the essential time off spent in "de pui".

I also want to thank dr. Andrew McCoshan from Ecotec Research and Consulting who offered me a place during my stay in England which made it easier for me to do the empirical research.

But I could not have succeeded without the excellent supervision of professor Ringeling. He really taught how to conduct social research for which I am very grateful. The second reader, dr. Th. Veld, also added to the final result with constructive criticism. Since I relied heavily on these two academics and many others due to their publications, I cannot but write in the plural 'we' form.

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DAVID A. DEKKER

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# 1 Introduction

## 1.1 Introduction

At age 16 young people in England are faced with the choice of whether to remain in education, go into training or seek employment. In 1985 more than half of the 16 year-olds decided not to remain in full-time education which was even worse with the 18 year-olds: less then 20% remained in full-time education.

These are just some figures that can be ignored easily but which have far-reaching consequences for England's labour force's skills. The main problem is that once someone has left school and went into work it will be very difficult for him[1] to go back into education. This is a problem in England where one in five adults has a lower level of literacy skills than is expected of an 11 year-old (DfEE, 1999: 16). Such figures threaten England's competitiveness in international context. To not be able to offer multinational companies a highly skilled labour force can be very harmful especially when national borders slowly vaporise. The world economy creates a network of companies all over the world which has unquestionably led to an increased prosperity but which has also led to an increased importance of shared standards, e.g. labour force's skills.

For England to remain a key player in the international context it had to invest in education. There is a tradition of a preferred academic route both for pupils and their parents which means that all other forms of education are ranked lower. But although the vocational route may not be perceived as equal to the academic variant, it is still an extremely important way of learning. The government acknowledges this and works hard to improve the quality of vocational education. In 1999 it presented a White Paper in which a new framework for post-16 learning is explicated resulting in launching the Learning and Skills Council. This council holds responsibility for strategic development, planning, funding, management and quality assurance of post-16 education and training – excluding higher education (DfEE, 1999:23). Currently the council's annual budget is around £ 8 billion.

In this thesis we study this change emanating from the idea that organisational changes are not the panacea that some politicians and some students of public administration believe it is (Peters, 1995: 166). Another academic comes to a similar conclusion in his analysis of the reasons for reorganisation: "the structure is rarely the solution, but it is often part of the solution" (Bozeman, 1990: 150). The fact that the council has a considerable annual budget, which is all public money, stimulates us to go deeper into the reasons and effects of this change.

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[1] We use the masculine gender without any ulterior motive; generally, this form is more neutral than using the feminine gender (De Beauvoir, 1949: 11).

However, we first want to focus on England's position regarding education in an international context in order to gain some overview.

## 1.2 Education in the United Kingdom from an international perspective

The British government tries to create a culture in which life-long learning is common practice. The government is convinced that life-long learning enables people to cope with the challenge of rapid and social change (DfEE, 1999: 3). Therefore the government has decided in 1999 to give education a priority with £ 19 billion of extra resources over three years, which is considerable given a £ 46 billion budget for education in 2000 (12.5 % of the national budget)[2]. The government invests in education, but these are only input figures. And as stated above results from investments in education are not immediately visible. Therefore we present some figures that reproduce the nation's current situation.

It is important to have a cross national reference as they make the figures useful. The Organisation for Economic Cooperation and Development recently published a cross national report on education: Education at a Glance 2002.[3] This reports contains some very useful tables on which the below text and tables are based. It needs to be stressed that these figures account for the entire United Kingdom and not specifically for England.

The United Kingdom spent in terms of percentages less public money on education than most other OECD countries, both in 1995 and 1999. The country spent 11.8 % of their public expenditure on education in 1999, compared with an average of 12.7 % for the OECD countries. In 1995 it spent 11.2 % on education, compared with an average of 12.0 % for the OECD countries. Summarised:

**Table 1: Total public expenditure on education  as a percentage of total public expenditures (1995, 1999)**

|  | 1995 | 1999 | Change in % |
|---|---|---|---|
| United Kingdom | 11.2 | 11.8 | 0.6 |
| OECD mean | 12.0 | 12.7 | 0.7 |

*Source: OECD*

These are very rough and common data. When taking a closer look at the youth population some remarkable data come across. About 30 % of the youth aged 15-19 is not in education anymore. Two third of them work, but still some 10 % is neither in education, nor in the labour force. The United Kingdom has figures that are about 50 % above the average of the OECD countries. Especially the young men in this age group show unusual figures. Out of 27 countries, only Mexico has a higher level of 15 to19-year-old men that are not in education. But with their fourth place the young females also deviate from the mean. Summarised:

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[2] http://budget2003.treasury.gov.uk
[3] http://www.oecd.org

**Table 2: Percentage of the youth population not in education (2001)**

|  | Males Aged 15-19 | Females Aged 15-19 | M + F Aged 15-19 |
|---|---|---|---|
| United Kingdom | 31.4 | 28.5 | 30.0 |
| OECD mean | 21.2 | 19.2 | 20.1 |
| Mexico (highest score) | 49.9 | 49.7 | 49.8 |
| France (lowest score) | 5.5 | 4.7 | 5.1 |

*Source: OECD*

Now another variable can be taken into account: the percentage of unemployed non-students in the total population. For the same age group the UK has again scores that are high above the OECD countries' mean. The males have the most remarkable scores, despite the level of educational attainment. One out of every ten male non-students younger than 20 with a low level of education is unemployed which is more than 100 per cent above the OECD countries' mean.

**Table 3: Percentage of unemployed non-students aged 15-19 in the total population (2001)**

|  |  | Below secondary education | All levels of education |
|---|---|---|---|
| United Kingdom | Male | 10.4 | 7.0 |
|  | Female | 4.3 | 3.9 |
|  | M + F | 7.6 | 5.5 |
| OECD mean | Male | 4.7 | 3.2 |
|  | Female | 4.2 | 2.9 |
|  | M + F | 4.4 | 3.0 |

*Source: OECD*

A final characteristic in this context is the expected years in education and not in education for 15 to 29-year-olds. This figure will again show that the UK scores above the OECD mean, both for male and female.

**Table 4: Expected years in education and not in education for 15 to 29-year-olds (2001)**

|  | Expected years in education | Expected years not in education | % of time not in education |
|---|---|---|---|
| United Kingdom | 5.4 | 9.6 | 64 % |
| OECD mean | 6.3 | 8.7 | 58 % |

*Source: OECD*

The presented tables are to show that the position of the United Kingdom in international context is not flawless; in some cases it comes close to the worst position. This only indicates that the government's attempts to improve the education system are absolutely not superfluous.

## 1.3 Education in England

Up to the late 1970s, the UK had a rigid system of schooling and training. Young people would enter the education system at about 5 years of age and change schools at about 11 years of age. The type of secondary school very much rested on the outcome of one single examination. Those who passed this examination would normally be expected to eventually go on to universities and colleges at the age of 18. For those that did not pass the exam it was assumed that, after a few years more schooling, they would leave and go straight into work. A number would win apprenticeships to train in craft skills ranging from welding to hairdressing, for example. On completing their training these people had a certificate to recognise the skills they had developed.

However, there were millions who left school with few, if any, qualifications, entering a world of work which would offer little or no training, no opportunity to develop themselves and no recognition for any competencies they did develop.

Some figures to underpin this:

**Table 5: Percentage of 16-18 year olds in full-time education by age, England (1985, 1990, 2000)**

|     |     | 1985 | 1990 | 2000 |
| --- | --- | --- | --- | --- |
|     | 16 | 47.3 | 59.3 | 71.4 |
| Age | 17 | 31.8 | 42.8 | 59.0 |
|     | 18 | 17.0 | 23.7 | 37.1 |

*Source: Department for Education and Skills*

Table 5 shows that for all ages the attendance in full-time education has risen during the years. It also shows that it is less than 20 years ago that no more than 47.3 % of all 16-year-olds were in full-time education up to only 17 % for the 18-year-olds.

**Table 6: Percentage of 16-18 year olds not in any education or training by age, England (1985, 1990, 2000)**

|     |     | 1985 | 1990 | 2000 |
| --- | --- | --- | --- | --- |
|     | 16 | 19.4 | 14.5 | 13.3 |
| Age | 17 | 44.2 | 25.4 | 20.7 |
|     | 18 | 58.7 | 51.7 | 40.0 |

*Source: Department for Education and Skills*

Table 6 shows an overall decline in not having any education or training for 16-18 year olds with the sharpest decline between 1985 and 1990.

Table 7 deals with three different levels of education. To guarantee a clear view only three levels are selected: those who are in school, those who have further education and those who have higher education. The table shows that at all levels attendance has grown considerably during the years. This leads to the conclusion that a far greater proportion of this age group is in full-time education nowadays.

**Table 7: Percentage of 16-18 year olds in full-time education by main study aim, England (1985, 1990, 2000)**

|  |  | 1985 | 1990 | 2000 |
|---|---|---|---|---|
|  | Schools | 14.0 | 17.2 | 22.2 |
| Study aim | Further education | 15.0 | 19.8 | 26.9 |
|  | Higher education | 2.8 | 4.2 | 6.8 |

*Source: Department for Education and Skills*

More than one third, according to table 8, of the workforce in England consisted of non-skilled workers in 1985. In 15 years that number has been transformed to a far lower level of some 15 %, again a sharp decline since 1985.

**Table 8: Number and proportion of adults of working age with no qualifications, England (1985, 1990, 2000)**

|  | 1985 | 1990 | 2000 |
|---|---|---|---|
| Percentages | 37.7 | 29.0 | 15.7 |
| Absolute (millions) | 10.8 | 8.5 | 4.8 |

*Source: Department for Education and Skills*

Since our object of focus – the Learning and Skills Council – has particular responsibilities for vocational education we accordingly narrow our scope. However, taking all sorts of vocational education into account is impossible in our case given the limited resources in terms of time and money. Therefore we have to make a choice and demarcate our subject of study. We choose to focus on work-based learning which is a variant that combines working and learning. In the academic year 2002/03 an average of 272,500 learners were involved in Work-Based Learning as can be deducted from table 9. The National Vocational Qualification learning accounts for some 37 thousand learners and the Life Skills programme consists of some 11 thousand. The two largest variants within this type of learning are the Advanced Modern Apprenticeship (AMA) and the Foundation Modern Apprenticeship (FMA) that respectively account for 40% and 43% of the total number of learners.

**Table 9: Learners (in 000's) on Work-Based Learning provision by programme strand, England (2002/03)**

| AMA | FMA | NVQ learning | Life Skills | Total |
|---|---|---|---|---|
| 108.2 | 116.1 | 37.5 | 10.8 | 272.5 |

*Source: Learning and Skills Council*

Since both types of Modern Apprenticeship are fundamentally affected by the change to Learning and Skills Councils and since both are not exceedingly large-scaled but are still considerable we choose to narrow our scope to Modern Apprenticeships.

# 1.4 Modern Apprenticeship

## 1.4.1 Apprenticeship - definition

Apprenticeship can be seen as 'a structured programme of vocational preparation, sponsored by an employer, juxtaposing part-time education with on-the-job training and work experience, leading to a recognised vocational qualification at craft or higher level, and taking at least two years to complete, after requisite general education' (Ryan and Unwin, 2001: 100). This definition is only partially applicable to Modern Apprenticeship for two reasons. Firstly, the government has dedicated itself a role with regard to funding and specification. Responsibility for design, implementation and evaluation are delegated to intermediary publicly funded bodies such as the Learning and Skills Council and Sector Skills Councils. The costs are shared between the employer and the State as formal training costs and achievement of the required qualifications are publicly funded. The apprentice's wages are predominantly employer's costs. Secondly, successful completion of Modern Apprenticeships is not tied to a set time period (Fuller and Unwin, 2003b: 409).

## 1.4.2 A brief overview

Work-based learning in the form of Modern Apprenticeships gives young people the opportunity to gain recognised, career-building qualifications while working in a real job. But not everybody is eligible for a Modern Apprenticeship. The requirements to be met are:

- Living in England
- Aged 16-24
- Not taking part in full-time education

'The term 'Modern' was deliberately chosen to show that, unlike apprenticeships in the past, this new version would be: available in a range of occupational sectors including those that had not offered apprenticeships before (e.g. retailing, health and social care); be equally available to girls and boys; and lead to an National Vocational Qualifications Level 3' (Fuller and Unwin, 2003a: 7).

National Vocational Qualifications (NVQs) are qualifications which reflect the skills, knowledge and understanding an individual possesses in relation to a specific area of work. In order to understand the central position of NVQs in apprenticeships an overview of England's qualification framework is required. Basically, there are three main distinctive categories: general qualifications, vocationally-related qualifications and occupational qualifications. Each category has five levels.

Table 10 summarises the qualifications framework in an orderly way. Reality is obviously far more complex; however this inexhaustible summary suffices for our purpose.

**Table 10: The national qualifications framework**

| Level of qualification | | General qualifications | Vocationally-related qualifications | Occupational qualifications |
|---|---|---|---|---|
| 5 | | Higher level qualifications | | Level 5 NVQ |
| 4 | | | | Level 4 NVQ |
| 3 | | A level | Vocational A level | Level 3 NVQ |
| 2 | | GCSE grades A-C | Intermediate GNVQ | Level 2 NVQ |
| 1 | | GCSE grades D-G | Foundation GNVQ | Level 1 NVQ |
| Entry level | | Certificate of (educational) achievement | | |

*Source: Qualification and Curriculum Authority*

Not all the information that is shown in the table is of our immediate concern. We are mainly interested in the occupational qualifications in the column on the right and cell called 'higher level qualifications'.

Modern Apprenticeships can lead to an NVQ level 2 or 3: Foundation Modern Apprenticeships lead to level 2 and Advanced Modern Apprenticeships lead to level 3. One of the major advances of Modern Apprenticeships is the comparability of its qualification levels. As table 10 clearly shows, an NVQ level 3 is comparable to an A level[4]. By enabling a comparison between Advanced Modern Apprenticeship qualification and A levels, the academic route is no longer blocked. However, the distinct qualifications are not interchangeable. An NVQ level 3 is not equivalent to an access pass to higher education, but there are no longer insuperable problems. This has a positive effect on the status of apprenticeships. Moreover, it is one of the Advanced Modern Apprenticeship's most prominent features.

NVQs are achieved through assessment and training by training providers. Assessment is normally done through on-the-job observation and questioning. Candidates produce evidence to prove they have the competence to meet the NVQ standards. Assessors sign off units when the candidates are ready. The assessor tests candidates' knowledge, understanding and work-based performance to make sure they can demonstrate competence in the workplace. In almost every case, the units that make up a qualification are measured through the assessment of a portfolio of evidence compiled from the individual's employment experience and achievements. By this means, skills in the workplace can be recognised, measured and rewarded. Because of the way the qualifications work, they are easy for an organisation to use.

Although it was introduced as a single programme there are currently two distinctive levels:
- Introduced in 1996, the **Foundation Modern Apprenticeship** (FMA) leads to an NVQ level 2. Taking 18 months on average, the apprentice is expected to do mainly practical work on the basis of a job or work placement.

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[4] An A level is the qualification used by full-time colleges, or VIth form, and is required for entering higher education.

- The **Advanced Modern Apprenticeship** (AMA) leads to an NVQ level 3, which enables one to enter higher education. An AMA takes at least two years and goes along with full-time employment with an appropriate wage.

Both types of apprenticeship also include the provision of supporting Key Skills and technical certificates. The training itself is a mix of practical, on-the-job instruction, with elements of off-the-job learning (e.g. day-release to college). The attainment of relevant Key Skills helps ensure that new entrants to the jobs market have the basic work-related skills needed to enable them to make an early and effective contribution, and to rise quickly to the highest levels of operational competence.

The development and incorporation of technical certificates into Modern Apprenticeship will improve understanding and knowledge, keep standards consistently high, and ensure in-depth underpinning knowledge is a key component of the apprenticeship diploma.

In the first year of the Modern Apprenticeship, in 1994, programmes were offered in 14 'prototype' occupational sectors, but they quickly expanded to just over 80 sectors, many of which had no previous experience of offering apprenticeships or indeed substantive training to young people (Fuller and Unwin, 2003a: 7). So-called National Training Organisations were made responsible for designing the Modern Apprenticeship framework for their sector, however, they were limited in their autonomy by the government as mandatory parts such as the National Vocational Qualification (first introduced in 1988)[5], the Key Skills (since September 2000)[6], and Technical Certificates (since March 2002)[7] apply to any sector.

The Sector and Skills Councils – that replaced the National Training Organisations in 2002 – have three key roles in this process. First they have to provide essential information on the further development of frameworks. Second, these councils have a crucial role in leading the development of frameworks for their sectors and they will in due course be asked to ensure the results of this work are reflected in their Modern Apprenticeship frameworks. Thirdly, they will be looking at innovative solutions which will meet the needs of their sectors.

## 1.4.3 A statistical overview

The number of starts is declining for Advanced Modern Apprenticeship whereas the Foundation Modern Apprenticeship numbers show an increase. In 1999 the distribution between the two variants was almost equal and shifted in the subsequent years to 30 – 70 as can be deducted from table 11. The total number of starts remains more or less the same.

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[5] cf. www.dfes.gov.uk/nvq
[6] cf. www.qca.org.uk
[7] cf. www.qca.org.uk

**Table 11: Starts (in 000's and percentages) on Modern Apprenticeships by academic year and strand, England**

|  | AMA | | FMA | | Total |
|---|---|---|---|---|---|
|  | in 000's | in % of total | in 000's | in % of total | in 000's |
| 1999/00 | 76.8 | 47 | 88.3 | 53 | 165.1 |
| 2000/01 | 72.4 | 41 | 104.1 | 59 | 176.5 |
| 2001/02 | 54.0 | 33 | 108.3 | 67 | 162.3 |
| 2002/03 | 47.3 | 29 | 115.7 | 71 | 163.0 |

*Source: Learning and Skills Council*

The total number of young people who are undertaking a Modern Apprenticeship has increased until 2000, predominantly due to the rise in numbers of young people in the Foundation Modern Apprenticeship. Figure 1 shows this expansion and the Advanced Modern Apprenticeship's steadiness. As from 2001, the number of apprentices undertaking an Advanced Modern Apprenticeship decreases, which possibly indicates a lack of interest from employers. Further on, in chapter five, we go into this in more detail.

**Figure 1: Number (in 000s) of workers undertaking Modern Apprenticeships by type and year, England**
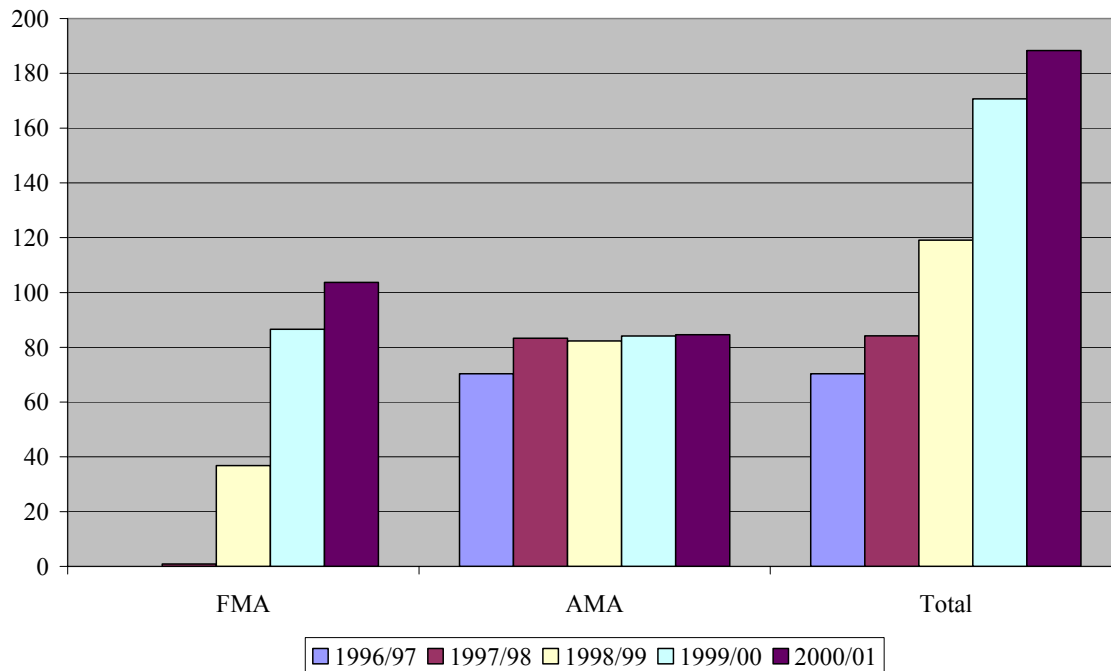


*Source: Department for Education and Skills; TEC Management Information*

The successive achievement rates are poorly collected at the national level (Fuller and Unwin, 2003a: 11). It is for example not possible for the department to present statistics for successful completion of full Modern Apprenticeship frameworks, which include statistics on the attainment of NVQs, Key Skills and Technical Certificates. However

some academics have gathered data themselves but these statistics only apply to Advanced Modern Apprenticeships. What we can learn from their findings is the percentage of leavers that have attained full qualification at NVQ level 3 or above. This is a particular relevant figure as Modern Apprenticeship was deliberately positioned at NVQ level 3. The collected data is for the ten largest sectors only.

