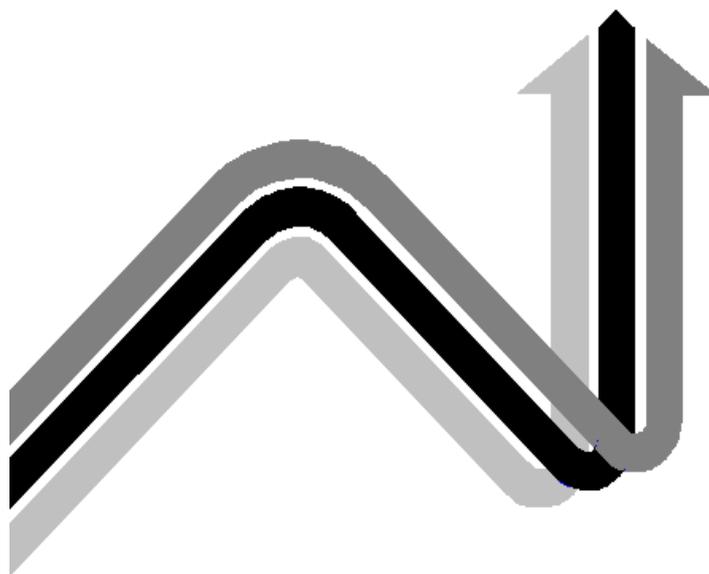


# **THEMATIC REVIEW OF THE TRANSITION FROM INITIAL EDUCATION TO WORKING LIFE**



## **UNITED KINGDOM**

### **COUNTRY NOTE**

JUNE 1999

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## 1. INTRODUCTION

### *Objectives and organisation of the comparative country reviews*

As part of OECD's follow-up work to the "Jobs Study" and to other preceding work<sup>1</sup>, the Education Committee launched in 1996 a series of country reviews focusing on institutional frameworks and policies affecting young people's transition from initial education and training to employment. The target group of these reviews is young people in the age span from about fifteen to thirty, that is from just before the end of compulsory education to the age where the predominant activity of the large majority of the age group is in the labour market rather than in education. These reviews are to examine both education and labour market institutions and policies and, in particular, the interaction between both as it affects young people.

Altogether fourteen countries are participating in this review. Australia, Austria, Canada, the Czech Republic, Norway and Portugal were visited in 1997. Denmark, Finland, Hungary, Japan, the United Kingdom, the United States, Sweden and Switzerland were visited in 1998 and early 1999. Each visit lasted between 10 days and two weeks and was undertaken by a team of four reviewers, coming from different countries and from different administrative, research and policy making backgrounds. Within countries, the visits were co-ordinated by education ministries, often in Co-operation with other ministries concerned. Each country prepared a detailed Background Report according to common guidelines previously agreed by country representatives and the OECD Secretariat.

The visits enabled the reviewers to deepen and analyse the information contained in the country background reports on the basis of discussions with representatives of administrations, educators, employers and trade unions and -- last but not least -- young people. Site visits to schools, colleges, enterprises, labour offices, information and guidance services and to organisations in charge of co-ordinating education and training provision and labour market services provided further opportunities for improved understanding of the main transition problems and interesting responses to these in each country. After each visit, the review team prepared a Country Note synthesising the team's observations and suggestions. An Interim Comparative Report was prepared on the basis of the first six country visits in 1997<sup>2</sup>.

### *The participation of the United Kingdom*

The review in the United Kingdom took place on 14 -- 25 September 1998. The members of the group in charge of preparing the visit, the authors of the Background Report and the members of the review team can be found in the Annexes to this document. The review team wants to thank the persons involved in preparing a very rich and stimulating schedule, as well as all the persons who generously shared with us their knowledge and perceptions of different aspects of transition from school to work. We also want to express once more our appreciation of the excellent Background Report.