**Table 12: Advanced Modern Apprenticeship participation (up to 26th August 2001) by gender and attainment in the ten largest sectors**

| Sector | All recruits | All leavers | Female | Full qual. at L 3 |
|--------|-------------|-------------|--------|-------------------|
| | | | % recruits | % of leavers |
| Business Administration | 54,174 | 41,267 | 80.6 | 34.7 |
| Engineering Manufacture | 40,041 | 22,008 | 2.8 | 41.2 |
| Hospitality | 36,761 | 27,311 | 48.6 | 13.8 |
| Retailing | 33,287 | 27,694 | 57.3 | 11.7 |
| Customer Service | 30,413 | 21,579 | 67.4 | 24.6 |
| Motor Industry | 28,491 | 18,560 | 1.7 | 42.4 |
| Construction | 28,243 | 19,461 | 1.1 | 47.0 |
| Hairdressing | 26,576 | 19,451 | 91.8 | 27.4 |
| Health & Social Care | 26,447 | 20,140 | 88.8 | 22.6 |
| Electro-technical Industry | 17,737 | 8,303 | 0.8 | 22.9 |
| Total number | 322,170 | 225,774 | | |

*Source: Fuller and Unwin, 2003a: 11*

Table 12 shows us:
- that in all sectors the number of recruits exceed the number of leavers which means that each sector has a net increase of apprentices;
- that apprenticeship intakes remain heavily skewed along stereotypically gendered occupational lines: some 'traditional male' sectors such as construction include a mere 1 % of females whereas other sectors such as hairdressing show a female overrepresentation; and
- that achievement rates range between 11.7 per cent (retailing) and 47.0 per cent (construction), which implies that more than half of the apprentices leave the programme without full qualification.

The variety in sectors is also remarkable. One of the characteristics of Modern Apprenticeship is that it should be applicable to any sector. There are currently numerous sectors in which apprenticeships are available. Appendix A provides an overview of the sectors, both for Foundation and Advanced Modern Apprenticeships.

## 1.4.4 The government's involvement

The government is particularly involved in the development, quality assurance, and funding of Modern Apprenticeship with the assistance of intermediary bodies such as the Learning and Skills Council. This council has specific responsibilities regarding delivery of the programmes. Through contracts the government (i.e. the Department for Education

and Skills) and Learning and Skills Council determine the quantitative targets which are to be met by the council and for which they are financially rewarded.

Modern Apprenticeships are part of the government-funded training and the responsibility for funding apprenticeships is delegated. Traditionally, Training and Enterprise Councils held this responsibility and had a very straight-forward relation with the department: each year the number of starts that the Training and Enterprise Councils had to achieve was related to a sum of money. When a council succeeds, i.e. the number of starts is achieved, it receives the full payment as agreed on. The country was subdivided in 72 different areas and within each area one Training and Enterprise Council held responsibility. The councils did not provide apprenticeships themselves but mostly hired special training providers. It is also possible for employers to directly contract the council for a number of apprenticeships.

As interrelations lacked between the councils, basically resulting in 72 different organisations, it was time-consuming for the government to contract each council separately. Moreover this led to extra bureaucratic overload.

The government announced in 1999 a reorganisation in the White Paper 'Learning to Succeed' (DfEE, 1999). In this White Paper the government declares to replace the 72 Training and Enterprise Councils with one national Learning and Skills Council, from which its 47 local arms are to be administered. The result of the change is to create a new framework for post-16 learning which is capable of 'maximising the benefit from the significant amount of public investment [which is put] into post-16 education and training (DfEE, 1999: 22).

## 1.5 Main question

Although much more is affected by this change we continue to focus on Modern Apprenticeships for reasons mentioned in paragraph 1.3. Hereafter we evaluate the effects of this change on Modern Apprenticeships and include an assessment which means that we have a particular interest in the success of the change.

We therefore formulate our main question as follows:

**What are the effects of setting up the Learning and Skills Council, as proposed in the White Paper 'Learning to Succeed', on Modern Apprenticeship and how can the deficiencies be explained?**

The sub-questions we formulate:

1. How has setting up the Learning and Skills Council influenced the network of actors involved in Modern Apprenticeship policy making?

2. Have the changes in the network proved to be sufficient for improving the quality of Modern Apprenticeship?

# 2. Apprenticeship and the need for structural change

## 2.1 The apprenticeship

To continue our study in order to answer the questions posed above we need a working definition of what an apprenticeship is. In 2001, a Modern Apprenticeship Advisory Committee[8] was set up to advice the Secretary of State on an action plan for the development, promotion and delivery of Modern Apprenticeships. This influential committee defined an apprenticeship in terms of the following characteristics:

- an employer agrees to train a person, using the practices, equipment and personnel of his or her enterprise in doing so;
- a mixture of on- and off-the-job learning is involved; and,
- the completion of apprenticeship leads to public recognition that the apprentice has achieved proficiency in a trade, profession or occupation (DfES, 2001: 9).

Hereafter we discuss these characteristics in greater detail.

## 2.1.1 The employer

The employer plays a key role in the success of Modern Apprenticeships, because it is a prerequisite for an apprentice to be employed during the programme. Therefore, the commitment of employers is needed for success. However, they can and should benefit from the programme as well: after all, the employer needs skilled personnel.

We will discuss three issues regarding the role of the employer. First we will look at what can be expected of the employer. We will then focus on the benefits for the employer after which the costs for the employer are explored.

### 2.1.1.1 The role of the employer

The basic role of an employer with respect to Modern Apprenticeships is to provide a young person with the opportunity of doing an apprenticeship at his company. This brings along certain responsibilities. The employer is expected not only to give the young person certain tasks, but also to impart knowledge to that person. Therefore, a supervisor needs to be assigned, however, there can be multiple supervisors. Mostly, there is one formal supervisor who takes care of the administrative, educational, and pastoral activities in relation to the apprentices. But the apprentice is also supervised (informally) by line managers and fully experienced workers on the shop-floor (Hogarth and Hasluck, 2003: 14).

The employer needs to ensure that the apprentice's schedule respects the required time for off-the-job training. This type of training is an essential part of the programme and is provided internally or externally. In some cases, the employer takes care of the off-the-

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[8] also referred to as the Cassels Committee – after its chairman Sir John Cassels

job training, but this is predominantly the case with larger companies. In most cases, apprentices are sent to colleges or training providers for this training. In either case the productivity of an apprentice is nil when he is on the off-the-job training.

Originally, the system of apprenticeships was only known in organisations that had a long tradition in combining learning and working, such as engineering and construction. With the introduction of Modern Apprenticeships, many trades were given the ability of working with apprentices. Among them are hairdressing, retail, business administration, and childcare: all sectors with no tradition in the system of apprentices. As we will see hereafter, the variation in backgrounds leads to different expectations regarding the benefits for employers and to varying costs.

### 2.1.1.2 The employer's benefits

Taking on an apprentice is not totally risk-free for employers. The investments need not be recovered within the apprenticeship period, which means that a payoff can only be obtained if the apprentice turns into an employee. However, there is no guarantee for the employer that the apprentice will continue his services with the company (provided that he achieves full qualification). Nevertheless, there are advantages for employers to partake in the Modern Apprenticeship programme.

The benefits depend on at least two variables: the apprentice's capabilities *during* the programme and his position *after* completion: will he become a normal employee. These two variables show significant differences between sectors. In traditional sectors, such as engineering, employers will not be able to receive a high payoff during the apprentice's first years. This is due to the fact that apprentices are only profitable in case they have achieved some skills. Achieving the right skills takes far longer in traditional sectors than in non-traditional sectors because apprentices can in the latter type of sectors, such as retailing, already perform a number of tasks, e.g. shelf-stacking. Moreover, apprentices can approach the fully experienced worker standard within six months which is significantly shorter than with the traditional sectors (Hogarth and Hasluck, 2003: 31). Table 13 underpins this[9]:

**Table 13: Productive contribution *per* apprentice**

|  | Year 1 | Year 2 | Year 3 | Total |
|---|---|---|---|---|
| Engineering (£) | 2,505 | 7,201 | 12,383 | 22,089 |
| % of total | 11% | 33% | 56% | 100% |
| Retailing (£) | 10,648 | 13,444 | - | 24,092 |
| % of total | 44% | 56% | - | 100% |

*Source: Hogarth and Hasluck, 2003: 17, 34*

The above table clearly shows the distinction in productive contribution between the two sectors. Whereas apprentices averagely contribute £ 10,648 in the retailing sector, their colleagues in the engineering sector do not reach that level until their third year. Contrary

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[9] The figures that are presented in this paragraph apply to the Advanced Modern Apprenticeship programme. For easy reference, the figures for the Foundation Modern Apprenticeship programme are not shown. Besides, they show the same patterns.

to the apprentices in retailing, apprentices in the engineering sector are sent to block release for most of the initial training period which results in a very low productivity. This is reflected in the figures, but also in the wages. By the end of the apprenticeship in engineering apprentices were reported as being between 69 - 85 per cent as productive as the fully experienced worker with the remaining difference made up over the next one to two years (Hogarth and Hasluck, 2003:12). This means that it is vital for the employers to keep the apprentices at least a few years as normal employees after they have completed their apprenticeship. Although it is for employers in the engineering sector financially more urgent to retain the apprentices, employers in the retailing sector have far greater problems with retention: up to 30 per cent of all apprentices drop-out –mostly during the first months of the programme.

Summarising, the employer's benefits can be twofold. Especially the non-traditional sectors profit from apprentices during the programme, but are less able to employ them after completion. Employers in the traditional sector on the contrary cannot profit instantly from apprentices; their benefits are to be derived from the period after completion. Fortunately for them, apprentices are likely to become (fully experienced) employees and will thus contribute to the employer's benefits, albeit in the longer term.

### 2.1.1.3 The employer's costs

Obviously, there are costs for the employer when taking on an apprentice. Wage costs are by far the main debit entry. Apprentices are entitled to receiving a wage during the programme, which is a minimum of £ 40 a week. However, these wages vary more or less depending on the productive contribution of the apprentice. Especially in the traditional sectors initial wages are far lower for apprentices than their final wages. In non-traditional sectors the wages tend to be more stable over the years, but the duration of the programme is often shorter. Table 14 shows the wage of an apprentice in comparison to the fully experienced worker's wage.

**Table 14: Average wage of apprentices and their relative productive contribution in the engineering and retailing sectors**

|  | Year 1 | Year 2 | Year 3 | Total |
|---|---|---|---|---|
| **Engineering** | | | | |
| Average wage of apprentice (£) | 2,860 | 4,420 | 10,956 | 18,236 |
| Fully experienced workers wage (£) | 18,200 | 18,200 | 18,200 | n/a |
| Apprentice's productive contribution | 10% | 40% | 75% | n/a |
| | | | | |
| **Retailing** | | | | |
| Average wage of apprentice (£) | 9,429 | 11,100 | - | 20,429 |
| Fully experienced workers wage (£) | 15,774 | 18,333 | - | n/a |
| Apprentice's productive contribution | 68% | 73% | - | n/a |

*Source: Hogarth and Hasluck, 2003: 17, 34*

This table shows some remarkable numbers. The average wages of apprentices in the engineering sector are considerably lower than in the retailing sector. Even in their third

year, apprentices hardly exceed the second year wages of the retailing sector. Clearly, this programme is constructed analogously as the apprentice's productive contributions are generally taken into account.

The total costs for employers accrue to some £ 24,259 in the engineering sector and some £ 24,240 in the retailing sector. This implies that the wage costs account for respectively 75% and 84% of the total costs. The other costs are predominantly supervisory costs. As mentioned above, the apprentice is assigned a formal supervisor who spends part of his time to administrative, educational, and pastoral activities. And there are also line managers and fully experienced workers on the shop-floor spending part of their time on training or helping the apprentice. The subsequent costs for these activities are estimated to be 16-25% of the total costs for employers.

### 2.1.1.4 Summary

As we have seen, costs and benefits can highly differ per employer. More specifically, these differences can be related to the sector in which the apprentice is doing the apprenticeship. Traditional sectors tend to invest in the apprentice for the long(er) term, whereas non-traditional sectors tend to profit instantly from apprentices. Drop-out rates in the traditional sectors are significantly lower.

Wages are the main debit entry, but these vary over time. In the traditional sectors, the initial wages are low as well as the apprentice's productive contribution. Further on, apprentices earn more money, but they have to be employed for several years to be profitable after all. In sectors such as retailing, the employer is almost instantly able to assign the apprentice with productively contributing tasks which is reflected in the substantially higher wages.

For employers, costs for off-the-job learning are marginal. Nevertheless, this type of learning forms an essential part of the apprenticeship system. Therefore, we will now study the provision of off-the-job learning.

## 2.1.2 On- and Off-the-job learning

Another characteristic for apprenticeships is the mixture of on- and off-the-job learning. Generally, the employer takes care of the on-the-job learning, as is described above, whereas the training provider is made responsible for the off-the-job learning. As employers' approaches towards on-the-job learning vary widely, we will not discuss this type any further. The comments on this subject in the above paragraph are sufficient for our understanding; hence, we continue with analysing the off-the-job learning. Within this analysis we can distinguish between purpose and contents. The former subject describes not only the intended benefits to society as a whole, but also personal advantages for the apprentice due to the public recognition of achieved skills. With regard to contents we take a closer look at the three main branches of learning, which all are mandatory parts of the Modern Apprenticeship programme.

### 2.1.2.1 Purpose of off-the-job learning

Off-the-job learning serves many purposes. One of the obvious objectives is to give the apprentice a base of standards for the important on-the-job elements. It can be argued that obtaining these standards can best be done through off-the-job learning rather than on-the-job. Apprentices often dislike studying otherwise they would have continued full-time education. However, the presence of some theoretical knowledge is inevitable to perform well in a company. Given the aversion to learning on the one hand and the necessity on the other, a structured approach towards learning seems best. By giving professional institutions responsibility for providing off-the-job learning the apprentices will receive their education from experts. Moreover, the employer has no further obligations regarding the apprentice's learning but to schedule some days off.

A major advantage of Modern Apprenticeships is that the theoretical underpinning can reach such a level that the academic route is (re)opened. For most, the vocational route is seen as minor compared to the academic route. This harms the status of Modern Apprenticeships. Therefore, to leave the possibility of an academic route open undoubtedly affects young persons' barriers to entering the vocational route.

Another objective of the theoretical underpinning of apprentices has to do with the national situation regarding basic skills. In England, seven million adults have severe problems with basic skills. One in five adults has a lower level of literacy than is expected of an 11 year-old (DfEE, 1999: 16). Not only will this endanger England's international competitive position but low basic skills also mean serious disadvantages for individuals in their professional and personal life.

It is not to be excluded – according to one of our interviewees with a profound experience on the subject – that political motives are a cause for the presence of some theoretical parts in the Modern Apprenticeship programmes. The first introduction of Key Skills several years ago was sustained with educational arguments. However, the recent prolongation of Key Skills may be due to political arguments. Key Skills were under pressure, but it was politically a sensitive case as England's educational level was not among the highest in Europe. To omit the Key Skills would unquestionably have political consequences.

### 2.1.2.2 Content of off-the-job learning

There are three qualification components that are mandatory for each apprentice. Apart from these mandatory parts, apprentices can voluntarily take on more components. We will however narrow our study to the mandatory qualification components.

**National Vocational Qualification (NVQ).** NVQs are qualifications which reflect the skills, knowledge and understanding an individual possesses in relation to a specific area of work. In general NVQs give a satisfactory base of standards for the important on-the-job elements of apprenticeship (DfES, 2001: 17). As we have discussed this type in greater detail in the previous chapter, we continue here with the other mandatory parts.

**Key Skills.** Key skills are a range of essential generic skills that underpin success in education, employment, lifelong learning and personal development. The Government is convinced that all young people whether in post-16 education or training need a solid basis in the key skills of communication, application of number and information technology (IT). This is essential if they are to compete effectively in the labour markets of the 21st century. All post-16 programmes of education and training for young people should include the opportunity to improve key skills in these areas (DfES, QCA & LSC, 2003: 3)[10].

Key Skills are assessed both internally and externally. The application of skills is assessed by the training provider, whereas knowledge and understanding are assessed externally through written exams. Standards for these tests are set by the Qualification and Certification Authority. It is the training provider's duty to train the apprentices for both assessments.

**Technical Certificate.** The government was concerned about the weak level of knowledge and understanding expected by some frameworks, particularly those which require no knowledge-based award to complement the NVQ Level 3. To address this issue the department asked the Qualifications and Curriculum Authority (QCA) to develop a range of vocationally-related qualifications, to be called 'Technical Certificates' (Fuller and Unwin, 2003a: 8).

These Certificates would:
- deliver the underpinning knowledge and understanding relevant to the NVQ included in the particular Modern Apprenticeship framework;
- be delivered through a taught programme of off-the-job learning;
- permit a structured approach to the teaching and assessment of the underpinning knowledge and understanding of an NVQ[11].

Technical certificates have also been introduced to Modern Apprenticeship to form the basis for apprentices to progress, either within the workplace or to further or higher education. This fits neatly with the idea of enabling apprentices to take the academic route in the end.

## 2.2 Providing apprenticeships

Obviously, there is a structure of providing apprenticeships. Above we have discussed the contents of Modern Apprenticeships and here we will briefly discuss the organisations that are involved in the delivery and their procedures.

### 2.2.1 Organisations involved

It is estimated that some 1,300 organisations offer Modern Apprenticeship programmes (DfES, 2001: 22). About 13% of places are accounted for by employers[12]. This means

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[10] See www.dfes.gov.uk/keyskills for leaflet from which we cited
[11] www.qca.org.uk/nq/framework/technical_certificates.asp
[12] Both individual and united in groups

that only a small proportion of apprenticeships are 'employer-led'. Private training providers account for nearly 50% of all places. Driven by business interests, they are

> 'private sector companies which do not directly employ apprentices themselves, but which provide a range of expert services to employers who do take on apprentices, services without which an employer would not feel able to shoulder the responsibilities which employing an apprentice involves' (DfES, 2001: 22).

Some Further Education Colleges also provide off-the-job training for apprentices and account for 20% of all places. Lastly, some 10% of the apprenticeships are provided by not-for-profit organisations.

All of these organisations have their own procedures. Some seek employed young people and invite them to join an apprenticeship programme. Others may receive applications from young people who want to join the programme. In that case the organisation needs to find a suitable employer who wants to take the person on as an apprentice. Off-the-job training is often provided by these organisations and many are rewarding bodies as well, which means that they are allowed to train and assess the apprentices.

Each organisation will receive a public payment in respect of each apprentice. However, the organisations have considerable discretionary powers when it comes to spending the money. In general the costs of off-the-job training and certification are met by the provider although a third party may be contracted to conduct some of these functions.

The functioning of the Training and Enterprise Councils, the organisations that were in charge of spending the public money, was questionable. In a major structural change in 1999 the Government replaced these organisations by the Learning and Skills Council. Consisting of 72 independent councils, the performance of the Training and Enterprise Council was heavily restrained by the mutual divergences as this led to extra financial overhead. For example, if the government wants to make a national contract with all 72 councils, it had to contract each council separately. In 1997-98, Training and Enterprise Councils' accounts showed an average of 13% of total income was spent on administrative costs, whereas other organisations that were operating in the same field spent under 1% on administration (DfEE, 1999: 34).

The country was subdivided in 72 regions and each council was responsible within its region for the number of Modern Apprenticeships. Training and Enterprise Councils did not provide Modern Apprenticeships themselves, but hired training providers. They had a contract in which the number of starts was stated as well as the subsequent sum they got paid. Providers make costs when providing a Modern Apprenticeship. These costs were claimed monthly, based on contractual arrangements. This meant that the providers will first have to make their costs and then get their funding. The main advantage of this system is the flexibility: the providers got what they have spent as the amount of money that is spent corresponds with the claimed amount. As the costs for providers varied each month, it was not possible to calculate their payments upfront. However, if this would be the procedure then refunding or additional payments were inevitable.

The councils were not only a source of financial income they were also collaborating with training providers to make sure that the local needs were best met. Especially private training providers could use such an assertive behaviour as they were more likely to search for niches in the market, for example young persons with extra needs. The council had the financial flexibility to provide such training providers with additional money which encouraged them to continue their work.

## 2.2.2 Weaknesses in the system

Despite the efforts taken by these organisations the government declared a structural change in 1999. In the White Paper[13] 'Learning to Succeed' a new strategy and framework for all post-16 learning was set out. Although apprenticeships form only a part of the post-16 learning framework the proposed changes would indisputably affect the system of Modern Apprenticeships. According to the White Paper a number of problems prevented the system from performing well. Among these problems are:

- **low rates of learning and staying on rates at 16** – over 160,000 young people between 16 and 18 are neither in learning nor in work;
- **a cycle of deprivation and disadvantage** – people with low skills and poor qualifications are the least able to respond to the challenges of the knowledge-based economy and the most likely to be disengaged or excluded from society;
- **particular difficulties faced by people with special needs** – disabled people are more than twice as likely to have no formal qualifications and are only half as likely to be in employment;
- **poor levels of basic skills amongst adults** – seven million adults have severe problems with basic skills, such as English, Maths, and IT;
- **skill shortages and recruitment difficulties for employers** – there are major recruitment problems in some occupations and there remain significant 'skills gaps' between what employers need to meet their business objectives and the skills that people possess;
- **patchy support, advice and guidance for young people** – the volume and quality of service is not uniform; and
- **too much learning provision which is unsuited to the needs of learners** – many learners do not want to be tied to learning in a classroom (DfEE, 1999: 16,17).

These are results from the system's malfunctioning; there are also weaknesses in the system itself, or as is stated in the White Paper after addressing problems due to a number of interfering funding systems (which will be discussed in greater depth in chapter four):

> 'the interaction between these separate systems has resulted in a bureaucratic minefield that is confusing, difficult to negotiate and often impedes rather than encourages the learner' (DfEE, 1999: 20).

Further on in the White Paper, the case for change is summarised:

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[13] White papers declare government policies (Kingdom, 1999: 514) and are therefore not the same as laws. However, sometimes they can be as influential as laws. Suppose there are no laws; then the white paper has in fact the same consequences. Since there are no laws for Modern Apprenticeships, a situation referred to as 'leaflet law' (Ryan and Unwin, 2001: 104), white papers are very influential and directional.

'There is too much duplication, confusion and bureaucracy in the current system. Too little money actually reaches learners and employers, too much is tied up in bureaucracy. (…) The system has insufficient focus on skill and employer needs at national, regional and local levels' (DfEE, 1999: 21).

## 2.2.3 Objectives

To remove the barriers which prevent people from taking advantage of these opportunities and to maximise the benefit from the significant amount of public investment into post-16 education and training the government aims to create a new framework which must result in improvements in attainment and enhanced employability (DfEE, 1999: 22). The White Paper not only analyses the need for change and subsequent measures it also formulates objectives of the change. In our final assessment on the change from Training and Enterprise Councils to Learning and Skills Councils we embrace these objectives.

The objectives are to:
1. promote excellence. People have a right to expect that the provision they receive is of the highest quality, as do employers investing in the skills of their workforce;
2. give employers a substantial stake in shaping what is provided in post-16 education and training. The new arrangements must respond flexibly and rapidly to the changing needs of the labour market, supplying that mix of qualifications which best meets the skills needed by employers in the workplace;
3. create systems which are driven by and responsive to the needs of individuals, businesses and their communities. Funding should follow individuals and employers (…) so as to meet the need of local, regional and national labour markets;
4. give everyone access to education, training and skills opportunities. Funding arrangements should take account of the extra cost of meeting the needs of the must vulnerable groups;
5. ensure people have access to support. Good quality information and advice should be available to everyone;
6. design systems which deliver efficiency. Fragmentation, bureaucracy and duplication must be cut out;
7. improve accountability and probity. Providers should be looking to set new standards which are a model for other sectors; and
8. change in an evolutionary way. The new system should be built on what works well and ensure continuity and progression towards achieving targets (DfEE, 1999: 22).

These objectives need to be briefly reflected on as they are quite meaningless in themselves. The basic question concerns the appropriateness of the objectives. Critical questions such as 'why are these specific objectives to be pursued' or 'are these shared objectives that all actors involved have agreed upon' can be asked. No one opposes against efficiency, for example, but one should be aware that efficiency is on its own extremely limited. Other values such as accountability or equity can conflict with efficiency but are of great importance. Moreover, can something be efficient without being effective? In others words, goal-attainment is not to be ignored. Efficiency is only a means to an end and should not be treated as an end. Our conviction is that some of the

objectives, for whatever reasons, are oversold. However, adopted programmes are more likely to exhibit errors of over-optimism than of over-pessimism (Harrison and March, 1984). Unless the White Paper consists of the government's glorious prospects regarding England's labour force's future, this means that the White Paper promises a highly preferable situation which is created by over-optimism and leads to disappointment rather than success.

The objectives are very vague which definitely does not contribute to their impact and cogency. When objectives are too loosely defined they become meaningless as it will be fairly easy for implementers to argue that their actions fit in the objectives. This means that objectives are not compelling enough thereby undermining success in terms of goal-achievement. The White Paper aims to change a situation. This implies a vision for the authors of the White Paper can think of situations that are to be preferred over the current situation otherwise the change would not be necessary. However, to guarantee that the change leads to the preferred situation this situation should be defined more clearly. The risk with broad-defined objectives is that organisations involved in the implementation can pursue their own agendas which implies that their own objectives prevail in such a way that their actions are guided by the White Paper's objectives but will not lead to the preferred situation. This raises the question how success can be assessed given these problems.

## 2.3 Assessment techniques

If we are to assess the success of the change to Learning and Skills Councils, we can choose from many evaluation techniques. The objectives put down in the White Paper can be guiding in the sense that success is defined in the achievement of the objectives. First, in order to measure success we would need an explication or operationalisation of the objectives. This is somewhat problematic as the objectives are ill-defined in the sense that they are far from concrete and noncommittal which leads to a situation in which the degree of success is barely measurable. Moreover, a second critique, one can argue that these objectives are not a sufficient condition for success, for example because these objectives are unilaterally defined. This is problematic in a situation of organisational interdependency as success cannot be defined from just one point of view and therefore not be assessed from one point of view. We therefore introduce an additional set of assessment techniques in chapter three.

We need a theoretical framework on which we ground our evaluation and analysis and which defines our focus and the way we perceive certain notions. The next chapter elaborates this subject.

# 3 Reality, yardsticks and ideal situations

As reality is too complex to describe comprehensibly, defining the (small) part of reality that will be subjected to an analysis is inevitable. And even within this boundary, it will still be hardly possible to reflect the facts precisely. Therefore, certain mechanisms to deal with these problems are required. Among these techniques is the theoretical framework in which not only the *subject* of analysis is defined, but also the *focus*. The focus is often compared with a pair of glasses through which the reality is observed. A lot of what has happened will not be taken into account. Yet, only the things that do matter in terms of the focus are considered. This limits the scope of the research but increases its validity. The focus of this study is defined in this chapter.

Yet there is more to say about the strength of this chapter. The constructed framework will not only be descriptive in the sense that it demarcates it is also prescriptive in the sense that it provides theoretical notions needed for criticising and analysing the described situation. This framework functions as a yardstick in order to spot differences between the ideal and existing situation; based upon the perceived differences and the argued ideal model we can prescribe changes to the policy process.

## 3.1 The network approach

We need a theory that helps us analyse the consequences of a change in structures. This implies that such a theory must include the relation between context and process in order to be able to relate structural changes to changes on the policy process which eventually leads to different policies. Since a change must have positive effects on the policy – at least no negative – the policy process must be affected.

The theory must have prescriptive powers as well. This means that it must tell us what an ideal situation looks like or how we can arrive at such a state of affairs.

We apply the so-called network theory in this study as this theory has both powerful exploratory and explanatory features. This theory is currently widely accepted and mingles insights from at least three academic disciplines: organisational, policy, and political sciences (Klijn, 1997). Most of the current views dominating in each discipline originate from the second half of the previous century. The policy sciences for example assumed the policy maker to be a 'rational actor' knowing all possible alternatives and their consequences. Based on this starting point, academics attempted to come up with reasoned adaptations or alternatives. Simon (1957) argued that the rational actor is *not* the best model, since *bounded rationality* is inevitable. Thus, in epistemological terms, new theories were a response to existing ones negating accepted beliefs by introducing new arguments. This process has continued and currently we belief the network theory to be the best there is, i.e. there are thus far no sound arguments against the strengths of this approach, nor better alternatives. Hereafter we discuss the distinct features of the network theory.

## 3.2 Features of the network theory

### 3.2.1 Introduction

Network theories are grounded on the assumption that 'government is actually not the cockpit from which society is governed and that policy-making processes are generally an interplay among various actors' (Klijn and Koppenjan, 2000: 136). The theoretical roots of this approach lie in inter-organisational theory and the interactive perspective on public policy (Hufen and Ringeling, 1990). It focuses attention on the interaction processes between interdependent actors and the complexity of objectives and strategies as a consequence of that action. The central starting point of the interorganisational approach is that 'the environment of organisations consists of other organisations' (Klijn and Koppenjan, 2000: 139).

This implies an assumption that actors are mutually dependent and that actors need other actors to achieve their objectives. Resources for this achievement are possessed by others (Scharpf, 1978). These interdependencies cause interactions between actors which create and sustain relation patterns (Klijn, 1997: 31). Interaction patterns acquire a degree of sustainability because of the limited substitutability of resources. Rules develop which regulate the behaviour of actors and resource distribution in the network.

Policy networks consist of a wide variety of actors who all have their own goals and strategies and policy is the result of interaction between a number of actors (Klijn, 1997: 31). This means that there is no single actor who has sufficient power to direct a policy according to his own wishes. And since actors tend to pursue their own goals, the co-operation between actors, which lies at the core of the network approach, is by no means simple or spontaneous. This requires particular types of management which we discuss further on.

In time, rules are developed in the networks that regulate behaviour and resource distribution (Hill and Hupe, 2002: 77). However, these rules also influence rules in the sense that they are solidified and altered in the interactions (Giddens, 1984). Therefore, it can be concluded that 'the created policy networks form a context within which actors act strategically and in which strategic action is confronted by the strategic action of others' (Klijn and Koppenjan, 2000: 139).

We can derive al least three characteristics of networks from this:
1.  networks exist because of interdependencies between actors;
2.  networks consist of a variety of actors each with their own goals;
3.  networks consist of relations of a more or less lasting nature between actors.

### 3.2.2 Games

Within networks series of interactions take place around policy and other issues, which can be called games (Rhodes, 1981; Scharpf, 1997). Policy processes are in these terms a series of games. A characteristic feature of a game is that the result derives from the interaction between the strategies of all actors involved (Klijn and Teisman, 1997: 99). The set of players and their strategies can never be taken as granted for they are subject to

continuous change. Actors within a game are guided by their strategies which can be defined as 'the set of decisions taken by one actor which reflects the combination of resources and targets they bring into play' (Klijn and Teisman, 1997: 101). What is interesting then is the interconnection between strategically operating actors in a game. During a game, actors operate within the established resource distribution and set of rules. The existing ambiguous rules are interpreted. Actors select strategies based on their perceptions of the nature of the problem, their desired solutions and those of the other actors, taking into account that different actors have different perceptions (Hill and Hupe, 2002: 77).

This can be summarised in the following definition of a game:

> an ongoing, sequential chain of (strategic) actions between different players (actors), governed by the players' perceptions and by existing formal and informal rules, which develop around issues or decisions in which the actors are interested (Klijn and Teisman, 1997: 101).

The fact that actions are predominantly governed by actors' perceptions does not necessarily lead to a situation in which policies can change radically due to major changes in perceptions as these mostly undergo an incremental change during the games.

The existence of rules in a game enables departure from minimal institutional agreement, which drastically lowers the transaction costs.

## 3.2.3 Concerted action

Actors need to cooperate to achieve satisfying outcomes, however policy is made and policy processes occur in the tension between dependency and the diversity of goals and interests (Klijn and Koppenjan, 2000: 140). Although rules and resource distribution can be regulating, cooperation does not happen of its own accord and steering of the complex games is inevitable. Network management is focused on the improvement of cooperation between involved actors (O'Toole, 1988). In this context a distinction can be made between two types of network management strategies: *process management* which focuses on the interaction between actors in policy games and *network constitution* which concentrates on realising changes in the network (Klijn and Teisman, 1997; Klijn and Koppenjan, 2000).

### 3.2.3.1 Process management

Process management has as its aim to improve the interaction between actors in policy games, taking the structure and composition of the network as given (Hill and Hupe, 2002: 78). In essence this concerns steering strategies that seek to unite the various perceptions of actors and solve the organisational problem that various organisations, in having autonomously developed their own strategies, are not automatically in concert with one another (Klijn and Koppenjan, 2000: 140). Since we have a particular interest in the network constitution we only mention three management strategies without elaborating them in great detail. With regard to perceptions, actors can covenant which means that they explore similarities and differences in each others perceptions and the opportunities that exist for goal convergence. Within games, actors who possess

resources can be mobilised or demobilised. Thirdly, in consideration of institutions, ad hoc provisions which suit groups of interactions can be created, sustained and changed (Klijn and Teisman, 1997: 106).

### 3.2.3.2 Network constitution

Based on the assumption that the institutional characteristics of the network also influence strategies and cooperation opportunities of actors, attempts can be made to change one or more of these characteristics (Klijn and Koppenjan, 2000: 141). This can be done through network constitution, which is very time-consuming as it aims at institutional change. Three pivotal factors can be discerned: institutions, actors and perceptions (Klijn and Teisman, 1997: 111).

*Institutions.* These management strategies are aimed at changing the structure of the network by the introduction of new rules, abrogation of existing rules, and the reallocation of resources. Changing of both formal and informal rules can lead to different patterns of interaction.

*Actors.* Introducing new actors into the network can bring new perceptions and can also affect given positions of power and regularities in interaction. But this strategy also applies to abolition of an actor in a network. Actors recognise that certain resources are relevant or even necessary to the realisation of policy outcomes. These resources provide actors with veto power and the greater the veto power, the more indispensable an actor is (Klijn and Koppenjan, 2000: 144). It is very important to successful games that actors are aware of the other actors' resources.

*Perceptions.* The most difficult, yet most basic factor is perception. Common perceptions should be the guiding principle and result in a common strategy and commonly defined goals. Without it, actions would be unguided which is certainly not beneficial for policy outcomes. Therefore, changes in rules or positions will not be fruitful unless the perceptions will overlap to some extent. Network constitution should thus pay at least some attention to reframing. Through reframing radical changes in perceptions of sectoral problems or ways of doing things can be initiated.

No one is exempt from the need for framing. Framing is a term that captures different features of the processes by which people construct interpretations of problematic situations, making them coherent from various perspectives and providing users with evaluative frameworks within which to judge how to act (Rein and Schön, 1993: 147). The framing of a policy issue always takes place within a nested context. When some feature of the nested context, for example in the network constitution, shifts, participants may discover that the repetition of a successful formula no longer works.

The problematic thing with framing is that it leads to different views of the world. This need not lead to fundamental differences causing impossible situations, but when it does reframing is an essential part of the solution. Essential in this case is the frame discourse which refers to dialogue within and across institutions. At least two ways of interpersonal discourse can be construed:

- a policy controversy is interpersonal in nature if two individuals talk about an issue in which they are both directly involved, e.g. if each one of them wants something only one of them can have;
- a policy controversy is institutional in nature if two individuals talk with one another about a larger policy issue in relation to which they function as agents of groups or institutions that are parties to that controversy (Rein and Schön, 1993: 156).

## 3.2.4 Evaluation criteria

### 3.2.4.1 Concerning policies

In classic top-down approaches, success and failure of policy processes are measured in terms of a public actor's effectiveness in achieving goals, which is justified by the fact that the actor representing the public interest is also the central manager in policy processes. Such a yardstick seems problematic in the network approach and its appropriateness is undermined by a number of reasons (Klijn and Koppenjan, 2000: 148 ff):

- Actors in networks are relatively autonomous and there is no coordinating actor. Because each of the actors has their own objectives it is unclear whose objective should serve as yardstick;
- A collectively achieved formulation of an objective will not do either as it is unlikely that actors possess a common perception of the problem or objective at the beginning of the process given the large number of parties involved and their diverging interests;
- Ex ante formulated objectives are untenable as, in interaction processes, actors adapt their perceptions and objectives based on the responses of other parties and events in the environment;
- It excludes interests and preferences from actors that were not involved;

The question rises what can be taken as a yardstick in order to evaluate success. One way of evaluating is called 'ex post satisfying'. Introduced as a reaction to goal-attainment as criterion, it focuses on the extent to which game participants consider the interaction and its results to be satisfactory (Teisman, 1992; Klijn and Teisman, 1997). That means that the starting point of the assessment is based on the subjective judgements of individual actors. Although it does justice to the interactive character of games involving a variety of actors with different, ambiguous and changing goals, some problems remain. Actors' statements may diverge strongly and will not directly lead to a general assessment of success or failure of the policy process: there is a need to assess the individual judgement of actors at a higher level (Klijn and Koppenjan, 2000: 150). The win-win situation criterion is supposed to be the answer to this problem. A win-win situation occurs when actors have succeeded in reaching an outcome that represents an improvement from the earlier situation for all, or when an undesirable situation is avoided through cooperation. Win-win situations are basically the sum of the individual ex post satisfying judgements of participants (Kickert *et al.*, 1997: 173). Evaluations can be further reinforced by taking process criteria into account. The underlying idea of these criteria is that if the process of interaction is prudent, unwanted external impacts will be less likely. Openness, which is introduced by Kickert *et al.* as the most important process criterion, refers to the presence

of a variety of actors and ideas and the access of ideas and actors to the interaction process (Kickert *et al.*, 1997: 174). Other criteria are carefulness, reliability and legitimacy.

### 3.2.4.2 Concerning networks

So far, evaluation of policies is discussed, whereas network management can also be subjected to evaluation. Network management can be judged by the extent to which it enhances the conditions for 'favourable' interaction and the degree to which the network supports these processes (Kickert *et al.*, 1997: 175). Based on the idea that networks are often characterised by cooperation problems caused by the lack of a dominant decision-centre, network management is considered a success if it promotes cooperation between actors and prevents bypasses or removes the blockages to that cooperation.

## 3.3 The network theory applied

### 3.3.1 Construction of the network

We can ask ourselves what this means for Modern Apprenticeships. It means that we must understand the policy process to be a process where many actors are involved playing games that are constituted in a network structure. This structure has changed recently and to analyse this change we study the network structure in relation to the policy process. Therefore we need to have a clear picture of the current and preceding network constitution. Hereafter, we present this picture.

Basically, an apprenticeship programme concentrates on the relation between the employer and the apprentice. These two actors form the core of the programme together with the government who guarantees the quality and validity of the qualifications. It seems therefore logical to start mapping our network with these actors. Based on the assumption that all actors are free in their choices whether to join the programme or not, we assume that the apprentices aim to achieve a recognised qualification whilst making money by working. The emphasis, or the added value of Modern Apprenticeship, lies at the nationwide recognised qualification. Traditionally, employers needed apprentices as most of the crafts apprentices were taught could only be imparted by practice and not by studying literature. Investments had to be made by the employers in the early days of an apprentice but within a few years the apprentices had acquired some skills and became profitable.

This picture however is outdated and disturbed. This is due to a number of causes but most of them originate from governmental interference. The natural market balance of supply and demand has severely been interrupted by so-called training providers, called into being by the government in the mid 1980's. These private organisations were publicly funded to get as many unemployed young people into some sort of apprenticeships regardless of employer demands. We get into greater detail on the specific circumstances in the next chapters, but for now this information suffices as it shows the beginning of a disturbance. In their subsequent years of functioning, training providers attempted to increase their profits and continued to try to get as many apprentices on the programme as possible. This affected the relation between the

employer and the apprentice as well. Employers could now recruit several young people with financial aid from the government without any long-term obligations which lead in some cases to the scenario where apprentices were used as cheap labour and the apprenticeship as an initiation process – only the best apprentices were eventually offered a job.

In 1993, the government attempted to influence this process and regenerate the concept of apprenticeship by introducing Modern Apprenticeships. Along with this operation new organisations were established. Together these organisations had to make sure that Modern Apprenticeships would become a serious alternative in the field of vocational education. National Training Organisations (currently Sector and Skills Councils) became responsible for the contents of an apprenticeship programme and the Qualification and Certification Authority is in charge of the quality and contents of the qualification apprentices acquire. Training providers united in the Association of Learning Providers and Association of Colleges.

The department chose to have Training and Enterprise Councils as local organisations that are responsible in their region for the number of apprentices on the programmes. As this was their main financial source, the Training and Enterprise Councils attempted to increase the number of apprentices (as they were initially only judged on the number of starts – regardless of success in terms of achieved qualifications). In 1999, these organisations were replaced by the local offices of the Learning and Skills Council.

As from this moment an expanding network emerges. All the actors involved became responsible for some part of the programme, whereas most of the organisations were not fully dependent on Modern Apprenticeship, i.e. their core of business lies elsewhere. The Qualification and Certification Authority operates nationwide and at all possible levels of education: their scope reaches far beyond apprenticeship programmes. The same holds true for the department, however this organisation is seen as the main advocate of Modern Apprenticeship. Traditionally, the main decisions affecting the programme are taken here. In 1999, a large portion of the department's responsibilities moved to the Learning and Skills Council.

Regardless of all possible activities an organisation may have, we limit ourselves to Modern Apprenticeships and the roles these organisations have in that respect. Then we can draw a picture of the actors, their resources, and their positions.

## 3.3.2 The network depicted

### 3.3.2.1 Before the Learning and Skills Council

Financially, it all begins with the Treasury that funds the department that funds the national office of the Learning and Skills Council that funds their local offices that fund the training providers that fund the employer and the apprentice. The Treasury is in these terms predominantly interested in England's competitiveness in international context and Modern Apprenticeship can contribute to this as it attempts to upgrade the national labour force's skills. The Treasury perceives the department as the means and therefore they

provide this organisation with money so that it can fund the programme. Basically, the Treasury is both an important and distant actor: they dispose of the finances but do not interfere frequently.

When we turn to the department we perceive a shift over the years in their approach. Until the turn of the century, the department perceived itself as *the* decisive actor when it comes to Modern Apprenticeship and failed to understand the process of policy making in terms of networks and interdependencies. They wanted a good system of education and high quality Modern Apprenticeships. However, until the Learning and Skills Councils were set up, the department invited the Association of Learning Provider, the Association of Colleges, and the National Training Organisations regularly whereas other actors were consulted incidentally or were even neglected. Training and Enterprise Councils, having a great deal of local knowledge, were not invited; employers were not invited; academics or external advisors were not invited. Well, sometimes they were, but then selectively and incidentally. This is a problem, as many resources of actors in the field are left aside – we mentioned the local knowledge of the Training and Enterprise Council, but we can add the valuable information of academics who studied the subject for years, or the employers who have extremely valuable information. For, if the employers are not satisfied with the current policy and refuse to take apprentices on the programme, what can possibly become of Modern Apprenticeship? Therefore, we can introduce figure 2 which depicts the network of actors before the Learning and Skills Council was set up.