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- 1 The Changing Role of Vocational and Technical Education and Training (VOTEC); Round Table on School to work Transitions in OECD countries (1995); OECD Employment Outlook 1996, Chapter 4.
  - 2 OECD Document DEELSA/ED(98)11, Thematic Review of the Transition from Initial Education to Working Life, Interim Comparative Report ; this document as well as the country notes and background reports will be made available on the OECD Web site in early 1999.

The review visit covered England, Wales and Scotland and initiated the team to some of the similarities and differences between the three countries and to the types of complementarity which exist between central and “national” government and administration concerning, in particular, the educational aspects of young people’s transition to the labour market. It would have been far beyond the scope of this review to explore related complexities in any depth. Nevertheless, they are apparent in our report, considering for instance some of the reforms and programmes which have been or are being implemented only in one or two of the three countries, rather than across the United Kingdom as a whole. On behalf of the central government the major actor is the *Department for Education and Employment (DfEE)*. It establishes the policy orientation for employment policy in the United Kingdom, and education policy in England. In Scotland and Wales, the Scottish and Welsh Offices respectively have responsibility for policy and administration of education and training. Following the forthcoming elections to the Scottish Parliament and the Welsh Assembly, education and training matters will be the direct responsibility of these bodies. Wales and England have the same qualifications and very similar institutional structures and national curricula. The Scottish education and training system has developed independently and its institutional framework, qualifications and curriculum guidelines are more distinct. In policy terms, as indicated in the Background Report, there is stronger emphasis on standards for 16-19 year olds and on vocational alternatives in compulsory education in England and Wales. Scotland, for its part, is moving further towards “unifying” post-16 education with a single unified system of courses and qualifications to embrace the academic and broad vocational pathways, with fewer differentiations between 16-19 year olds and adults<sup>3</sup>.

The United Kingdom has in recent years experienced a very favourable economic climate and its unemployment rates, both overall and youth unemployment rates, are below the European average. The labour market is particularly open to young people, including students looking for part-time work. The *New Deal* programme for the insertion into employment and/or training of 18-24-year old unemployed over six months, which has been introduced with great energy, seems to show positive results. The review team was impressed by the progress made during the last decade in developing vocational education and training almost from scratch, and by the rapid increase of participation in post-compulsory education and training, including in the national programme of *Modern Apprenticeship*. Of particular interest for the outside observer is the ongoing process of establishing and improving a qualifications framework, together with the modularisation of all post-compulsory education and training. While not exempt from problems, these changes are creating favourable conditions for the development of a genuine system of lifelong learning and -- potentially -- for increasingly integrated pathways of general and vocational education and training. The growing mobilisation and involvement of industry in education and training and the creation of a new network of National Training Organisations (*NTOs*) with responsibilities for influencing education as well as training at the sector level reflects another important development.

At the same time, we saw reasons for concern especially with regard to the approximately 10% of young people who, at the age of 16, are neither in education nor in the labour market, and the 40% of 19-24 year olds who have not reached what is widely considered as a minimum level of qualification (*NVQ Level 2 or equivalent*)<sup>4</sup>. The variable quality of the content and assessment of these minimum qualifications are a further reason for concern. Several problem areas have attracted our particular attention in this respect: the orientations and support provided to schools and teachers in compulsory education which would enable them to respond more effectively to the needs of young people at risk; possibilities for providing a less selective and more inclusive and encouraging learning environment; and problems related to the

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3 UK Background Report: OECD Thematic Review -- The Transition from Initial Education to Working Life, July 1998, Section 4.1.

4 Richard Layard, “The Future of Training”, figures based on Labour Force Survey 1996.

definition, accreditation and certification of “competency-based” qualifications, especially those acquired exclusively at the work place.

Another important set of issues relates to the functioning of “training markets”. In this context, we see difficulties especially in two respects: the multitude of more or less independent agencies (“quasi autonomous non-governmental organisations”, “*QANGOs*”) intervening as brokers and as certifying bodies between training providers, learners and government institutions, and the centralised and relatively bureaucratic modes of financing. Decision making and implementation power at the local level have created a wide range of opportunities for impressive inventiveness, enthusiasm and initiative in intermediary bodies and in post-secondary schools, especially *Further Education Colleges*. At the same time, it has led to sometimes excessive competition between training providers and between intermediary bodies which can be costly and which raises equity problems with regard to access to further and higher education and training.