**Figure 2: Network structure before the Learning and Skills Council**
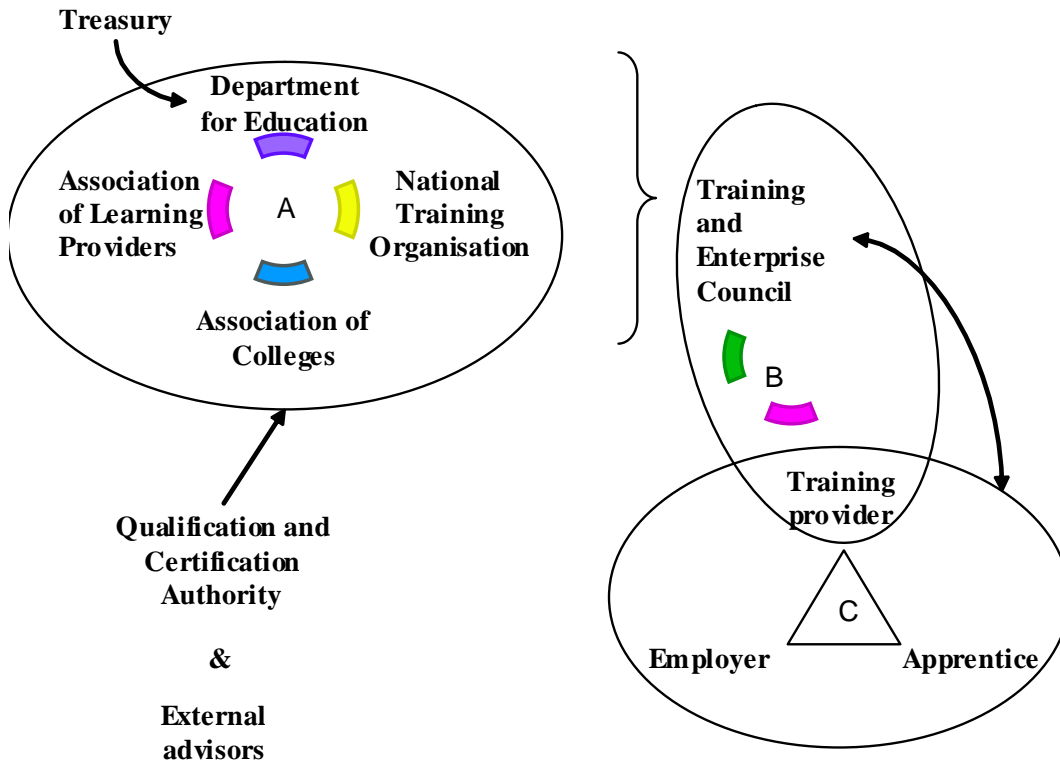
This figure contains a lot of information and we need to clarify its layout. The figure consists of a number of meaningful symbols. The circles with the coloured diagrams stand for games; hence there are games at two distinct levels: A and B. Other actors are not directly involved but cannot be neglected as they affect the games. Furthermore, the bracket indicates a separation and the arrows indicate the exchange of resources, whether unilateral or multilateral.

By funding the department, the Treasury plays a minor role in decision-making. The main decisions are taken by roughly four actors: the department, the Association of Learning Providers, the Association of Colleges, and the National Training Organisations (in arbitrary order). These actors are advised by several outsiders, such as the Qualification and Certification Authority, academics, consulting organisations, and so on. However, game A is predominantly played by the four mentioned actors and results in the formal governmental policy regarding Modern Apprenticeship. The Training and Enterprise Councils are then ordered to adopt this policy resulting in game B which is played between these councils and the training providers. These two organisations attempt to fit the local needs as best in the directed policies as possible in this game. Finally, the training providers negotiate with employers, or vice versa, to get them joining the Modern Apprenticeship programme. We are reluctant to calling this a game, since it does not have the 'ongoing' feature characteristic for a game (cf. the definition we use in 3.2.2). Therefore we characterise this process by a triangle. The fact that we addressed the character C to this process indicates that we perceive this an essential stage in the policy making process. Often, Training and Enterprise Councils try to assist training providers in this practice; hence the arrow that connects the council with process C.

Essential in this figure is the sharp distinction between the games A and B, or more precise, between the decision-making and implementation process. We get into greater detail on this subject further on in this chapter.

**3.3.2.2 The Learning and Skills Council included; or, the current network structure**

We will now continue with presenting the current state of affairs regarding the network structure and therefore we present another figure. Obviously, the Training and Enterprise Councils have disappeared and the Learning and Skills Councils are introduced and for the latter we distinguish between their national and local councils. Furthermore, the National Training Organisations ceased to exist and are replaced by the Sector and Skills Councils. However, this change is still going on and is performed by the Sector and Skills Development Agency. Some 33 councils are to be set up, yet only a handful is currently operational and the Development Agency fills the gaps. In order to prevent the figure becoming too complex, we decided to let the Sector and Skills Councils out and only mention the Sector and Skills Development Agency.

We add another organisation, Connexxions. This organisation is set up to advise and support young people with their choices of education and can therefore be very influential regarding Modern Apprenticeship. They not only possess a great deal of local knowledge about the young people's perceptions but they can also recommend this type of education.

One last introductory remark on the figure concerns the vaguely coloured rectangle, which indicates the Modern Apprenticeship working and steering group. These are discussed further on in greater detail, but here we want to stress the fact that they are separate groups with distinct features. The important fact here however is that both groups consist of at least these organisations and form together with the department and the national office of the Learning and Skills Council the core of the current Modern Apprenticeship decision-making process.

**Figure 3: Network structure after the change to the Learning and Skills Council**
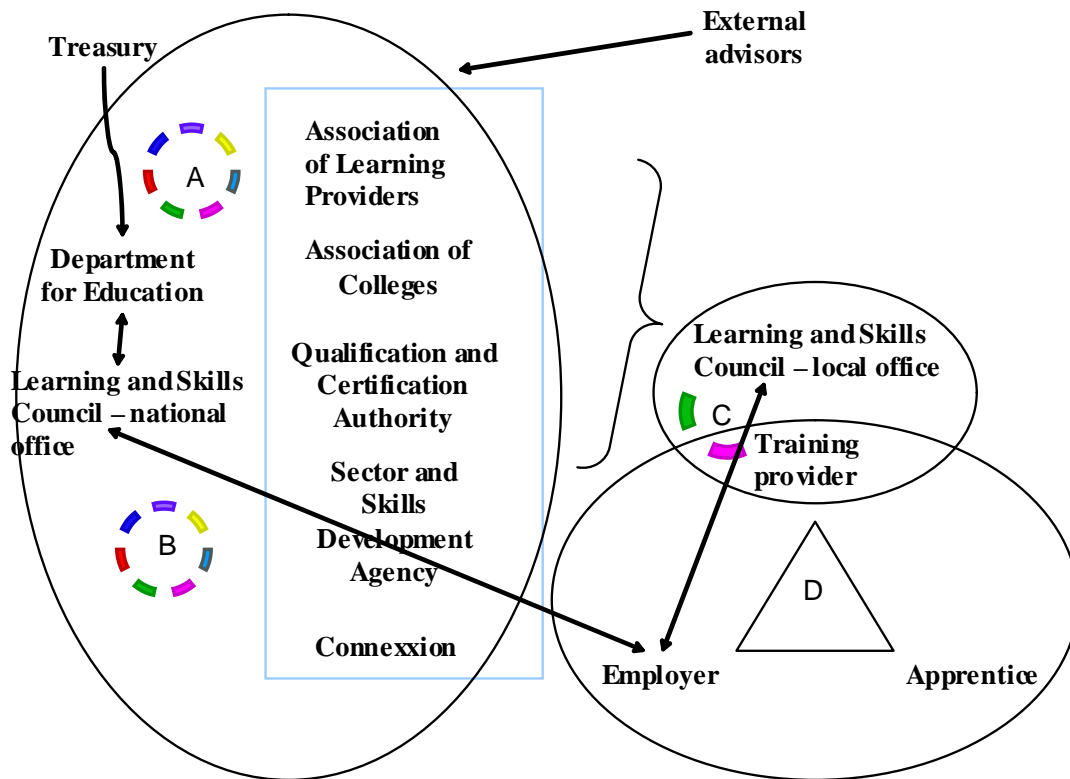


In comparison with figure 2 we can perceive former game A to be changed most severely. The number of actors involved has increased and the interrelations changed as well. The department and the national office have their own responsibilities but are nevertheless closely related. Roughly speaking is the Learning and Skills Council responsible for anything associated with the implementation of the policy and the department holds responsibility for the outlines of a policy. Decisions on these subjects are of course taken in close collaboration with the organisations as mentioned in figure 3. Therefore we can represent decision-making on the outlines of a policy diagrammatically as game A and decision-making on the implementation as game B. These two games however are severely blurred due to the close connections between the actors involved.

What is important is the persistent distinction between the centralised decision-making represented in games A and B and the *local* implementation as represented in C and D. One major change that came along with setting up the Learning and Skills Council is

nationalising the policy on implementation (Ainley, 2001). This means that the national office, in game B, defines not only the issues that the local offices have to implement, but also the way these offices should do that – without consulting the local offices upfront.

One thing that has changed is the direct line of the Learning and Skills Council (at both the national and local level) with employers; big organisations can apply for their own bespoke training programme which means that training providers are bypassed. This is possible due to the abolition of the 72 different Training and Enterprise Councils that were replaced by one organisation with 47 local offices. National rates and policies are since then available which enables organisations to contract with one organisation regardless if they cross borders of local organisations. Since each Training and Enterprise Council could pursue its own rates, organisations operating in more regions had to contract with each council separately.

The current network structure can be criticised though. Before we do so, we need to know more about the relation between decision-making and implementation processes, especially about the steering methods. For example the main decisions are taken at national level, i.e. in games A and B, but what are the weaknesses of such an approach when the local organisations are more or less unilaterally and hierarchically ordered what to do. Hereafter, we briefly discuss the decision-making and implementation process with a special interest in hierarchies.

## 3.4 The decision-making process

In this thesis, we understand the decision-making process to be the process that starts with the delegation from politicians and ends with the implementation. All political decision-making processes are discarded otherwise it would get too complex. Nevertheless, vital parts of this process remain. The implementation process will be discussed hereafter in the part on the delivery process.

### 3.4.1 The decision-making process

There are many ways to perceive the decision-making process. Parsons (1995) has analysed this subject thoroughly and groups the main approaches and categories as follows.

*Power.* Power models view decision-making as something which is shaped and determined by the structures of power: class, wealth, bureaucratic and political arrangements, pressure groups, and technical knowledge of professionals (Parsons, 1995: 248).

*Rationality.* Parsons (1995) distinguishes the ideas of economic rationality and bureaucratic rationality. Within rational processes, choice depends on what alternatives are considered and on two guesses about the future: the first guess is a guess about future states of the world, conditional on the choice. The second guess is a guess about how the decision maker will feel about the future world when it is experienced (March, 1994: 3).

*Public choice.* Theorists of the power of bureaucracy in the decision-making process argue that one of the main characteristics of the modern state has been the manner in which bureaucratic, …, has increased by serving *itself* rather than the public interest (Parsons, 1995: 307).

***Institutional.*** Organisations are no longer seen as neutral, rational tools. The organisation may be significantly viewed as an adaptive social structure, facing problems which arise simply because it exists as an organisation in an institutional environment, independently of the special … goals which called it into being (Selznick, 1957: 251).
***Informational and psychological.*** In this understanding of the decision-making process, factors such as human emotions, personality, motivations, group behaviour, and interpersonal relationships are central.

Obviously, there is no one approach superior to another. All are limited and all have particular strengths. In this thesis we will predominantly use the power model as it provides us with appropriate insights. Nevertheless, we should be aware of its strengths *and* weaknesses. Therefore, we will study this approach in greater detail.

## 3.4.2 The power approach

Within the power approach there are a number of distinctive approaches. It goes beyond the scope of this thesis to discuss them all. We will particularly focus on two approaches: pluralism and corporatism. The reason we pick these is that the role of the administration is strategic. This comes very close to our subject. The great advantage of the two models is that they are each others opposite in these terms and therefore useful as ideal-types.

The politics of influence[14] take us close to the heart of the power structure within the polity (Kingdom, 1999: 516). Central in this approach is the presence of interest groups. In the academic debate on interest groups, the function of interest groups is considered in the political system as a whole and a distinction is then made between pluralism and corporatism. The debate between pluralists and corporatist goes to the heart of a central question in politics: the relationship between society and the state. Pluralists see society dominating the state; corporatists view the state as leading society (Hague *et al.*, 1998: 124). Hague continues to focus on a deeper level, i.e. ideologies. Pluralists see the task of government as responding to interests expressed in it. Corporatism, by contrast, favour an organised, integrated society in which the state offers leadership in pursuit of a vision shared with society.

**Pluralism.** In the pluralist account, power is non-hierarchically and competitively arranged (Held, 1996: 202). There are numerous competing interest groups exerting strong influence over a responsive government. However, each group concentrates on its own area (Hague *et al.*, 1998: 125).

There is thus no single, powerful decision-making centre. Since power is essentially dispersed throughout society, and since there is a plurality of pressure points, a variety of competing policy-formulating and decision-making centres arises (Held, 1996: 203). The reason that this system is capable of producing output, despite its conflicting character, may be due to the fact that individuals tend to belong to several groups. There is a 'protean complex' of relationships and each interest group is likely to remain too weak

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[14] We will not enter a discussion about terminology as some argue that 'influence' is not the same as 'power' and vice versa. These differences need not be problematic once one knows what is meant (Van Schendelen, 1990: 120).

and internally divided to secure a share of power incommensurate with its size and objectives (Truman[15], 1951). Policies are to be seen as a product of bargaining and compromise. Dahl, one of the founding fathers of pluralism, argues therefore that pluralism can be seen as a minority government. There is an ongoing process of influencing and concurrence between varying minorities (Van Schendelen, 1990: 130). This means that no group can be sure of having a permanent dominance on all fields. Moreover, no single group will dominate because, as in Newton's law of motion, for every force there is an equal and opposite to counterbalance (Kingdom, 1999: 517). In this model, it is easy for groups to unite and to join the decision-making.

The role of the government in the decision-making process seems limited. It is the point where the forces act, but its role concerns 'the balancing of group pressures' (Richardson, 1979: vii). In other words, the government is an impartial referee (Kingdom, 1999) trying to mediate and adjudicate between the competing demands of groups (Held, 1996). But, as Van Schendelen continuously points out in his writings on decision-making in the European Union (cf. Van Schendelen, 1994, 2002), public officers can be highly influential as they are in the 'driving seat'. In the pluralistic system, the government has the formal powers about which the interest groups are battling. Because the public officer is frequently approached by interest groups with competing desires, *he* can choose among them, making him far from irrelevant. On the other hand, he has to anticipate on the demands and to communicate intensively to produce acceptable policies.

Although some theorists of pluralism predominantly focus on the political system (cf. Dahl's notions on *polyarchy* – Dahl, 1956, 1971), we continue to focus on the role of the government. In the ideal-type of pluralism, as sketched above, government has a fairly limited role. Analogously, public officers are limited in their functioning, which is not to be seen as equivalent to powerless.

**Corporatism.** Contrary to pluralism, corporatism is a system of interest representation in which the constituent units are organised into a limited number of singular, compulsory, hierarchically ordered categories (Schmitter, 1974 cited in: Held, 1996: 227). The coordinated relations between certain key groups and the state are characteristic for government works in deliberate collusion with certain major interests in society (Kingdom, 1999: 522). Groups may even be created by government to represent interests it wishes to work with. The idea is that the influential peak organisations that are invited by the government and granted certain influences pass decisions down the line (Hague *et al.*, 1998: 126). This idea is central in the study of Lijphart (1968) of post-war policy-making in the Netherlands. He wondered why democracy still functioned, despite of extreme *pillarisation*. The key to this question is found in the functioning of corporatism. A selective number of leaders determine policies and make sure that the rank and file of their *pillar* accepts this policy. This shows that corporatism uses a top-down approach.

The role of the government is an active one. It decides who shall be invited into the consultations and has clear views on policy (Kingdom, 1999: 522). Negotiations between the state and recognised groups take an administrative, technical form. Policy-making is

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[15] Cited in: Held, 1996: 203, 4).

therefore depoliticised and electoral representation becomes less important (Hague *et al.*, 1998: 126). In the corporatist view, the government is thus very influential. Hence, the influence of public officers is greater than in the pluralist view.

### 3.4.3 Some limitations

Above, we have presented two models of the decision-making process. These models are far from perfectly describing reality. Critics of the pluralist model, for example, point out that some interests are difficult to mobilise: illegal immigrants, people with learning disabilities, or the homeless (Hague *et al.*, 1998: 125). A pluralist model is not *per se* a democratic model as groups can be internally undemocratic with unelected leaders whose views may be at variance with those of members. Very few associations have procedures for consulting members. Moreover, the largest groups are not necessarily the winners, tightly knit associations often having a degree of influence entirely out of proportion to their democratic weight, while groups with vast memberships have suffered successive defeats (Kingdom, 1999: 519). Critiques on the corporatist model focus predominantly on its limited scope as *tripartite* agreements are rather an exception than a rule. Only a few countries can be seen as corporatist, among them Sweden and the Netherlands (Held, 1996: 229, 30).

These critiques however do not imply that the models have become useless. Constraints are inherent in models or ideal-types. The ideal-types of pluralism and corporatism are useful regarding the governmental role in it. On the hand – in the model of pluralism – the government has few abilities to make a difference. It functions predominantly as an independent arbiter. Contrary to this is the government's role in corporatism: the directive capacities of the state have increased, allowing it to construct a framework for economic and political affairs (Held, 1996: 227).

## 3.5 The delivery process

The distinction between the decision-making and delivery process is not arbitrarily chosen. Regarding the Modern Apprenticeship programme, fundamental choices are taken in these policy processes. Moreover, the structural change has had great impact on these processes in the sense that they are fundamentally reshaped. In this paragraph we briefly discuss the delivery process, in particular the implementation stage. Other parts of the delivery process such as evaluation are not particularly relevant to us at this place.

### 3.5.1 Top-down versus bottom-up

Implementation can be seen as the way general directives and programmes adopted by legislatures, boards of directors, or top managements are executed, modified, and elaborated by administrative organisation (March, 1988: 150, 151). In other words, it is the relation between policy and practice. As there is inevitably a hierarchy, there is also a relation between the top-level and the lower level. This relation is often described in terms of top-down and bottom-up.

**Top-down.** This approach is more or less created by Pressman and Wildavsky. In their book on implementation, which was one of the first in its class, they studied the implementation of a certain programme (Pressman and Wildavsky, 1973). In this study,

they came across a number of problems regarding implementation, in particular because there was no coordination between the policy makers and executers. They argued therefore that implementation becomes less and less effective as the links between all the various agencies involved in carrying out a policy form an 'implementation deficit' (Parsons, 1995: 464). Goals have to be clearly defined and understood, resources made available, the chain of command be capable of assembling and controlling resources, and the system able to communicate effectively and control those individuals and organisations involved in the performances of tasks. In other words, implementation requires a top-down system of control and communications, and resources to do the job; decision-makers should not promise what they cannot deliver.

This top-down approach, or *rational model*, has a clear view on the relation between the top and lower levels: implementation is all about getting people to do what they are told and keeping control over a sequence of stages in a system. Critics point on the (extreme) emphasis on the role of the top. It thereby excludes any consideration of how real people actually behave.

**Bottom-up.** In 1977, Wetherley and Lipsky argued that the rational model was not effective in practice or convincing in theory. They examined the implementation of a law where all conditions set out by the rational model were in large part in place. However, the changes actually made matters worse (Wetherley and Lipsky, 1977). The implication of this study was that control over people was not the way forward to effective implementation. What is really important, according to bottom-up scholars, is the relationship of policy makers to policy deliverers (Parsons, 1995: 469). The bottom-up model is one which sees the process as involving negotiation and consensus-building. It also lays great stress on the fact that 'street-level'[16] implementers have discretion in how they apply policy. In fact, implementers are to be seen as professionals, such as teachers, doctors, social workers and so on. Given their profession, it is reasonable to presume the existence of an information gap. Moreover, professionals use value structures that place the interest of the client above that of the practitioner, and prescribe strict propriety in dealing with the interests and privacy of the client (Peters, 1995: 320). The problem is that these values often conflict with the values of the agency for which the professionals work.

## 3.5.2 Discretion

A policy cannot be formulated in such a way that it applies perfectly to all cases. In other words, the policy maker must leave some decisions to those officials that are in charge of implementation. This is basically the core of discretion. Academics from several disciplines have studied discretion. Ringeling distinguishes administrative law, organisational sociology, business administration and public administration (1978: 19). Davis, an academic in the discipline of administrative law, is cited by Ringeling regarding his description of discretion: "A public officer has discretion whenever the effective limits on his power leave him free to make a choice among possible courses of action or inaction" (1971: 4, cited in Ringeling, 1978: 19). This description clearly

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[16] Term derived from Lipsky (1980).

focuses on an individual public officer. Discretion can therefore be related to the choice of individuals among distinctive actions.

Although discretion is not limited to individual actors – as organisations can have discretion to one another (Ringeling, 1978:22) – we will continue to concentrate on this form.

Ringeling (1978: 23-26) clusters the causes of discretion in four groups. The most frequently mentioned cause is the need of organisations for discretion. Within this group, three causes can be summed up:

- An organisation needs discretion to fit their policies to individual requirements. In other words, it is needed to individualise a policy. Policy makers cannot plan everything into the required detail. This implies that rules are by definition more general than their realisation. For this reason, implementers need discretion.
- Circumstances may change in a short period of time. This requires flexibility to adapt policies to these changed circumstances. Without this flexibility, policies might not be suitable anymore which may prevent policies from success.
- It is sometimes necessary to have discretion with the implementation of new policies if the results are not entirely clear. Certainty about the effects can only be obtained by implementing the policy. Based upon the experiences, new rules can be formulated.

There can also be problems with the legislator. The legislator may leave the final choices with the administration as it may not be able to make a choice by itself. This can be due to their uncertainty on how to set the course or as they cannot choose between certain conflicting interests. Thirdly, it seems reasonable to suggest, according to Hill[17], that policy makers close to politicians advise them to leave certain concrete decisions to lower civil servants (1972: 78). Lastly, the acting of civil servants themselves can be a cause for discretion. Civil servants can use their powers even if they are not allowed to do so. It sometimes is not entirely clear whose responsibility it is, whereas civil servants may also act contrary to their mandate. The latter reason is not by definition a purposely action, for example because they do not understand the rules correctly.

## 3.5.3 Ambiguity and implementation problems

March considers two interpretations of implementation problems as common (1988: 151). The first interpretation attributes difficulties in implementation to bureaucratic incompetence. Sometimes bureaucracies are unable to accomplish the tasks they are assigned. This comes very close to the critiques of Pressman and Wildavsky (see above). The second interpretation attributes difficulties in implementation to conflict of interest between policy makers and bureaucratic agents. These difficulties may have a number of causes (March, 1988: 157-61):

- Adopted policies will, on average, be oversold. The argument for this is very straightforward: proposed programmes for which expectations are erroneously pessimistic are rarely adopted and therefore adopted programmes are likely to exhibit errors of over-optimism. These great hopes, created by the over-optimism, lead to action, yet are invitations to disappointment.

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[17] Cited in: Ringeling, 1978: 25

- Centripetal processes of policy-making exaggerate the real level of support for policies that are adopted. The basic assumption here is that some supporters of a policy have other reasons for commitment such as loyalty or friendship. The support, however, is necessary as few major policies could be adopted without such support. The consequence is that there is no assurance that such groups are equally supportive concerning its implementation.
- A common method for securing policy support is to increase the ambiguity of a proposed policy. Official policy is likely to be vague, contradictory or adopted without generally shared expectations about its meaning or implementation.

Thus, the ambiguity of a policy increases the chance of its adoption, but at the cost of creating administrative complications. As for many problems, there is not a panacea-type of solution available. In this case, it would be a system in which policy agreements are clear and their execution unproblematic. What is clear, however, is that there is an indisputable relation between a policy and its implementation and that these should not be treated independently.

# 3.6 Methodology

## 3.6.1 Method and Interviewees

In this paragraph we set forth the way we gather our data and the reasons why this data is applicable and appropriate. We choose for a qualitative research method which is not surprising given the complexity of our object. Moreover, we perform a small number of interviews which makes a quantitative method powerless. The latter approach will also display its shortcomings due to inabilities of formulating the fuzzy concepts we want to grasp. Qualitative research employs a host of techniques for collecting and analysing data (Gabrielian, 1999: 190). Although Punch (1994: 84) observes three techniques to be central, i.e. observation, interviewing, and documentary analysis, we limit ourselves to interviewing and documentary analysis. Observation is in our situation not relevant because we do not conduct a research on subjects or behaviour.

In total we interviewed 11 actors from 10 distinct organisations listed in table 15 – see below. What is important is their variety in seniority and involvement. Some actors are very senior in the field of Modern Apprenticeship and some have contributed to decisive White Papers. In fact the chairman of the group that wrote the White Paper 'Learning to Succeed' is included, as well as the chairman of the group that wrote the document in 1993 introducing Modern Apprenticeships.

Equally important are the people on the ground and they are also included, both at the administrative and executive level. Lastly, some 'outsiders' who are not directly involved in the success of Modern Apprenticeship but who are able to reflect more 'objectively' are included as well, such as academics or formerly involved actors. Each interview lasted 45 minutes on average.

To respect interviewees' privacy we replaced their names with letters; the interviewees are listed in random order. Whenever we refer to insights derived from an interviewee we use the corresponding letter to indicate the data source.

**Table 15: List of interviewees**

| Interviewee | Organisation | Job Title | Noteworthy |
|---|---|---|---|
| **A** | Sector and Skills Development Agency | Head of Corporate Planning & Strategic Projects | |
| **B** | Department for Education and Skills | Policymaker on Modern Apprenticeships | |
| **C** | Qualifications Curriculum Authority | Head of Vocational Learning and Qualifications team | |
| **D** | Qualifications Curriculum Authority | Member of Vocational Learning and Qualifications team | |
| **E** | Learning and Skills Council, Coventry and Warwickshire | In charge of audit | Has worked for years for a TEC |
| **F** | Learning and Skills Council, National Office | Policymaker on Modern Apprenticeships | |
| **G** | Association of Learning Providers | Chief Executive | Chaired the committee that initiated Modern Apprenticeships; CE for a TEC |
| **H** | Learning and Skills Development Agency | Research Manager | |
| **I** | Department for Education and Skills | Director of Learning Delivery and Standards | Led the committee that wrote the White Paper 'Learning to Succeed' |
| **J** | University of Leicester, Centre for Labour Market Studies | Professor | Has studied Modern Apprenticeships for years |
| **K** | Has own consultant organisation | Director | Secretary to the Cassels Committee; used to be a director at the Department for Education and Employment (in charge of funding) |

Above we sketched the network structure stating several organisations. Nearly all of these organisations are included in table 15. Three actors (H, J, and K) are not directly involved in any of these organisations and need therefore to be seen as 'external advisors'.

Another main source of information are documents published by the department, Learning and Skills Council, and many other institutions. Again we do not rely on one particular source but on a variety in order to exclude subjectivity as much as possible.

In this study we evaluate the change to the Learning and Skills Council as proposed in the White Paper 'Learning to Succeed' and we focus on Modern Apprenticeship. Given this subject we focus on the network structure, in particular on the actual changes as a result from the change. Applying insights derived from the network theory as presented above, we can analyse our findings leading to a proper explication and, moreover, an explanation why undesirable situations occurred.

Before the Learning and Skills Council was set up, the Department for Education and Employment had full responsibility for the policy regarding Modern Apprenticeship. Currently, most of that responsibility has shifted towards the Learning and Skills Council. Therefore, interviewing policy makers of these two organisations is crucial. Through 'snowball sampling' we interviewed other actors who are or were closely involved in Modern Apprenticeship. Snowball sampling is a nonprobability sampling technique which is commonly used in qualitative field research. It is appropriate when the members of a special population are difficult to locate and the procedure is that the few located members mention other relevant actors who are subsequently contacted (Babbie, 1998: 195). This results in a network of actors who are involved in the decision-making and/or delivery process.

### 3.6.2 Qua policy

In the previous paragraph we argued that proper policy evaluations demand certain criteria to be met. In our qualitative interviews we clearly asked for their opinion regarding success or failure and the subsequent motivations. Because our interviews were unstructured, which means that we used topic guides rather than questionnaires, the ex post satisfying criterion could be given sufficient attention. By aggregating these findings we are able to construct results for the win-win criterion. However, to do so we need a pool of interviewees consisting of more than the directly involved actors. Therefore, we put a special emphasis on variety within the group of interviewees in such a way that various points of view are included. Process criteria are included as well and we emphasised the actors' abilities to access the interaction process.

### 3.6.3 Qua network

To understand the construction of a network many insights from different angles and from different actors are required. Therefore we have chosen to subject many different actors to an interview which resulted in an increasingly clearer picture of the constitution of the network. Key factors such as influence or power are necessary to grasp interrelations and interdependencies. For that reason some notions on this subject are included in this chapter in 3.4.

When it comes to network management we need to focus on the cooperation between actors, in particular on facilitating cooperation and removing blockages. Again this is qualitatively measured in the interviews. We focused on the position of actors in both ways: regarding those who perceived themselves as network managers and with regard to those who are factually or desirably perceived to be the network managers. By doing so we wanted to grasp the presence or absence of a network manager and the possible existence of a more or less dominant decision-centre.

## 3.7 Working hypotheses

Before we continue with presenting our empirical data we formulate working hypotheses based upon the theoretical notions as laid down in this chapter. These hypotheses are not contingent but comprise most of the key issues at stake starting at the policy-level and end at the basic structural level.

## 3.7.1 On employers and training providers

Success of Modern Apprenticeship heavily depends on the employers who hold a pivotal position. They not only have to take on apprentices during the programme, but ideally they also benefit from the additional training after the programme. This means they retain the apprentice after completion by offering him a job.

Currently, the training provider plays a pivotal role as they train and assess the apprentices. Basically, they are the gatekeepers who determine the number of apprentices on the programme and the level. The supplied number and level of apprentices must not deviate heavily from the demand of employers otherwise the system goes wrong.

We hypothesise that the number and level of apprentices can better be regulated by employers than by training providers. In paragraph 3.2.3.2 on network constitution we discerned three pivotal factors and we hold that the employers have serious advantages over training providers on each of these factors. Rules regarding funding more or less encourage training providers to increase the number of apprentice regardless of employers-demands. This may lead to a distorted picture in which supply and demand of apprentices diverge. The second factor concerns actors' resources and the employers in particular have detailed information on skill-gaps. Such gaps are a problem and need to be anticipated on. Thirdly, training providers have more reason than employers to focus solely on increasing their profits. We believe that employers are more in favour of a win-win situation in which they profit from the apprentice, but that the apprentice also profits from them. Training providers lack such a mutual beneficial approach.

Therefore, the first hypothesis reads:

**The number and level of apprentices can better be regulated by employers than by training providers.**

## 3.7.2 On attuning

It is, given the discussion in paragraph 3.5.1, inevitable that, for a policy to be successful, decision-makers and implementers cooperate. This means that, in our case, decision-makers at national level have to cooperate with the local implementers, i.e. the local Learning and Skills Councils. Each of the actors involved has information that is necessary for a successful policy. Modern Apprenticeship policies apply nationally which means that local implementation is the only way to fit the policy to specific local circumstances. This local fit is of great importance to the success of a policy and discretion of local officers takes a central place. But whereas the Training and Enterprise Councils enjoyed a fair level of discretion, the local Learning and Skills Councils are nationally administered taking away a lot of discretion. We do not believe this to be a good move and formulate hypothesis two as follows:

**Centralising administration of local Learning and Skills Councils hinders attuning decision-making at national level and local implementation.**

### 3.7.3 On successful policy-making

The most recent insights in successful policy-making are incorporated in the network theory. In our view, this theory not only describes the way policy is made, it also describes the way it should be made. The latter remark does not mean that the network theory starts from scratch to come up with an idealised policy-making model but rather is based on the practice of policy-making. Acknowledging that policy-making consists of interdependencies, resources, games, structure and so on results in a theory that states how to improve the success of such a process. In other words, process management is normatively a central theme: given the circumstances it is best to apply process management. We presume that the decision-makers at national level, particularly the department and the Learning and Skills Council do not perceive the policy process to be as described in the network theory and that they therefore fail to apply process management successfully. They might not even be interested in process management. We believe this to be the case since there is a no tradition of collaboration and no awareness of interdependencies. This harms the quality of Modern Apprenticeship, hence we need to study this in greater detail and formulate the third hypothesis:

**The Department for Education and Skills and the Learning and Skills Council do not think or act in terms of the network approach which causes the policy to fail.**

### 3.7.4 Impasse

Generally, there is no dominant decision-centre in networks (Klijn and Koppenjan, 2000). Yet, on the other hand as we observed in paragraph 3.2.3, concerted action does not happen of its own accord. For this, academics have come up with two types of steering, i.e. process management which focuses on games and network constitution which focuses on the network structure. And here a tension seems to arise for steering implies a vision on where to go and how to get there whereas the reality learns us that all there is are numerous different wills. The general objection would be that steering concentrates on facilitating the interaction between actors who in turn cooperatively decide where to go and how to get there; the tension is not a contradiction but a paradox. This is not a satisfactory solution as it builds upon the assumption that the network structure is okay. But what if it is not; suppose that it lacks a proper constitution of actors. Then a sub-optimal group of actors has to decide what the policy must be like and the process manager seems successful if this group reaches a joint decision whereas this success is of course heavily blurred… Then what to do when it turns out that the network structure is fallible, in particular on the subject of its constitution? Time and again, perspective needs to be the keyword. For the current constitution may have a certain perspective which they perceive as good, which in practice may harm the policy! The best example of such actions is studied by Janis and labelled 'groupthink' (Janis, 1982). The conclusion of Kickert *et al.* (1997: 175) that 'network management [can be] considered a success if it promotes cooperation between actors and prevents, bypasses or removes the blockages to that cooperation' falls short exactly for the reason presented above. The group that is already operative may have its shortcomings because of its improper constitution; the network management can within that group be satisfactory but if it fails to repair the constitution be adding or removing actors it is not satisfactory overall.

Since this problem is not a paradox but a real problem, we define the fourth hypothesis as follows:

**The absence of a dominant decision-centre on the one hand and the need for steering when it comes to network constitution on the other hand results in an impasse which by definition restrains the policy's success.**

# 4 Empirical findings

## 4.1 Introduction

This chapter aims to give a comprehensive picture of the decision-making and delivery processes regarding Modern Apprenticeships. Not only are the current processes described the processes before the change to Learning and Skills Councils are taken into consideration as well. This leads to various characteristics of Modern Apprenticeships, however we particularly aim to describe these features in terms of the 'objectives of change'. These objectives are reflected in chapter two and initially put down in the before mentioned White Paper 'Learning to Succeed'. The changes put forward in this White Paper are intended to lead to success, i.e. to realisation of the objectives.

The policy-making process knows, at least in the case of Modern Apprenticeships, two levels: a national and a local level. Based on our fieldwork we believe that actors involved perceive a clear distinction between these levels in the sense that policies are set at national level and are implemented at local level. Further on we criticise this sharp distinction in greater detail but here we make one necessary differentiation: policy continues to be made in the implementation phase. The main reason for this is discretion. Implementers[18] 'exercise wide discretion in decisions (…) [their] position regularly permits them to make policy' (Lipsky, 1980: 13). Despite this remark we follow the distinction in levels and describe the decision-making and delivery processes separately.

A great deal of the information we gathered for this chapter comes from interviews. We have spoken with most actors that we describe hereafter and since most of the conversations showed a similar pattern, i.e. there was a certain level of consistency, we are not reluctant to using this information as keynotes in this chapter. When referring to a particular interview we use the codes from table 15 in which the interviewees are listed. Because we often do not quote literally we confine ourselves to mentioning the letters next to the paragraph's heading.

## 4.2 Decision-making process

This paragraph reflects on the decision-making process. The previous chapter examined some theoretical notions on this process and now we continue with focusing on the practical side. The structuring element in this paragraph is time, for we distinguish between the current and preceding process starting with the latter. Paragraph 4.2.1 uses data from the interviews with B and F; paragraph 4.2.2 contains insights derived from B, C, D, and F.

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[18] Lipsky uses the term 'street-level bureaucrat' in this context.

## 4.2.1 The decision-making process in the days of the Training and Enterprise Councils

Key to studying the decision-making process is studying the role of the actors that are involved in it. Therefore, we must know which actors are involved and secondly what their corresponding role is. Clearly, the Department for Education and Employment was the main decisive actor until the Learning and Skills Council was called into being. Next to the department three other organisations were frequently involved in decision-making: the National Training Organisations (currently Sectors and Skills Development Agency), the Association of Learning Providers, and the Association of Colleges. However, their interrelations were hierarchical rather than equal. The department was clearly on top as they not only invited actors to join to process, i.e. they controlled the number and constitution of partaking actors, but also regarded themselves as the legitimate decision-maker. This attitude combined with the absence of counterbalances leaded to a situation where the department could alter the programme as and when it sees fit (Fuller and Unwin, 2003a: 8).

The role of the department can be seen as active. Although the initiative for creating a new policy or alteration of an existing one need not come from the department, they had to come up with the final plans. It is not uncommon that initiatives came from a higher political level. Due to the fact that Modern Apprenticeships have become (politically) more important in the educational system, politicians such as the Chancellor became interested in this program. By telling the department what needed to be changed, the Chancellor interfered with the decision-making. But it is the department to which the assignment was directed. This left them with a great amount of flexibility as they had a very high mandate and little resistance of hierarchically lower-positioned actors.

In the above enumeration of actors involved in the decision-making process the Training and Enterprise Councils are absent. Given their great dispersal these councils were unable to unite which resulted in a very weak position round the negotiation table. It is not easy to get 72 different organisations to unite themselves voluntarily however they were not totally left aside by the department. Sometimes a small number of these councils were invited to join the decision-making. But the department tended to invite selectively by solely inviting councils with common and known standpoints.

## 4.2.2 National Office of the Learning and Skills Council

Currently, decision-making affecting Modern Apprenticeships has shifted from the department to Learning and Skills Council's national office. Almost contrary to the department's approach to decision-making – as discussed above – is the Learning and Skills Council's national office's approach.

We will now continue with summarising our findings regarding decision-making after the change to Learning and Skills Councils. With that change, the core of Modern Apprenticeship decision-making moved to the Learning and Skills Council's national office. Established as a council with one central office and 47 subordinate local bodies, the Learning and Skills Council has the ability to unite. This allowed the council to take over a part of the decision-making. The department is still involved in most cases, but is

not per se just more than one of the numerous interest groups. However, there are some issues or situations on which they can be seen as the most influential, for example when major issues are at stake. This is incidental and we will therefore continue to focus on the more common decision-making processes.

Contrary to the incidental working groups with the department, the national office has established a permanent working group. Whereas the incidental working groups were established for a small number of (significant) issues, the current permanent working group carries responsibility for almost all issues. The working group operates at the (hierarchically) lowest possible level and consists of a great variety of actors. Many issues are prepared for final decision-making which happens at the steering group. The steering group also consists of a broad range of actors but they are more senior. In the terms of reference[19], the role is summarised as follows:

> This Modern Apprenticeship Steering Group will have overall responsibility for delivery of the [Modern Apprenticeship] programme and will oversee progress across the individual programme strands. Its membership must reflect its role in the management of the programme and the identification of any policy and operational issues which need to be resolved. It should therefore involve representatives from the LSC National Office directorates, and representative from key external organisations. Additional members may be invited to attend when particular issues are under consideration.

This clearly shows the distinction between the current and preceding ways of decision-making. Whereas the number of actors used to be limited, it is currently expanded to a diverse range. Though the government used to be represented by the department, it is now primarily represented by the national office of the Learning and Skills Council. Their role is no longer to be the most important actor whose ideas should prevail. The national office allows the steering and working group to function optimally and to make sure that decisions taken by these groups are of the highest quality. However, their role concerning the contents of the programme is far more limited than the classic role of the department.

The first line of the above quote reads 'this Modern Apprenticeship Steering Group will have overall responsibility for *delivery* of the Modern Apprenticeship programme'. Then why is that line quoted in a paragraph on the decision-making process? This is primarily because the programme is administered nationally after the change. Whereas the Training and Enterprise Councils were responsible themselves for the administration, the local Learning and Skills Councils are not only told what to do but also how this should be done. The steering group takes care of that process, hence their responsibility regarding delivery.

However, not all decision-making is shifted to the Learning and Skills Council. The department has not lost all of their influence. On the contrary, they are still involved yet at a different level and in a slightly different way. The department is predominantly involved in the earlier stages of the decision-making process and is barely involved in the delivery process. The latter process is indisputably the responsibility of the steering group

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[19] See appendix

and therefore ultimately of the Learning and Skills Council. This limits the scope of the department to the more directive themes. In other words, policy makers at the department operate at a metalevel questioning the framework's configuration. This is their traditional position and it continues to be so, despite of the increased responsibilities of the Learning and Skills Council. In the current situation in England this role is more important than ever as the political status of Modern Apprenticeships improves. This results in more (political) interest in the programme and its quality. The department is still seen by politicians as the main decisive actor regarding Modern Apprenticeships and therefore they are assigned to upgrade the framework's quality. Once the outlines are set by the department, the Learning and Skills Council can take over for optimal implementation. Although the department has expanded the number of actors that are involved in the decision-making process for which they are responsible their approach is still pervaded with their conventional style as is described above.

## 4.3 The delivery process

For policies to be effective implementation is inevitable and crucial. This paragraph studies the relation between the key organisations involved in the delivery process and their environment. Paragraph 4.3.1 predominantly uses information from interviewees E, G, H, J, and K; paragraph 4.3.2 could not have been written without interviews with E and A; A and B contributed to paragraph 4.3.3.

### 4.3.1 The key organisations

Basically there are two key organisations regarding the delivery process: the local Learning and Skills Councils (formerly Training and Enterprise Councils) and training providers. Hereafter, we discuss these organisations in greater detail.

#### 4.3.1.1 Training and Enterprise Councils

The system of Training and Enterprise Councils was announced in a white paper in December 1988. Phased introduction allowed the first to become operational in April 1990, with the last becoming operational in October 1991 (Bennett *et al.*, 1994: 25). As mentioned, there were 72 councils that were privately run and in charge of spending public money to training providers on government funded training such as Modern Apprenticeships. Special attention should be paid to the number of different councils. The country is subdivided into 72 areas in which one council holds responsibility. And because they operate independently they do not care if they use different operating procedures. This means for example that there are up to 72 different computer systems, which is not beneficial for national statistics.

Yet there are more differences per region. Training and Enterprise Councils were seen as local organisations, and they had a great amount of freedom to come up with tailor-made solutions for their region. Each region has its own specific characteristics, strengths and weaknesses. Training providers claimed their money based upon these specific characteristics. A training provider in a region with a disproportionate high number of people with low skills and abilities could claim extra money as they have to invest more time and money.

The Training and Enterprise Council and a training provider work in close collaboration with each other. By doing so they try to acknowledge the necessity for tailor-made decisions and thereby take the particular circumstances of the region into account. The relation with the government is slightly different. The government needs to contract with 72 different organisations and there is no clear format according to which the government wants them to operate. This results in a shallow relation in which the government funds without having any insight in the way their money is spent. The Training and Enterprise Councils act at their own discretion. Some of them outperform with this level of discretion and others fail to achieve to their targets.