We believe that the United Kingdom has experienced a particularly thought provoking evolution at the interface between the labour market and the education and training system which has resulted from a long period of active “system engineering”, driven by education and employment policies at the central government level. Education and training provision are evolving towards flexibility, responsiveness to the needs of learners and enterprises, and open and diversified education and training pathways which allow for early combinations of work and study and provide many opportunities for the acquisition of qualifications throughout working life. Other countries should be able to learn from both the successes as well as the tensions and problems which have arisen in this process.

The following section (The Framework) starts out with a presentation and discussion of vocational qualifications. Given the complexities of the qualifications framework and related methods of accreditation, assessment and certification we felt that some descriptive detail was needed here both in order to facilitate the comprehension of the British system for foreign readers and as a solid basis for our observations and argumentation.

Section 3 (The Process) describes and discusses the roles and functioning of compulsory and further education, information and guidance services and of the main intermediary bodies intervening at the local level as co-ordinators and facilitators of education and training in preparation of working life and of young people’s transition to employment. Section 4 (The Results) examines recent developments in participation in education and employment, in the attainment of different types and levels of qualifications, and in unemployment by type and level of qualification. It draws attention to the particularly difficult labour market situation of young people who enter the labour market with no or very low qualifications. The last section presents a summary of the main conclusions which the team has drawn from its observations during the visit and from the various materials which it had been provided with.

Finally, it should be signalled that the review has not included any detailed consideration of higher education, which has been the subject of another OECD thematic review in 1996.

## 2. THE FRAMEWORK

### *Qualifications*

An essential element of the transition process in any country is the existence of clearly defined and recognised qualifications. They provide a “currency of exchange” between employers and employees and, initially, between educational institutions and the learners. This role of qualifications is particularly important in the United Kingdom. It determines the orientation and functioning of the entire education and training system, including its financing, to a much larger extent than in many other countries where education and training systems function according to a logic of institutional frameworks and related perceptions of student status.

The concept of “qualification” has a very precise meaning in the United Kingdom. First, it relates clearly to a recognition, a certificate and not only to the skills or capacities of a person. Second, qualifications are relevant both in the vocational and in the academic sectors: for example, the *A levels* of the *General Certificate of Education* which certifies the completion of general upper secondary education are also called “qualifications”.

The education and training system in the UK is thus defined in terms of qualifications rather than in terms of institutions or of “training providers” as they are called. Indeed, qualifications are independent of how and where they are prepared: in principle any type of provider can prepare for any type of qualification.

This latter feature illustrates one of the fundamental qualities of the British system: its flexibility and adaptability which aim to respond rapidly to changing demands for skills both by individual learners and by industry. In particular, the distinction between initial education and training for young people and continuing learning for adults is relatively meaningless in the UK. The dividing line runs rather between compulsory education (up to the age of 16) and post-compulsory or “*further*” education. There are only few differences with regard to the individual status of those over 16, such as the entitlement to unemployment benefits which starts only at age 18. It is in Scotland that the border line between young people and adults is least clearly drawn. There, a single group of divisions of the Scottish Office -- the “*Lifelong Learning Group*” -- is responsible for all post-16 education.

Traditionally, education in the UK was mainly general education and even today academic education attracts the majority of those who continue beyond compulsory education. The corresponding qualifications are:

- *GCSE (General Certificate of Secondary Education, O levels until 1986)* and, in Scotland, the *Standard Grades* of the *Scottish Certificate of Education* both of which are normally taken at the end of compulsory education but which can also be obtained later on, at any stage in life;
- *GCE A levels (General Certificate of Education, advanced levels)* in England and Wales, obtained in principle two years later and the *Highers* in Scotland which can be reached after one or two years of further study<sup>5</sup>.