The high number of councils has also a strategic consequence. It is hard for them to unite and influence the decision-making process, leaving the department with a fairly high level of autonomy. The department sometimes invites representatives but there is no guarantee of the fairness of this representation. The main argument for this is that the department invites a small number of representatives. Two things are remarkable:

- It is the department that invites and not vice versa;
- Ensuing from this, who guarantees the impartiality of the department? This means that it is fairly easy for the department to invite representatives from those particular Training and Enterprise Councils that have a reputation of accordance with the department.

### 4.3.1.2 Training providers

Training and Enterprise Councils do not provide Modern Apprenticeships themselves, but hire training providers. These providers train, assist, and assess the youngsters; they are responsible for the number of starts as well. They have a contract in which the number of starts is stated as well as the subsequent sum they get paid. Providers make costs when providing a Modern Apprenticeship. These costs are claimed monthly, based on the contract arrangements. This means that the providers will first make their costs and then get their funding. The main advantage of this system is the flexibility: the providers get what they have spent.

Training providers are responsible for ensuring that the programmes they deliver and get paid for meet the standards that are laid down in the framework. However, differentiation in the category training providers is desirable for there are at least four types. As mentioned in chapter two employers, Further Education colleges, private training providers, and not-for-profit organisations provide Modern Apprenticeships. Hereafter we discuss each of these types in greater detail except the not-for-profit organisations. These are of little interest to our study as the other types are not only more important they are also more affected by the change. Especially the publicly funded Further Education colleges and the private training providers account for many apprentices and are significantly affected by the change. Although the Further Education colleges are small in number, they exceed the private training providers in number of enrolled apprentices. This implies that the colleges have to be bigger organisations than their private counterparts. There is a third type of training providers that we will discuss: employers. These are mainly very big organisations that take care of their own bespoke Modern Apprenticeship programmes. Hereafter, these three types will be studied in greater detail.

**Further Education colleges.** The Further Education colleges are providing more programmes than just Modern Apprenticeships. In 2002 approximately 2 million students were enrolled in these colleges, whereas there were 284,000 young people in Work-Based Learning[20]. As Modern Apprenticeships are part of the Work-Based Learning, it is clear that the colleges provide far more programmes. Further Education colleges provide programmes at different levels for students older than 16 who have passed their secondary education.

When providing Modern Apprenticeships colleges have an advantage concerning the theoretical parts. Colleges have a history in teaching and they have a broad range of subjects that they teach. Mostly one of these subjects is closely linked to the mandatory theoretical parts of a Modern Apprenticeship. Therefore, students partaking in the Modern Apprenticeship programme can easily be taught these parts. And there is another great advantage: students are not alone. Although this seems not too important, it is important for the students. Most of them really dislike the theoretical parts, especially the Key Skills. If they face these difficulties together then it creates bonds of friendship which is very beneficial to completion. The notion that everyone faces the same dilemma puts these mandatory theoretical parts into perspective. A group has always some social control which results in students stimulating each other.

The presence of theoretical knowledge with the college teachers is important as well. In the past few years, a lot of theoretical underpinning is added to the Modern Apprenticeship programmes. In the colleges, this knowledge is already present which simplifies implementation of this underpinning.

**Private training providers.** Almost opposite to the big Further Education colleges are the private training providers. As said they outnumber the colleges but have far less students on their programmes. These are predominantly local organisations specialised in certain Modern Apprenticeship programmes that are too small to provide a broad range of these programmes. Among their main differences is the procedure. Whereas students tend to apply for a Modern Apprenticeship at the colleges, the private training providers go out to the employers or youngsters to offer them the opportunity of partaking on a Modern Apprenticeship programme. These providers tend to go to employers rather than to unemployed youngsters as it is easier to get an employed youngster on the programme than to get an unemployed one a job.

The employer is asked whether there are youngsters employed who lack proper qualification. If this is the case, then the employer is asked whether he wants to cooperate with the training provider and have the employee enrolled on the Modern Apprenticeship programme. It is important however to make a clear distinction between sectors. In the traditional apprenticeship sectors such as engineering employers are aware of the benefits of such a programme. Employers in these sectors are mostly more than happy to cooperate despite of the costs – paragraph 2.1.1 goes into greater detail on this subject. In many other sectors there is no tradition of apprenticeships. With the introduction of

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[20] www.dfes.gov.uk/statistics/

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Modern Apprenticeships in 1994, dozens of sectors without any experience with such programmes were given the opportunity to offer this type of Work-Based Learning. The rationale to do so was to improve the quality of the labour force by giving young people the opportunity to combine working and learning. This sounds reasonable, but all sectors had to apply the same format, which is the traditional one. In other words, new sectors as hairdressing had to use the same programme design as traditional sectors such as engineering. This was problematic as sometimes it just did not work for example because some sectors do not require that much theoretical underpinning.

The implication for the providers is that employers in non-traditional sectors are harder to convince of the benefits of the programme. They cannot be convinced by showing good practices from the past. But they cannot be easily convinced either by promoting the current framework as it contains a number of mandatory parts that do not necessarily benefit the employer. So why would they want to pay for that? The benefits of the mandatory parts are clearer to employers in the traditional sectors.

But these smaller private training providers are essential in the improvement of the labour force's quality. They go out to the employers and find the youngsters that have not thought about this opportunity. This is contrary to the colleges as the youngsters go to these institutions to join the Modern Apprenticeship programme themselves. The private training providers find the niches and this makes all the difference. By waiting and seeing, the labour force's quality will not raise. An active attitude is vital.

**Employers.** Some companies, especially large ones, want bespoke training programmes. It is approved that such programmes can coincide with Modern Apprenticeship qualifications. In cooperation with certain organisations that guard the programme's quality, such as the Sector and Skills Development Agency and the Qualification and Certification Authority, a bespoke Modern Apprenticeship programme is allowed. That means that these companies take care of a lot of the costs for the education of a part of England's labour force. For this reason they receive public money. In this case, they receive money for providing Modern Apprenticeships.

What it means is that such companies do not have to deal with regular training providers or regular schemes as it is a bespoke programme. The company itself is allowed to be the training provider and their programme is only available to them. It nevertheless leads to the same nationwide recognised qualifications. That is very attractive for youngsters whilst the bespoke programme is very attractive for the company.

## 4.3.2 Relation between Training and Enterprise Councils and training providers

Prices for a Modern Apprenticeship programme mutually diverge as the Training and Enterprise Councils are free to set them. This implies that larger training providers operating in more than one region get different payments per area. It also implies that these training providers cannot contract, and this applies to the government as well, with one organisation to cover all their businesses; they have to contract with each council separately.

Obviously, prices vary per programme as well. These programmes are based on the sector's preferences. The system of Modern Apprenticeships has expanded rigorously since its introduction to some 80 different sectors. Within the limits set by the department, National Training Organisations decide for their sector about the final contents and duration of a Modern Apprenticeship programme which differs per sector. These organisations operate at national level and each sector is represented by one of them. Because not all sectors are individually represented, the number of different National Training Organisations is considerable but less than 80. Based upon their decisions, for example regarding duration, the Training and Enterprise Councils compute their payment to training providers. This generates an average sum and in accordance with the provider's specific situation the definitive price is calculated.

The amount of money paid to providers differs not only per region, but also per provider. Due to the close connections, tailor-made decisions are not uncommon. Providers get their payment for their services. Providing a Modern Apprenticeship is not an unambiguous activity as several steps in the procedure are distinguishable. Suppose a young person comes to a provider with the request to partake in the programme. The subsequent initiation process takes a lot of time. The future-apprentice should ideally be placed on the right programme which is not that easy given the great diversity – there are over 80 different sectors and different levels. Once this initiation process is completed, a time schedule can now be generated. If the Training and Enterprise Council approves the procedure, the training provider can claim a certain amount of money for completing the initiation process. Based on the time schedule, they can now claim a small amount of money per month. During this period of time, the youngster should get off-the-job training such as Key Skills or NVQs. The training providers take care of this and can claim their money once a youngster passes a test. So in the end, the training provider has the full amount of money only if the youngster has completed all tests. The training providers assess apprentices as well.

One important feature of this way of funding is the discontinuity of the cash flow. Basically, the Modern Apprenticeship programme is cut into several pieces and training providers can claim funding when a youngster has completed a piece. The initiation process is an example of such a piece and as this process is very time-consuming the payment is fairly high. The monthly payments on the contrary are not very profitable as this does not require a very active input of the providers. More important is the achievement of certain qualifications. When an apprentice completes a part of the training, which leads to a qualification, this implies a certain input of the provider. It is therefore more reasonable to pay per qualification than per month as this leaves an incentive for the provider to make sure that the apprentice not only takes part in the programme, but also that he achieves qualifications.

Not all apprentices are the same and therefore not all of them require the same amount of attention. Someone that does not know anything about the subject, or someone with heavy psychological problems is more likely to drop out or to exceed the time schedule. A training provider with a disproportional number of apprentices with disturbances can

request extra funding and the Training and Enterprise Councils have the freedom to grant it. These are perhaps exaggerated examples; the point is the flexibility in funding. This flexibility acknowledges the fact that each apprentice has its own difficulties and should be treated in a similar way.

When a contract needs up-dating, the Training and Enterprise Council will base the contract on the provider's preceding performances. The number of starts used to be the most common measure for success; this shifted to the number of starts and the number of NVQs that have been completed.

### 4.3.3 Relation between Training and Enterprise Council and department

The government contracted each of the councils for a certain number of Modern Apprenticeships and provided them with money to achieve these targets. The councils in turn made contracts with training providers that offer the Modern Apprenticeship programmes. These contracts regulate the number of starts in a certain period of time and the corresponding payment.

For the Training and Enterprise Councils there are financial incentives to get more Modern Apprenticeship starters in a contract period; when they cannot meet the targets agreed on they face a penalty. Now, one thing that distinguishes a private from a public organisation is the ability to over-commit. This means that a council signs a contract in which they promise to achieve a very high number of Modern Apprenticeship achievers, which could get them extra profits. Obviously, if the targets are not met that organisation has to pay for that. Private organisations can over-commit as they have financial reserves and therefore will not break financial rules. Public organisations are not permitted to have these reserves and can therefore not run the risk of over-committing: if things go wrong they have to break financial rules. So Training and Enterprise Councils could contract for a higher number which meant that they could have extra incomes when they manage to achieve these targets. This raises the number of Modern Apprenticeship achievements.

## 4.4 Changes in the delivery process

Changes are perceptible in a variety of ways. As the main differences have occurred in the actors' interrelationships and the funding regime, the changes will be approached accordingly. Information from interviewees E, F, and G is used in paragraph 4.4.1; E and G contributed to paragraph 4.4.2.

### 4.4.1 The local Learning and Skills Councils

Whereas the Training and Enterprise Councils where independent organisations, the local Learning and Skills Councils constitute a unity with the national office in the top of the hierarchy. Contrary to the high autonomy is the new council's dependence on the national office's directives. The local councils are not only told what to realise but they are also ordered how these targets need to be achieved (Ainley, 2001). And that is radically different than the departmental approach towards the Training and Enterprise Councils. These councils had more discretion which the department not always valued positively because it limited the departmental influence. Moreover as the Training and Enterprise Councils were private organisations, the public sector institutions that were involved in

the decision-making process continuously had the suspicion that somehow something could be improved.

But there are more differences. There is now one national organisation with which the department and the training providers can contract which undoubtedly decreases bureaucratic overload. Rather than having to contract with 72 different organisations, a nationwide operating provider can now negotiate with just one organisation which boosts England's attractiveness for multinational organisations. By attracting large organisations with a good reputation to partake in the Modern Apprenticeship programmes its status indisputably enhances.

Along with the structural change the funding regime changed as well. This fitted neatly into the new organisation structure as funding rates are now nationally set with limited possibilities for the local councils to adapt. Moreover this change was inevitable as this is a crucial factor to the success of national contracting with one organisation. If prices would vary among regions, i.e. per local council, then it still would not be possible for a training provider that operates nationally to contract with one organisation.

What follows from this is the conclusion that the providers are affected in a number of ways. The implication for the training providing providers is that they lose a 'partner'. As the Training and Enterprise Council had a reasonable amount of autonomy, they could help, or assist, the training provider with a variety of issues. This has led to a situation in which the council continuously tried to improve the circumstances of the provider in order to get more people on the programme. The autonomy however of the current local councils is fairly curtailed, leaving both its employees and the provider empty-handed. The providers are left with no choice: the government has decided and they have to obey. But the employees of the local councils are affected as well, at least, those who have previously worked with the providers as a Training and Enterprise Council employee. Due to the restrictions in autonomy they feel passed over as, according to them, much more can be done. However, a great deal of their time is spent on paperwork which mainly deals with funding. Moreover, changes have mainly occurred in the funding regime, implying that the government continuous to use funding as its main steering mechanism.

## 4.4.2 The new funding regime

The main decisions regarding funding rates are now taken at national level at the national office of the Learning and Skills Council. This has certain implications.

Firstly, the level of providers' payments is set at national level. No longer will there be differences concerning prices for Modern Apprenticeship programmes per region. This, however, has no bearing on any programme, but only on differences in prices per sector. Thus prices are set at national level per sector and vary only per type: Foundation Modern Apprenticeship prices are lower than Advanced Modern Apprenticeship prices. This uniformity inevitably disadvantages providers that provided their services at a rate higher than the current one. For that reason, the implementation takes about 18 months.

In the meantime, these providers are compensated. Evidently, advantaged providers are treated analogously.

This uniformity enables cash advances. The training providers get their monthly payments now upfront which should avoid a lot of bureaucracy. As the prices are known, the only variable is the number of apprentices. And if there would be a computer system in which the providers can enter the number and their particular programme (i.e. sector and level), then the height of the monthly payment can be computed. This would also allow the Learning and Skills Council to pay the providers upfront. And indeed, a common computer system with which any council works is now operational. Providers no longer need to claim their money afterwards, but receive it upfront. This also has a great advantage for statistical purposes as the required data will be more reliable. The Learning and Skills Council is now responsible for providing a broad range of statistics regarding Work Based Learning, whereas this used to be a departmental task.

As was mentioned above, the total amount of money for providing a Modern Apprenticeship is not paid at once to a provider. There are a lot of distinctive parts in a Modern Apprenticeship and each part has its own value. Together these parts lead to the total amount of money provided for a Modern Apprenticeship. Basically, there are three parts:

1. The initiation process. Either the youngster applies for partaking in a programme or the training provider asks employers whether they have eligible employees with little or no qualification who want to join. It is in the interest of the provider to have as much apprentices on the programmes as possible as this is their source of revenues. So once a person has decided to do a Modern Apprenticeship, he and the provider have to figure out which sector is most suitable and which level – foundation or advanced – is appropriate. As this is a very time-consuming process, the training providers receive a reasonable amount of money for it. The amount of money granted for the initiation process has not been substantially affected by the new funding regime.

2. The monthly payments. Training providers take care of the off-the-job training of apprentices. This is done during the Modern Apprenticeship programme, which lasts at least nine months up to thirty-six months depending on sector and level. In this period, the training providers invest time and money in the trainees and for that they receive a monthly payment. The current monthly sum is higher than the preceding one. This implies, with a constant compensation for the initiation process, that the total amount of funding received by providers at the end of the Modern Apprenticeship programme is more than in the previous situation. Yet there is no real possibility for an apprentice to achieve a qualification at this stage, which forms the third part.

3. The qualifications. After all, it's about people achieving qualifications. Apprentices can achieve four of them:
   a. one for completing a Modern Apprenticeship;
   b. one for achieving the NVQ;
   c. one for achieving the Key Skills; and
   d. one for achieving the Technical Certificate.

(see chapter 1 for details concerning contents)
Providers receive additional payments when a youngster achieves a qualification; the youngsters are internally assessed. Higher monthly payments imply lower payments for the qualifications. Incentives for training providers to invest in a youngster when the qualifications are not achieved *during* the Modern Apprenticeship programme are therefore not the same anymore. However, there is more than just money: poor providers can have their payments terminated.

This breakdown can be illustrated with a figure:

**Figure 4: Division of money paid to training providers by Training and Enterprise Councils**

| I | | M₁ | M₂ | … | Mₙ | | Q₁ | | Q₂ | | Q₃ | | Q₄ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Initiation process (I) | | Monthly payments (M) | | | | | Qualifications (Q) | | | | | | |

$$\text{Total amount of money} = I + (M_1 + M_2 + \ldots + M_n) + (Q_1 + \ldots + Q_4)$$

This figure clearly shows that the total amount of money available for training providers is not paid as a lump sum. This amount of money is split up and providers receive money for each achievement. To have someone on the programme is also seen as an achievement given the monthly payments.

Now, what has changed is the division of money. As can be deducted from figure 5 the initiation process is undivided and the amount of money available for this part has not really changed. The monthly payments however increased whereas the allowances for having a student achieve a qualification decreased; the total amount of money more or less remained the same. This can be symbolised:

**Figure 5: Division of money paid to training providers by local Learning and Skills Councils**

| I | | M₁ | M₂ | … | Mₙ | | Q₁ | Q₂ | Q₃ | Q₄ |
|---|---|---|---|---|---|---|---|---|---|---|
| Initiation process (I) | | Monthly payments (M) | | | | | Qualifications (Q) | | | |

$$\text{Total amount of money} = I + (M_1 + M_2 + \ldots + M_n) + (Q_1 + \ldots + Q_4)$$

The important difference between the two figures is that every $M_x$ in the current situation is greater than $M_x$ in the preceding situation. The reverse holds true for Q. This development reduces the incentives for training providers to stress on the achieving of the qualifications. The more money they already have, the less incentive they have to invest a (disproportional) amount of their time in an apprentice to have him achieve a qualification. This is a remarkable development given the fact that youngsters perceive the qualifications as the most difficult part of the programme. Apprentices are most likely to drop out at this stage and there should therefore be a reasonable incentive for the training providers to make sure that the youngsters achieve the qualifications. And how can a programme be successful without qualifications?

The above reasoning that the increase of the monthly payments at the cost of the money available for the achievement of qualifications holds mainly true for the private training providers. These providers have to invest a lot of time and energy into the latter part of the process, i.e. the qualifications, for example as they have a small number on their

courses which makes supervision expensive. But another reason may be that they have the less advantaged students. Colleges do not face these problems to such an extent and profit from higher monthly payments as their cash flow is steadier. And because of the absence of 'special cases', they have no necessity to claim additional funding. Recall the difference in funding between the Training and Enterprise Councils and the Learning and Skills Councils. Training providers had to claim their money afterwards in the old situation, whereas they receive an upfront calculated monthly payment. This is possible due to the standardisation of the prices of a Modern Apprenticeship. Roughly spoken do colleges profit from this rule, because they do not have a tremendous amount of 'special cases' that require additional funding. Many private training providers rely on this additional funding. In the old situation they could calculate themselves what they were entitled to and receive it a few weeks later. Now they have to explicitly request additional funding which increases the paperwork. Once the paperwork is filled in, they have to wait for their money. Because of problems with the new computer system this process took quite a while. And moreover, the amount of additional money has decreased. Altogether, the smaller training providers do not profit from this.

Sometimes, the private training providers cannot offer their students some courses due to a lack of experience of their supervisors. Some of the recently introduced mandatory theoretical parts are problematic for some small training providers. But as these parts are mandatory, they have to find a solution. What can happen is that they send their students to nearby colleges which need not to be problematic. But there is something odd in the prices the colleges charge for these services. Although the government has fixed the prices for these programmes, the college charge the private training providers more than this. This was not an issue in the old situation where the Training and Enterprise Councils took care of such costs by paying the college directly. Nowadays, the training providers receive this money from the Learning and Skills Council but have to pay more to the colleges. Bearing in mind that these colleges are providers themselves, then no other conclusion can be drawn that colleges make a profit out of this. And because they are often the only one in the region capable of providing these courses the private training providers are left with no choice.

## 4.5 What are the changes in terms of the objectives?

### 4.5.1 Employers

As stated above the government continues to use funding as incentive for training providers to get young people in the apprenticeship programme. Moreover, the system of training providers remains as it is as well. This implies that the Modern Apprenticeships are rather supply- than demand-led. Such a policy produces difficulties when the number of apprentices exceeds employer's demands. In most sectors, the initial catalyst for apprenticeship recruitment will come from the training providers who serve the Learning and Skills Councils by persuading employers to take on apprentices in much the same way as they did for Youth Training Schemes (Fuller and Unwin, 2003a: 9). Youth Training Schemes were called into being in the mid-eighties when the unemployment rates "skyrocketed". The primary purpose of these schemes was to get young people off the streets and into education. Some perceive the current Modern Apprenticeship

programme to have emerged from these schemes as both have on- and off-the-job training elements, and in both programmes the young people are connected to an employer. However, the government rather intended to get the young people off the streets with the Youth Training Schemes than to get them into education. In that period the training providers were set up to facilitate the whole process. Their primary task was therefore to get the young people into the Youth Training Schemes, despite of the fact whether employers could use the extra labour. To practice this with Modern Apprenticeship seems inappropriate as single employers are only willing to directly sponsor 5% of the apprentices (Ryan and Unwin, 2001). The conclusion must be that the intervention of the training provider who promises to shoulder the 'burden' of recruitment, selection and official paperwork can be persuasive. In many areas of England employers have come to rely on these providers for their supply of young workers (Fuller and Unwin, 2003a: 9).