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5 Scotland is currently undertaking an in-depth reform of post 16 qualifications, including Highers, under the title “Higher Still”.

These academic qualifications are delivered by independent certifying agencies, “*awarding bodies*”. Scotland has only one such awarding body but there are currently three of them in England which were formed through amalgamations of previous academic and vocational bodies. 1. Vocational training was traditionally provided mainly “on the job”. Apprenticeship, formerly wide spread, was hardly regulated in terms of training content and objectives. Much of it contained little formal training and lasted many years (“*time serving*”). It collapsed in most traditional apprenticeship sectors during the 1970s and 1980s. Besides, a minority of young people acquired, and continue to acquire, formal vocational qualifications awarded through traditional certifying bodies, the most famous of which are *BTEC (Business and Technician Education Council)*, *City and Guilds*, and *RSA (Royal Society of Arts)*. Altogether there are today still over 300 awarding bodies for vocational qualifications. Some of them are purely commercial organisations while others are linked to occupational corporations.

Both academic and vocational qualifications are characterised by two common features: the steering and control of education and training through qualifications rather than pre-determined curricula and the existence of independent and competing awarding bodies. In contrast to continental European countries, secondary level diplomas are not based on a global set of examinations. The *GCSE* as well as the *A levels* are obtained independently for each field of study: on average students take eight or nine examinations for the *GCSE* and three *A levels* for the *GCE*. Similarly, in Scotland, students will typically take eight examinations at Standard Grade, and five Highers.

### ***The recent development of vocational qualifications***

Until the 1980s, while the *A levels* and the Scottish *Highers* provided the entry level qualifications for higher education, vocational qualifications were much less attractive and the incentives to undertake genuine vocational education and training were weak. Most young people entered the labour market directly after compulsory education without following any further formal education or training leading to recognised qualifications. The vocational training system was relatively weakly developed and the average level of qualification of the labour force was lower than in most other developed countries. A linguistic term particularity illustrates this traditional difference between countries: while the French adjective “*professionnel*” and the German word “*Beruf*” include all types and levels of employment the English term “*professional*” relates only to upper level occupations and, in particular, the liberal professions.

At the beginning of the 1980s this situation was seen as one of the reasons for insufficient competitiveness and for growing unemployment, especially among young people, at a time when at the global scale technological innovation and economic restructuring required an increasingly skilled labour force. It was at this time that the central government assumed growing responsibility for vocational education and training, especially for young people. The *Youth Training Scheme*, consisting of increasingly integrated programmes of employment and training was introduced in 1983. However, the training element of these programmes remained to be re-defined and developed.

Following British traditions the notion of “qualification” provided the framework which helped to orient and regulate this re-definition. However, it was decided to render the new qualifications more independent of the awarding bodies, to establish a unified national framework and to bring them closer to the needs of industry.

Starting in 1988, the *National Vocational Qualifications, NVQs* (in Scotland *Scottish Vocational Qualifications, SVQs*) were thus introduced. They are defined in terms of “competences”, that is occupational skills, validated in the work environment on the basis of clearly defined criteria of success.

Consequently, occupational standards needed to be developed for each existing occupation, for instance amenity horticulture, electronics servicing, plumbing, accounting, preparing and serving food and so on. These qualifications are designed on the basis of recommendations of industry organisations representing mainly the employers.

However, a number of criticisms were soon voiced, in particular with regard to the inadequacy of NVQs for the initial education and training of young people<sup>6</sup>. The competences covered by NVQs were seen to be too elementary, not requiring any general capacities applicable to an entire occupational field, nor developing adaptability and the foundations for further learning. Starting in 1992, the *General National Vocational Qualifications*, *GNVQs* (in Scotland *GSVQs*)<sup>7</sup> were introduced, covering broader occupational fields and being less immediately tied to specific work tasks at a given time and work place. How much broader the conception of *GNVQs* is compared to that of *NVQs* becomes evident when considering that there are only 14 *GNVQ* sectors such as *land and environment, manufacturing, construction and the built environment, business, and hospitality and catering*, compared to over 1000 *NVQs*. *GNVQs* occupy an intermediary position between academic qualifications and the *NVQs*: they are designed to provide access both to qualified employment and to further study. *GNVQs* are taken almost exclusively by young people (typically 16-19year olds), whereas *NVQs* are taken by adults as well.

### ***The qualification framework***

The qualifications can be described in terms of a two-dimensional system (Figure 1). The first dimension distinguishes the type of qualification: academic; general vocational (*GNVQs*); and job specific (*NVQs*). This division can be found in other countries: in France, for instance, there are three pathways called “general”, “technological” and “vocational”. Each type of qualification in the United Kingdom includes various sectors: the fields of study for academic qualifications, the 14 broad occupational sectors for the general vocational qualifications (*GNVQs*), several hundred occupations for the specific vocational qualifications (*NVQs*)<sup>8</sup>.

The second dimension relates to the level of qualification. Five levels, numbered from 1 (lowest level) to 5 are distinguished for all three types of qualifications<sup>9</sup>. This establishes, at least in theory, equivalence between the different types of qualifications. The notion of “level of qualification” is relatively clear as far as the work in enterprises is concerned, especially in large enterprises -- semi-skilled, skilled, technician level, and higher technician level -- even if changing principles of work organisation and the end of Taylorism may lead to a blurring of border lines between different levels. It is thus relatively easy to define the levels for *NVQs* and to extend this definition to *GNVQs*. The equivalence with academic qualifications is more artificial: for secondary level qualifications it is measured in numbers of *GCSEs* or *A levels* obtained, taking into account the grade (A to G for *GCSEs* and A to E for *A levels*) achieved in each examination.

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6 For example Steedman, H., Hawkins, J. (1994).

7 For the sake of readability the text will from here on use only the terms *NVQs* and *GNVQs* without adding every time the appropriate terms for Scotland (*SVQs* and *GSVQs*).

8 Some 17000 other qualifications -- mainly vocational ones -- continue to exist alongside with these new groups of qualifications.

9 Since 1997, a new “entry level” has been introduced below level 1.

**Figure 1 The qualification system<sup>10</sup>**

Level	<i>Academic Qualifications</i>	<i>General Vocational Qualifications</i>	<i>Occupational Competence Qualifications</i>
5	Postgraduate degrees		NVQ (or SVQ) 5 : Professional, Senior Management
4	Higher Education first degrees (bachelor...)		NVQ (or SVQ) 4 : Higher technician, Management
3	GCEs : 2 A levels or equivalent	Advanced	NVQ (or SVQ) 3 : Advanced craft, Technician, Supervisor
2	GCSEs : 5 passes at higher (A-C) grades	Intermediate	NVQ (or SVQ) 2 : Basic craft
1	GCSEs : 4 passes at lower (D-G) grades	Foundation	NVQ (or SVQ) 1 : Foundation

There are currently no GNVQs at levels 4 and 5, but certain university degrees are of the general occupational type.

The notion of “level of qualification” is important from a policy point of view and with regard to its public perception. The government defines the targets for the education and training system in terms of levels of qualification to be attained, for instance, providing each young person in Britain with at least a Level 2 qualification. However, it is not evident that the meaning of these levels is clear in the eyes of the public, nor that it has a genuine significance in the labour market because of persisting ambiguities between vocational competences on one side and the level of general education on the other. Admittedly, this is also the case with international classifications, such as the European *CEDEFOP* levels in alignment to which the British levels were defined, or *ISCED* (*International Standard Classification for Education*) which are more clearly related to educational levels of qualification than to occupational qualifications. *ISCED* levels can also be compared to the British levels: levels 1, 2 and 3 are more or less corresponding; the British Level 4 corresponds to *ISCED* 5; the British Level 5 corresponds to *ISCED* 6 and 7.