## 4.5.2 Equity

The new system barely acknowledges any differences between apprentices. The training providers are entitled to receiving a fixed amount of money per apprentice regardless of the individual qualities. This implies that more gifted apprentices are more profitable for training providers as the latter has to invest less time for the same achievements as with less gifted. The close relation between Training and Enterprise Councils and training providers allowed the councils to judge whether a provider had a disproportionate number of apprentice with additional needs so that the provider could be given an extra amount of money. This encouraged that provider to continue training apprentices with extra needs, which could be caused by disability or social background. In the new funding regime, such an equitable approach seems to lead to losses rather than profits which eventually will break up the training provider. The final result is that apprentices with additional needs become unattractive to providers with the inevitable consequence that the apprenticeship programme gets out of reach.

## 4.5.3 Efficiency

The reduction of 72 different organisations to one national organisation with 47 local bodies indisputably led to reduction in bureaucratic overhead. There is a similar computer system which raises the statistical reliability, there is the opportunity of speaking univocally in negotiating with the department or elsewhere, larger training providers can contract with one organisation and there are more of such advantages. However, efficiency is not the only yardstick. In the next chapters we pay more attention to this.

## 4.5.4 Build on what works well

The final objective that we discuss here is the degree to which the current system uses best practices from the former system. Therefore we have to argue what has worked well in the system with the Training and Enterprise Councils. The White Paper 'Learning to Succeed' does not provide an extensive overview of what has worked well. However, a number of objectives are mentioned as well as the functions of the new Learning and Skills Council. We assume that the government perceives these objectives and functions as desirable. Therefore, we define the current strengths in terms of the objectives and functions stated in the White Paper. As this part studies one of the objectives we mainly

confine us to the functions of the Learning and Skills Council. The Council's functions will include:

- ensuring that high quality post-16 provision is available to meet the needs of employers, individuals and communities;
- developing of national funding tariffs and systems, for the great majority of its expenditure;
- promoting equality of opportunity and ensuring that the needs of the most disadvantaged in the labour market are best met;
- promoting programmes and policies such as Modern Apprenticeships, (…); and
- establishing systems for the collection and dissemination of information on labour market and skills trends to improve the basis on which markets work and decisions are taken (DfEE, 1999: 23,24).

This list only reflects a select number of functions as the other functions do not match the subject of Modern Apprenticeships in our approach.

The council's first mentioned function has much to do with tailor-made decisions. In chapter three we argued that discretion at the stage of implementation is inevitable to come up with such resolutions. Therefore, a loss in discretion at this stage questions success regarding the objective: 'build on what works well'. Given the fact that the local Learning and Skills Councils which are in charge of implementation are nationally administered and that the employees face less discretion than the Training and Enterprise Council's employees combined with the fact that this loss of discretion is not compensated elsewhere lead to the conclusion that on this subject the current council has not built on what worked well.

The second and third function can best be discussed simultaneously. Due to non-existence of a national funding tariff before the change a comparison seems hard. However, both systems will have characteristics and consequences that can be compared and at this point the notion of equity proves useful. For in the old system Training and Enterprise Councils had sufficient discretion to compensate training providers with a disproportionate high number of disadvantaged apprentices on their programmes financially. Most of that flexibility has vanished with the rise of a national funding tariff.

Fourthly, the Learning and Skills Council has to promote the Modern Apprenticeship programme. Modern Apprenticeships are currently better promoted than before due to a number of reasons. First of all because the programme itself gains more and more attention as its status improves. This improvement is definitely affected by the increased attention. In the past few years a number of influent committees have scrutinized the system of Modern Apprenticeships and the change to Learning and Skills Council definitely had a positive spin-off on its status. However, we cannot conclude that the Learning and Skills Council have built on what worked well regarding promotion nor can we conclude that the council has not. This is because of the big dissimilarities between both approaches and the fact that the change is not necessarily the initiator of this distinction.

# 5 Towards the way to work

This chapter brings the previous two in interplay with each other. The working hypotheses presented in paragraph 3.7 are amplified on leading to their confirmation or disconfirmation.

## 5.1 Employers and Training Providers: who prevails?

### 5.1.1 The hypothesis

In paragraph 3.7 we formulated this hypothesis: the number and level of apprentices can better be regulated by employers than by training providers. In this section we amplify on the training providers (§ 5.1.2) and the employers (§ 5.1.3) which results in concluding remarks on this subject (§ 5.1.4).

### 5.1.2 Why training providers are a problem

In paragraph 4.5.1 we stated that training providers operate in much the same way as they used to do in their early days, which were the days of the Youth Training Schemes when they were assigned to get as much young people on the programme as possible regardless of employer demands. Up until now, these organisations are part of the network structure and continue this supply-led approach, i.e. the demands of the employers and the supply of apprentices are still not balanced. This affects the policy's effectiveness since once the programme is finished (or even before that) employers dismiss the apprentices whereas the policy is aimed at completion and continuation of the relation between apprentice and employer. Table 13 in paragraph 1.4 for example indicates that there sectors in which less than 12% of all leavers have a full qualification. In paragraph 2.1.1 we paid particular attention to the employers and observed that, especially in the non-traditional sectors, employers are less able to employ apprentices after completion.

With the introduction of the Learning and Skills Council, rules concerning funding changed. Paragraph 4.4.2 learns us that the composition of the total funding a training provider receives has changed in such a way that it encourages the provider to get apprentices on the programme, but reduced the incentives for achievement of qualifications. The monthly payment a provider receives has increased whereas the financial incentive for achievement has decreased. Since providers are to a great extent their own assessors – they train *and* assess apprentices – such rules are invitations to failure.

More importantly, success has long been defined as the number of starts. This rule has recently been changed and currently the numbers of apprentices achieving a qualification are taken into account as well. The initial rule that equates success with number of starts led to a situation that can be characterised as 'supply-led' – training providers are the gatekeepers to the apprenticeship programme and attempt to get as many apprentices since this increases their revenues. Thus apprentices were taken on the programmes

regardless of the needs (demands) of employers. However, employers are pivotal and disregarding them opens the door to anomalies. One of the major advances of (advanced) Modern Apprenticeship, as we put forward in paragraph 1.4, is that it leads to an NVQ level 3. One major anomaly arises here as we will argue hereafter.

## 5.1.3 On employers' advantages

We hold that the employers have tremendous valuable resources: information which is illustrated by this quote:

> Ryan and Unwin (2001) conclude that 'the Department for Education and Skills has no idea how many employers in England and Wales are involved in the Modern Apprenticeship, which sectors they represent and the reasons why they are involved'.[21]

Knowledge and understanding of the differences per sector are crucial and the level of information on these issues is deficient. This leads to a unidirectional approach which randomly applies one 'traditional' format or framework to all sectors within which only subtleties make the difference. Moreover, the lack of information about employers is an important issue, as 'it is [currently] impossible to distinguish between those participants who have been recruited to a company as Modern Apprentices and those participants who were already employed but were subsequently invited or obliged to join the programme by their employers' (Fuller and Unwin, 2003a: 9). This statement can be underpinned by considering a case study conducted in 2000 for the then Department for Education and Employment (Unwin *et al.*, 2000). In that case study, a large UK-wide insurance company partook in the Advanced Modern Apprenticeship programme and following an approach by the training provider it hired 17 people who were in their early twenties and had good general educational qualifications. For that reason attaining an NVQ level 3 – a mandatory part of this programme – does not increase the qualification level of these people whereas it is counted towards the proportion of apprentices gaining a level 3 award. Moreover it is not clear whether their workplace competence had been enhanced. In other words, in this case the attainment of an NVQ level 3 does not contribute towards an overall increase in the proportion of the working population with level 3 qualifications (Fuller and Unwin, 2003a: 10).

Key to success of the programme is completion and anything that is implicitly or explicitly involved in it. The reasons why apprentices leave an apprenticeship before completion for example are very relevant. It has been identified that the following factors are applicable:
- some had found new jobs with better pay and prospects;
- some found their workload made it difficult to study for qualifications;
- some were dismissed or made redundant; and
- others had personal problems (DfEE, 2000).

The destination of leavers varies, however a great percentage remains employed with the same business as can be deducted from table 16. The table also indicates that apprentices

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[21] Cited in Fuller and Unwin (2003a: 9)

seem reluctant to using the vocational route as a stepping stone for their academic career. In the stated sectors less than 1 per cent of the apprentices enter higher education.

**Table 16: Destinations of leavers from the top five Advanced Modern Apprenticeship recruiting sectors[22] and attainment**

| | Business Administration | Engineering Manufacture | Hospitality | Retailing | Customer Service |
|---|---|---|---|---|---|
| All leavers | 41,267 | 22,008 | 27,311 | 27,694 | 21,579 |
| percentage | | | | | |
| Employed with same business | 43.34 | 42.18 | 27.10 | 36.05 | 46.09 |
| Employed elsewhere | 9.08 | 5.90 | 12.86 | 6.95 | 10.53 |
| Entered further education | 1.72 | 1.52 | 1.77 | 1.28 | 1.33 |
| Entered higher education | 0.70 | 0.93 | 0.77 | 0.74 | 0.74 |
| Conversion to another course | 2.53 | 2.91 | 2.97 | 2.72 | 2.89 |
| Full qual. gained at Level 3 & above | 34.71 | 41.18 | 13.75 | 11.70 | 24.57 |

*Source: Fuller and Unwin, 2003a: 12, 17*

What are also disappointing are the low achievement rates in terms of NVQ level 3. This qualification is characteristic for the Advanced Modern Apprenticeship and around one-fifth of leavers from the programme are gaining this level of award (Fuller and Unwin, 2003a: 10). But the national statistics from the Department for Education and Skills were so far unable to show the achievement rates per qualification, i.e. only the full qualification levels are enclosed.

Ensuing on this, Fuller and Unwin (2003a) state that age is another variable that needs to be considered. They find that the average age of apprentices increased which has implications for the design of the framework as 'programmes like the Modern Apprenticeship (…) need to take account of the greater maturation of young people in terms of their acquisition of qualifications, employer experience and general life skills' (ibid, 14). Currently, all apprentices in the same programme are believed to be the same; at least according to the funding regime.

Fuller and Unwin conclude that 'Learning and Skills Councils are likely to feel pressure to meet government imposed quantitative recruitment targets. The government's aim seems to have been to attract young people in to the programme irrespective of employers' demand for intermediate skills[23]. (…) The reality that the livelihood of the intermediary organisations, such as Learning and Skills Councils and training providers, partly depends on take-up of places on government-supported schemes means that the resulting patterns of participation probably reflect a distorted picture of actual demand.

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[22] The column percentages do not add up to 100 as not all options are mentioned but just the most relevant.
[23] i.e. attainment at NVQ level 3

(…) [The attainment and leaver figures] suggest that, in many sectors in the UK, and particularly in those without a tradition of offering apprenticeships, there is not a strong demand for Level 3 skills.' (2003a: 22).

This is striking since this is one of the main features of Modern Apprenticeship. This gap seriously threatens the policy's success because one of its main features is not supported by employers who are after all pivotal actors. Therefore, a structure without a central position for employers opens a door to failure. In paragraph 4.5.1 we briefly reflected on the relation between employers and training providers leading to the conclusion that the providers are persuasive in the sense that they, contrary to employers' demands, attempt to get as many employers to partake and succeed. Again this can be linked to the rules regarding funding which we do in that paragraph. What is important is the fact that at no other place in that chapter we discuss the role of employers regarding policy making. The reason for this is very plain: there is currently no explicit role for employers. In this context recalling objectives two and three of the White Paper (as discussed in paragraph 2.2.3) indicates that the system ought to be contrary to this:

- objective 2 reads: employers have to be given a substantial stake in shaping what is provided in post-16 education;
- objective 3 reads: systems have to be created which are driven by and responsive to the needs of businesses and funding should follow employers.

## 5.1.4 Employers are to be preferred over training providers

We hold that success must include achieving qualifications. In paragraph 1.4 apprenticeships are defined as 'structured programmes of vocational preparation, sponsored by an employer, juxtaposing part-time education with on-the-job training and work experience, *leading to a recognised vocational qualification*'. This implies that the policy cannot be successful if it lacks achieving this objective. However, further on in that paragraph we introduced figures that showed the opposite: in the ten largest sectors full qualification is at maximum achieved by 47% and at minimum by 11.7% of the apprentices. These are dramatic figures indicating that something has seriously gone wrong.

In this paragraph these dramatic figures were unravelled indicating that training providers are undoubtedly a cause. Since employers have far more information and have perceptions that are better attuned to successful apprenticeships we confirm our hypothesis.

# 5.2 On attuning

## 5.2.1 Hypothesis

The second hypothesis states that centralising administration hinders attuning decision-making at national level and local implementation. The national office of the Learning and Skills Council centralised administration and severely limited the local offices' discretion. We first argue that attuning decision-making at national level and the local implementation of the policies is inevitable (§ 5.2.2). Then we turn to the effects of

centralisation on attuning (§ 5.2.3) after which we look at discretion in great detail (§ 5.2.4). Lastly, we go back to the hypothesis to see whether we have to confirm it or not.

## 5.2.2 The need for attuning

In paragraph 4.3.3 on the relation between the Training and Enterprise Councils and the department we stated that their relation is predominantly based on covenanting. In these covenants the number of starts and the finances were laid down. And that is basically the closest these two actors get: the policies were set up by the department and the 72 councils accounted for the implementation. The local offices of the Learning and Skills Council are treated analogously in the sense that they are directed to meet the targets set by their national office. But, moreover, these local offices are also told how they should do so. This either implies omniscience of the national office or a problem. We opt for the latter and will argue hereafter why this is a problem.

For this we recall the part in chapter three on implementation. We made a distinction between two possibilities for decision-makers to cooperate with implementers: the top-down and the bottom-up approach. Briefly, the top-downers favour a powerful top (decision-makers) that order the implementers how their policy is to be implemented. The bottom-uppers object that the top-level lacks sufficient information for doing so; implementers are the professionals, hence they possess the information on how the policy is to be implemented. Obviously, a good implementation is inevitable for a policy to be successful; hence an information gap is dangerous.

## 5.2.3 Effects of centralisation

Then what exactly is this information gap with Modern Apprenticeship? As we demonstrated above there exists a clear gap of information between policy makers and employers – preferably we would not want to make such a distinction and consider the employers to be a part of the policy makers. We also demonstrated what the consequences of the existence of an information gap were. When it comes to the relation between policy makers and implementers we observe a clear distinction between both. On the one hand there is the nationally functioning centralised decision-making and on the other hand there are the local implementers. These are seen as separate actors which have no need to cooperate according to the decision-makers. Although there may be a tradition for England's educational system to be administered locally, there are signs that it has turned into a systems which is nationally administered (Ainley, 2001: 457). Setting up the Learning and Skills Council reinforced this because the relatively powerful Training and Enterprise Councils were replaced by weak local councils. Whereas the Training and Enterprise Councils enjoyed a lot of discretion due to loose steering from the department, the current local councils are administered nationally and are left with hardly any discretion.

The interviewed actors reflected differently on this subject. The national decision-makers thought it to be a step forward: they like to be in control. Their information streams suffice and there is no problem at all, they say; intensified national control will only improve the policy because it reduces overhead costs and enables cooperation with national or multinational organisation which was not an option with the dispersed

Training and Enterprise Councils. We must admit that contracting with cross border operating organisations was a problem but we object that efficiency is to be the only yardstick. Suppose the overhead costs plummet and that this results in a less successful policy then how can it be efficient? A policy that is not effective can never be efficient!

The argument for centralisation, according to an external expert, is psychological rather than an economical. The department had absolutely no idea what happened within the Training and Enterprise Councils, or as the interviewee called it: "they smelled". Since these councils indeed had substantial discretion it was hard to figure out what each council was doing. There were of course councils malfunctioning and you do not want to fund such practices. However, why would the solution be to do it all yourself, i.e. to have the decision-makers decide what the implementers must do…

Finally, we asked an implementer who foresaw that the new system would evolve negatively and that 'they have thrown away the baby with the bathwater'. Removing all discretion disintegrates the local council's connection with the outer world. However, this outer world consists of crucial actors: training providers and employers. Many problems manifest with these actors and close collaboration with them seems inevitable to keep things on track. When our interviewee worked for a Training and Enterprise Council, she had close contact with local employers and training providers, helping each as much as possible. In this way, the policy is at best implemented according to local needs. After all, she is the specialist in her region and there is no reason to presume that someone at the department knows the specific situation better than she. Therefore we perceive her having discretion to fit the policy to the local needs as (very) positive. Ensuing from this we hold that removing this discretion, i.e. centralisation, negatively affects the policy.

## 5.2.4 On discretion

Discretion implies a tension: on the one hand solutions are wanted that fit an individual best whereas arbitrary behaviour on the other hand should be avoided. According to the White Paper 'the local Learning and Skills Councils will need sufficient discretion to secure the right balance and mix of post-16 provision within their area. This is critical if we are to deliver a system which better matches skills to the evolving occupational requirements of employers and reduce the damaging impact of skill shortages' (DfEE, 1999: 35). This appears to be an appropriate statement, however, the system of Modern Apprenticeships is not as demand-led as this statement suggests. Rather than solely focusing on 'occupational requirements of employers', which is an excellent intention, the local Learning and Skills Council should pragmatically focus on the position of the apprentice or future-apprentice. The proposed function of discretion can become operational when the system is demand-led and not supply-led.

As stated above, discretion implies a search for the correct balance. According to Lipsky, this 'search for the correct balance between compassion and flexibility on the one hand, and impartiality and rigid rule-application on the other hand presents a dialectic of public service reform' (1980: 16). The White Paper suggests that funding should be used to steer the supply of apprentices and that the local councils are entitled to have some discretion at that level. It is however inappropriate to solely focus on employers in the current

system. The apprentices' situation is more pregnant and requires more attention, pragmatic as it may be. Visionary decisions are to be taken at a higher level and not at the implementation stage.

The vigour of Lipsky's statement is that discretion deals with compassion and this is totally neglected in the White Paper. Moreover, Lipsky uses the term 'dialectic'. Dialectics is a term derived from Hegel. Crucial with dialectics is its *Aufhebung*, or sublation. With this is meant that something is denied, yet remains and is finally 'lifted' to a higher level (Oosterling, 1996). It needs to be stressed that this is an ongoing process for epistemological reasons as a result of the limitations of the subjectivity, i.e. self-consciousness. Hegel analysed from a formal-ontological[24] view the concurrence of thought and being, whereas being has no mediation: it is immediate and indeterminate. The result is that we cannot grasp such thoughts, but in analytical categories; we can only think of it in negative terms, i.e. we can only think of what it not is. Conversely, the same line of reasoning applies to nothingness. This process of thinking meanders between both impossible positions. It is not true that we do not think anything at all in such instances, on the contrary, and Hegel calls this 'becoming'[25]. Therefore, the underlying dynamic action of thoughts reveals a triple-structured epistemological structure, triplicity: the unity of Being and Nothingness is dynamically revealed in Becoming (Hegel, 1812: 21-23).

Lipsky states that this search for the correct balance presents a dialectics of public service *reform*. The word 'reform' is crucial as Hegel's *Aufhebung* applies to this point: the added value of discretion is latently present and reveals itself in continuous reforms. These reforms need not be institutional or major. An example may clarify this point.

An employee of a former Training and Enterprise Council is asked by a training provider X to grant him additional funding as his specific circumstances would entitle him to receiving it. The employee has now to find a correct balance between compassion with the training provider and impartiality as his choice may result in unfairness: there can be other training providers that are more entitled to receiving this money. In the end, the employee has found a balance in which all the relevant factors are considered. A few months later, when another training provider Y asks this employee for additional funding, he will not have forgotten about training provider X and uses this information one way or the other in considering training provider Y's request. It is not possible for the employee to not use this information whether he is latently or manifestly aware of it. In this case the employee's knowledge is the crucial factor which results in Lipsky's mentioned reform.

Therefore, the employee's search for the right balance between flexibility and rigid rule-application results in an increased quality, not only at an individual level, e.g. for the

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[24] 'formal' refers to a pure conceptual view, and 'ontological' means that not only the basic structures of the conscience are subjected to analysis but also the reality's basic structures, i.e. of the being.

[25] Literally, Hegel writes: 'Das reine Seyn und das reine Nichts ist dasselbe. Was die Wahrheit ist, ist weder das Seyn, noch das Nichts, sondern daβ das Seyn in Nichts, und das Nichts in Seyn, ... , übergegangen ist. [...] Ihre Wahrheit ist also diese Bewegung des unmittelbaren Verschwindens des einen in dem andern; das Werden' (Hegel, 1812: 23)

employee who gains more insight, but also at a higher level as society profits from optimal solutions.

## 5.2.5 The hypothesis recalled

The argument for centralisation to be bad is the absence of attuning between games. Games at the national level are played without information from local games. This means that policies emerge from these games that are not based on information from the professionals, i.e. the implementers, but that do steer these professionals. The fact that, as Ringeling put it, an organisation needs discretion to fit their policies to individual requirements because policy makers *cannot* plan everything into detail is neglected (Ringeling, 1978: 23).

We give one example to illustrate our point. The centralised decision-makers have decreed that local offices have no flexibility regarding funding. In contrast, Training and Enterprise Councils did have that possibility which resulted in different funding rates for training providers per region. Now, all training providers get the same amount of money per apprentice. Skimming off the best apprentices immediately pays off: less training is needed, they are more likely to achieve their qualifications and therefore they are shorter on the programme; hence profits increase. There is one but: for whom is the apprentice programme? It is not launched to fund the training providers but to have unemployed young persons achieving a recognised qualification and to fit the demands of the labour market. It is not a general pattern for young persons to drop out education and go straight to work. These people need to be taken care of and need lots of support to get them back into education. This should not be forgotten, but currently it seems that the policy aims at the better students whereas the less advantaged are left behind. The Training and Enterprise Council were able to additionally fund those training providers who had many less advantaged apprentices on the programme. Only in that case will the training providers perceive taking on such apprentices as fruitful which leads to a situation in which they continue to go out to employers asking them whether they have young uneducated persons employed and get them to achieve qualifications. That is the way to work. The lack of cooperation between the policy-makers and implementers prohibit such local tailor made solutions. The information streams are unilateral: from decision-makers to implementers and not vice versa.

# 5.3 Towards a structuralist approach

## 5.3.1 Hypothesis

We hypothesised in chapter three that the Department for Education and Skills and the Learning and Skills Council do not think or act in terms of the network approach which causes the policy to fail. Here we are to confirm or disconfirm this hypothesis.

## 5.3.2 Analysing structures

One of the earliest structuralist thinkers, Ferdinand de Saussure (1851-1913), distinguished between a diachronic and synchronic analysis (De Saussure, 1916: 11). With this he meant that a phenomenon can be studied over time (*dia chronos*) or at a

particular moment (*syn chronos*), something which can be compared to a game of chess. You can study the game as a process and you can study the constitution of the pieces at a certain moment. In the latter case particular interconnections are relevant whereas the diachronic analysis aims to explain why the current constitution with its particular interconnections is as it is. We can do the same, i.e. we can look at the current network as it is and we can analyse how this particular constitution emerged over time.

When we speak about process management we are interested in a synchronic analysis: how can the current situation be optimised? In paragraph 3.3 we depicted the current situation in terms of a network. We discerned actors, games and interrelations and by looking at the picture it immediately becomes clear what the shortcomings of the current system are: for example that employers do not play a central or more decisive role and that there is a gap between decision-making and implementation.

As can be derived from the text as mentioned above in this chapter there is little in the current policy that includes features of the network approach. Interdependencies are not fully acknowledged, games within the structure are played separately – decision-making and implementation are not attuned, rules are predominantly formulated in terms of funding; this is all indicates that there is rather a market-type of policy-making: fund some organisations and things will work out. Actors act passively whereas an active attitude is required. Process management assumes and requires actors to work actively towards a better policy.

During our interviews we observed a very passive attitude at the department. Success of Modern Apprenticeship seemed not to be an issue for it was replaced with the outmoded view that 'the department knows best what to do'. A similar thing holds true for the Learning and Skills Council illustrated by the centralisation as discussed above which was initiated by this council. We argued that these organisations *do not have* the monopoly regarding information on how Modern Apprenticeship has to be implemented. Actually, we hold that they are far from it: the real professionals are the implementers at the local level. The real problem is that these organisations do not acknowledge that they depend heavily on other organisations *when it comes to the policy's success!* Of course, they can function without too many other organisations, there can be a system of Modern Apprenticeship, they can fund whichever organisation they want to fund: but will it contribute to the policy's success? That is the fundamental question and that ought to be the leitmotiv for success. The department and the Learning and Skills Council function somewhat different in that perspective and are then less successful…

### 5.3.3 Success

Good is subjective and relational. It is subjective in the sense that there is no universal, Platonic good and relational because something is good in a relation to other things. The policy for Modern Apprenticeship is good for the nation if many unqualified persons achieve full qualification as this benefits England's competitiveness in international context. But it can be good as well for psychological reasons: achieving qualifications strengthens an apprentice's confidence.

We hold that success must include achieving qualifications. In paragraph 1.4 apprenticeships are defined as 'structured programmes of vocational preparation, sponsored by an employer, juxtaposing part-time education with on-the-job training and work experience, *leading to a recognised vocational qualification*'. This implies that the policy cannot be successful if it lacks achieving this objective.

Therefore we must conclude that as long as the decision-makers think short-sightedly and passively Modern Apprenticeship cannot prove itself to be the promising programme it is. It seems not bizarre to us to presuppose the department and the Learning and Skills Council to advocate the policy's success. But we do observe that paradigms need to change and that an active attitude is inevitable. The next paragraph indicates how this can be put into practice.

# 5.4 An impasse (?)

### 5.4.1 Hypothesis

Lastly, we discuss the fourth hypothesis that reads that the absence of a dominant decision-centre on the one hand and the need for steering when it comes to network constitution on the other hand results in an impasse which by definition restrains the policy's success.

### 5.4.2 A problematic paradox

From the network theory as presented in chapter three we deduce the absence of a dominant decision-centre. Interdependencies prevail and there is no one single actor capable of policy-making without the resources of others. But this theory is not only practical – as it describes the way it is – it is also prescriptive: this is the way it ought to be. Especially in our remarks on the second hypothesis we emphasised this prescriptive notion and argued that there are shortcomings in the network constitution. We have reached this conclusion by taking the policy's success as a yardstick but who is to implement the prescription that employers have to be included? It presupposes the actors to have a common interest and desire to let the policy prevail and succeed rather than presupposing the actors to be a collection of Nietzschean 'wills to power' or something similar. However, that is the assumption the network theory is grounded on: actors pursuing their own objectives and serving their own interest. How can this be harmonised, i.e. how can actors striving after their own goals come up with solutions to a problem they might not perceive as a problem since it is not incompatible with their own interests? Concrete, who is to change the rules regarding funding; who takes the lead in taking on employers in the decision-making process; who establishes better attuning between national and local actors in the policy process; etcetera?

A similar problem arose in the political science with the concept of pluralism – see paragraph 3.4.2. That system also lacks a single dominant actor and no single group will dominate because, as in Newton's law of motion, for every force there is an equal and opposite to counterbalance (Kingdom, 1999: 517). This places responsibility outside the

current constitution and presupposes actors from outside to join, regardless of demands, wishes or intercession of actors within the constitution.

Scholars of the network theory argue that network management can be judged by the extent to which it enhances the condition for 'favourable' interaction and the degree to which the networks supports these processes (Kickert *et al.*, 1997:175). We write on this in paragraph 3.2.4.2 that network management is considered a success if it promotes cooperation between actors and prevents, bypasses or removes the blockages to that cooperation. However, this leaves the initiation problem unsolved: who must take the lead in performing network management?

Paragraphs 5.1 – 5.4 indicate that there is a problem and that the network structure fails. The network theory reaches an impasse: on the one hand is it harmful for the policy to have a single dominant actor and on the other hand is it harmful to the policy that fundamental weaknesses in the structure are hard to solve – due to the absence of that dominant actor. However, we believe this is impasse to be a paradox rather than a contradiction and the crux lies with the special role for the public organisations.

The absence of a single dominant decision-centre does not imply that all actors are the same or are to be seen as equal. The fundamental issue is that, contrary to what has long been taken for granted, the government depends on other actors, for example because they hold pivotal positions or have indispensable resources. This means that the government cannot form or implement policies by itself but relies on cooperation with other actors. The descriptive part of the network theory manifests in the notion that the government is not the single dominant actor and, moreover, that each actors pursues own interests rather than something like the 'public interest'. Those are empirical observations of how things work in real life and turned into a theory on how the government, or any other actor, must adapt to these actualities, because the alternative, sticking one's head in the sand, will not pay off.

Therefore, we do not believe that an impasse is inevitable and we do not believe that – as in the pluralist account – it is up to the actors outside the network to join. We do not blame the training providers for attempting to maximise their profits even if this ruins apprentice's chances on achieving full qualification. But if we take the network theory seriously and contemplate on its premises we then must conclude that the government has a very important and distinct role in making sure that anything in that network contributes to the success of Modern Apprenticeship, for it is the government that represents the public interest. Given its central role in the policy process and given its public character we believe that the Learning and Skills Council must take the lead in network management. If this organisation aims to support and improve Modern Apprenticeship and take that as their lead then we believe that the arguments presented in this study will convince them of the need to change the shortcomings we highlighted and turn them into factors for success.

# 6 Conclusions and recommendations

## 6.1 Conclusion

During this study we encountered a number of shortcomings regarding Modern Apprenticeship and the most significant were amplified on. Chapter five in particular argues why certain parts of the network structure need to be reassigned and why certain perceptions are damaging. We recall the most important findings:

- The policy focuses on quantity rather than quality which is reflected in the distorted relation between supply of apprentices and employers' demands. Training providers tend to be guided by quantities, which is enhanced by the current funding regime, leading to an unsatisfactory situation. Apprentices do not achieve full qualification and, moreover, there is not even a strong demand for fully qualified apprentices.
- Local Learning and Skills Councils are administered nationally. We argued that the subsequent loss in discretion harms the policy and prevents the policy from successful implementation.
- Games played at different levels are not attuned; decision-making at national level and local implementation are not regulated, or incorrectly regulated.
- This all leads to the conviction that most actors define success of the policy quite differently than we do. We hold that apprentices achieving full qualification is a necessary condition for success and that actors have to aim for the policy to be successful, especially the public organisations such as the Department for Learning and Skills and the Learning and Skills Council. This is currently not the case, perhaps because these organisations do not know what goes wrong or do not even want to know.

Thinking in terms of networks is urgently required. However, the fact that policy-making processes were not seen as games or thought of in terms of networks does not imply that networks did not exist. On the contrary, games were played and interdependencies existed as we depicted in paragraph 3.3. The acknowledgement of the necessity to form policies in networks is emphasised in the White Paper over and over again. Time and again, it stresses the fact that the new system needs to be created in *partnership*. Such partnerships are not necessarily equivalent to networks but point in the right direction as it acknowledges interdependencies. Still, there is a long way to go because government's perceptions regarding these interdependencies vary from ours. This difference is best reflected in the network management: once you accept that the policy is formed in games which are constituted in a network structure you can attune your tactics to it. That results in the government – department or Learning and Skills Council or whichever organisation – to act strategically, to actively perform process management and network constitution in order to steer the policy towards success. Currently these organisations are too passively involved in optimising Modern Apprenticeship. They themselves hold that it is more like a chicken-egg discussion, as was argued during the interviews (B): the programme is good, but it is not perceived in that way by parents, young people and so

on; hence, the programme has difficulty attracting good apprentices that can boost the Modern Apprenticeship's status which in turn causes the programme to hold its current low profile… Unfortunately, this superficial explanatory argument satisfied the interviewee contributing to the passive stance.

## 6.2 The main question recalled

The main question of this study is:

**What are the effects of setting up the Learning and Skills Council, as proposed in the White Paper 'Learning to Succeed', on Modern Apprenticeship and how can the deficiencies be explained?**

The sub-questions we formulated are:

- How has setting up the Learning and Skills Council influenced the network of actors involved in Modern Apprenticeship policy making?

- Have the changes in the network proved to be sufficient for improving the quality of Modern Apprenticeship?

First of all, it is clear that setting up the Learning and Skills Council affected Modern Apprenticeship. The network of actors changed with the introduction of new actors (Learning and Skills Council) and removal of existing actors (Training and Enterprise Councils). New rules were introduced as well and the most important concerns funding. Training providers receive a higher monthly payment at the cost of the financial incentives they get when apprentices achieve qualifications.

Furthermore, the network still has not sufficiently enclosed employers despite their crucial resources – information. This gap is reinforced by reducing the local Learning and Skills Council's responsibilities by centralising administration because this has led to less discretion at the lowest level. Employees of the Training and Enterprise Councils applied their discretion in such a way that they could collaborate closely with training providers and employers. This provided these employees with a great deal of information on the (local) needs of employers, but sharp demarcations between decision-making and implementation caused the unfortunate loss of this information in the policy process. This demarcation however continues to exist and the close collaboration between employees of the local Learning and Skills Councils, employers, and training providers belongs to the past as well. The valuable information of employers cannot be lost in the process since it is not even gathered anymore…

We hold that success of Modern Apprenticeship at least includes apprentices achieving full qualification. The statistics tell us this is by far not the case. We have argued that the current network structure shows some severe shortcomings and we believe that many deficiencies can be traced back to these shortcomings. In the previous chapters we argued

that network constitution consists of rules, actors and perceptions and that on each subject the current structure falls short. The Learning and Skills Council currently maintains a very passive role when it comes to network constitution which definitely not contributes to the quality of Modern Apprenticeship – on the contrary!

## 6.3 Recommendations

The most general yet most important recommendation concerns the perceptions of the actors involved. Most actors do not perceive the policy process in terms of the network approach which is reflected in inadequate awareness of interdependencies, resources and so on. These shortcomings have consequences for the policy's success and therefore need to be changed urgently. Since the Learning and Skills Council and the Department for Education and Skills are pivotal when it comes to Modern Apprenticeship policy, they have to adjust their paradigms as soon as possible and need to start thinking in terms of networks. Modern Apprenticeship is for other actors not necessarily a prime interest; the department and the Learning and Skills Council however are publicly funded to advocate the programme and pre-eminently ought to strive for Modern Apprenticeship to be successful. Therefore we lay an emphasis on these organisations when it comes to improving Modern Apprenticeship and therefore we predominantly focused on them in this study.

One of the consequences of these alterations is that these organisations can apply network management which improves the quality of the policy. The public character gives them additional responsibilities regarding Modern Apprenticeship – at least they have to serve the general interest. This general interest certainly does not include funding training providers as an end, but does include apprentices achieving full qualification. We have seen what is needed for such outcomes and we have also seen that there are certain factors that prevent Modern Apprenticeship from reaching these outcomes; rules regarding funding, not acknowledging the importance of good information by limiting discretion, not including employers properly in the policy process are a few examples of such factors.

Through network constitution rules, actors and perceptions can be influenced. There is a need for action and we recommend the Learning and Skills Council to take the lead. As we argued in chapter five this organisation has specific responsibilities, which – in conjunction with endorsing the network approach – leads *inevitably* to action since the current network contains anomalies. These anomalies certainly do not encourage actors such as the training providers to contribute to the success of Modern Apprenticeship. Through network constitution most of the shortcomings that we addressed in this study can be overcome.

Taking the role of employees of the local Learning and Skills Councils more seriously contributes as well. These people are professionals and have a lot of local knowledge; ignoring this is not a wise thing to do. Not only because it reduces their impetus (it is always good to be listened to) but also, and more importantly, because the quality of the policy seriously depends on such information. The situation regarding Modern

Apprenticeship makes it even more important since the local employees have also information on employers' needs and demands, which is valuable information.

Decision-makers must acknowledge that success of a policy also depends on cooperation and interaction with implementers. As for the moment, this is not the case. Again, the crucial point is information: implementers have useful information and, moreover, they are likely to know best how the policy is to be implemented with respect to local needs.

The claims made are far-reaching and an active attitude is required to put the recommendations into practice. Since we accurately argued in this study what the problems are and what has caused them, addressing the problem cannot be the difficulty. What is needed are reflections on the how these recommendations are to be realised, i.e. how are they put into practice; answering these questions requires additional studies.

To conclude we want to express our reluctance to using funding systems as a steering mechanism which is partly grounded on our interview with the person who used to be in charge of funding at the Department for Education and Employment. He holds, based on his experience, that funding systems do not reflect the costs but are basically 'a really lazy way of not looking at the actual problems: the structure on the ground'. Ensuing from this we hold that the shortcomings in the structure as manifested in this study must be solved by adjusting the structure and not by inventing ingenious funding systems.

Nevertheless, applying the right strategies complemented with an active attitude and persistently aiming at Modern Apprenticeship's success will bear fruit…

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# Appendix

A: Sectors in which Foundation Modern Apprenticeships are available

B: Sectors in which Advanced Modern Apprenticeships are available

C: Terms of reference of the Modern Apprenticeships Steering Group

## A: Foundation Modern Apprenticeships are available in:[26]

Accounting
Agriculture & Garden Machinery
Agriculture and Commercial Horticulture
Amenity Horticulture
Animal Care
Arts and Entertainment
Aviation
Business Administration
Broadcast, Film, Video & Multimedia
Call Handling
Ceramics
Cleaning & Support Service Industry
Clothing
Construction
Craft Baking
Customer Service
Distribution, Warehousing & Storage
Driving Goods Vehicles
Early Years Care & Education
Electrical & Electronics Servicing
Electrotechnical
Engineering
Environmental Conservation
Events
Fencing
Floristry
Food & Drink Manufacturing Operations
Furniture Manufacture
Glass Industry
Hairdressing
Health & Social Care
Heating, Ventilation,
Air Conditioning & Refrigeration
Horse Industry

Hospitality
Information & Library Services
Information Technology & Electronic
Services
Insurance
Manufacturing (Engineering)
Maintaining Automotive Vehicles
Meat Industry
Motor Industry
Optical Manufacturing Technician
Payroll
Photography & Photographic
Processing Industry
Plumbing
Polymers
Printing
Providing Financial Services
Residential Estate Agency
Retailing
Road Haulage & Distribution
Seafishing
Security
Sports & Recreation
Steel Industry
Surface Coatings Industry
Telecommunications
Textiles
Travel Services
Water Industry

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[26] www.lsc.gov.uk

# B: Advanced Modern Apprenticeships are available in:[27]

Accounting
Agriculture & Garden Machinery
Agriculture & Commercial Horticulture
Amenity Horticulture
Animal Care
Arts & Entertainment
Aviation
Broadcast, Film, Video & Multimedia
Building Services Engineers
Business Administration
Call Handling
Ceramics
Chemicals Industry
Cleaning & Support Service Industry
Clothing Industry
Community Justice
Construction
Craft Baking
Customer Service
Distribution, Warehousing & Storage
Early Years Care & Education
Electrical and Electronic Servicing
Electrical Installation Engineering
Electricity Supply Industry
Emergency Fire Service
Engineering
Engineering Construction
Environmental Conservation
Fibreboard
Floristry
Food & Drink Manufacturing Operations
Furniture Manufacture
Gas Industry
Glass Industry
Guidance
Hairdressing
Health & Beauty Therapy
Health & Social Care
Heating, Ventilation,
Air Conditioning & Refrigeration
Horse Industry
Hospitality

Housing
Information & Library Services
Information Technology & Electronic
Services
Insurance
International Trade & Services
Jewellery, Silversmithing & Allied Trades
Laboratory Technicians
Maintaining Automotive Vehicles
Man-made Fibres
Marine Industry
Meat Industry
Motor Industry
Moving into Management
Museums, Gallery & Heritage Sector
Newspapers
Occupational Health & Safety
Operating Department Practice
Optical Manufacturing Technicians
Paper & Board Manufacture
Payroll
Personnel
Pharmacy
Photography & Photographic Processing
Physiological Measurement Technicians
Plumbing
Polymers
Printing
Procurement
Providing Financial Services
Rail
Residential Estate Agency
Retailing
Road Haulage & Distribution
Sports & Recreation
Steels & Metals Industry
Surface Coatings Industry
Telecommunications
Textiles
Timber Trade (Wood Machining)
Travel Services
Water Industry

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[27] www.lsc.gov.uk

# C: Modern Apprenticeship Steering Groups Terms of Reference

This Modern Apprenticeship Steering Group will have overall responsibility for delivery of the MA programme and will oversee progress across the individual programme strands. Its membership must reflect its role in the management of the programme and the identification of any policy and operational issues which need to be resolved. It should therefore involve representatives from the LSC National Office directorates, and representative from key external organisations. Additional members may be invited to attend when particular issues are under consideration.

Specifically, the MA Steering Group will:

1. Monitor and review progress against the high level MA programme plan to ensure agreed timescales for delivery are met. Offer informed advice, guidance and comment on areas of slippage and seek appropriate and effective resolution to barriers to progress.

2. Address escalated issues (emanating from the MA programme Strands or Working Groups) that if left would prevent or reduce the likelihood of completion of the programme's objectives within the projected timescales.

3. Understand and consider the risks and consequences of any proposed changes to the scope or objectives of the MA programme and approve or decline the change requests as appropriate.

4. Make recommendations on the number of resources required to successfully delivery the MA programme, and once implemented, support its operation both nationally and locally.

5. Ensure that implementation is taken forward within the context of a multi-agency and collaborative approach and in respect of additional significant external initiatives, notably the 14 – 19 programme, Success for All, and the emerging Skills Strategy.

6. Ensure commitment and support from dependent organisations, in particular Connexions, the Sector Skills Councils and the Sector Skills Development Agency, other employers and their organisations, providers, including the Voluntary Sector, as well as formal awarding and inspecting bodies.

7. Monitor and review the effectiveness of implementation, confirming key MA programme products & deliverables are fit for purpose.

8. Help ensure the continued funding and support for MAs within and from both the LSC and the DfES.

9.    Report to the MA Task Force, the Young People's Learning Committee, and the DfES, progress in terms of targets and achievements against plan, and also key issues and concerns requiring resolution at Ministerial level (wherever possible including recommending appropriate actions and remedies).

10.    Review the implications of policy recommendations on the MA programme and approve or suggest re-work as appropriate.

## Membership

The Steering Group will be initially composed of the following members:

| Potential Attendees | Role/Designation |
| --- | --- |
| Caroline Neville | Director Policy & Development - Chair |
| Ken Pascoe | Director Operations |
| Avril Willis | Director Quality & Standards |
| Martin Lamb | AD Policy & Development |
| Peter Brammall | AD Planning & Budgeting (Operations) |
| Geoff Daniels | AD Funding Policy & Development (Operations) |
| Marinos Paphitis | Head of National Contracts Service |
| Nicky Brunker | AD Strategic Marketing |
| Suzanne Ashe | AD Public Affairs |
| Gaynor Field | Policy & Development |
| Judi Douglas | Operations |
| Tim Smith | Quality & Standards representative |
| John Allbutt | DfES |
| Brandon Ashworth | Sector Skills Development Agency representative |
| Colin Ashton | Adult Learning Inspectorate representative |
| Mark Kaczmarek | Connexions Service representative |
| Judith Compton | QCA representative |
| Mary Rogers | Leicestershire LSC |
| Vic Grimes | London East LSC |
| Maggie Scott | Association of Colleges (for Dr. John Brennan) |
| Graham Hoyle | Association of Learning Providers |
| Stuart Gillies | MA Programme Office Manager |