Most qualifications are modular which is an important ingredient of the suppleness of the British qualification system. As already indicated, a traditional feature of the academic qualifications is their validation independently for each field of study in which the student chooses to be examined. In addition, “*AS levels*” were created which are equivalent to half an *A level*, and an even stronger modularisation of *A levels* is currently underway in certain institutions.

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10 For Scotland: academic level 3 SCEs: 3 Highers at A -- C; level 2 SCE Standard Grades: 5 passes at 1 -- 3; level 1 SCE Standard Grades: 4 passes at 4 -- 7.

Vocational qualifications are obviously structured according to different principles. *NVQs* are organised according to various aspects of the relevant occupation. Each *NVQ* is composed of obligatory as well as optional units which are validated separately. An example is presented in Box 1 below. In addition, each unit is divided into elements of competence. For instance, the *NVQ* Level 1 of “*amenity horticulture*” contains one unit called “*contribute to establishing and maintaining plants*”. It is composed of three elements: “*prepare land for planting; establish plants; maintain plants*”.

Each unit of competence which describes abilities, skills and knowledge is accompanied by a list of performance criteria specifying the results which must be achieved in order to demonstrate the competence as well as by a description of the conditions under which this demonstration has to occur. Competences are most frequently evaluated in the work situation. The evaluation is based on the observation of the work process and the product. In addition, it can also include simulated situations, testimonies, past experience and answers in response to questions posed during the evaluation process.

### Box 1 NVQ Level 1: Catering

5 mandatory units :

- Maintain Safe and Secure Working Environment
- Develop Effective Working Relations
- Clear Food Production Areas, Equipment and Utensils
- Handle and Maintain Knives
- Maintain Hygiene in Food Preparation, Storage and Cooking

4 optional units, among :

- Prepare and Microwave Food
- Prepare and Fry Food
- Prepare and Bake Food
- Prepare Boil, Poach and Steam Food
- Prepare and Grill Food
- Prepare and Finish Reconstituted Food
- Prepare Vegetables and Fruit
- Prepare Cold and Hot Sandwiches and Rolls
- Prepare, Cook and Assemble Food for Service
- Prepare and Griddle Food

*GNVQs* are divided into units in similar ways. An example is provided in Box 2 below for an intermediary level qualification. However, for *GNVQs* the validation includes internal and continuous evaluation during the course as well as an external test at the end of the preparation of the entire unit.

It is here that the notion of *key skills* (core skills in Scotland) becomes relevant. These are skills which are common to all domains. Key skills are receiving increasing attention in the United Kingdom. For the *Confederation of British Industry (CBI)*, “Key skills are central to work and learning, valued by employers and essential for individuals. As far as possible they should be integrated into qualifications.”<sup>11</sup> Indeed, such competences are part of the most demanding preparation for *NVQs*, for example in the framework of *Modern Apprenticeships*. The *Department for Education and Employment (DfEE)* also intends to develop key competences in tertiary education. In addition to the three items cited in Box 2 they often also include

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11 CBI, 1998a.

more personal and behavioural skills such as “working with others”, “improving own learning and performance”, and “problem solving”<sup>12</sup>.

### **Box 2 Intermediate GNVQ: Health and Social Care**

4 mandatory vocational units :

- Health, social care and early years provision
- Promoting health and well-being
- Understanding personal development
- Communication skills and values in health and social care

2 optional vocational units

3 mandatory key skills units :

- Communication (level 2)
- Application of Number (level 2)
- Information Technology (level 2)

The qualifications are intended to provide a common norm and to serve as a basis for a “contractual” relationship between three parties: the training institutions, the learners who will also, either immediately or later on, be looking for employment, and the employers. The existence of such a norm is based on three functions: the definition of qualifications, the training preparing for them, and their validation. Financing needs to be added as a fourth function. The following sections will discuss the implementation of these different functions. Figure 2 below presents the relationships between the various institutions which are involved.

#### ***The definition of vocational qualifications***

The definitions of vocational qualifications are based on the needs of industry. Competence standards have been developed for different occupations. In the early times of the *NVQs* this was undertaken by diverse agencies: *Lead Bodies*, *Occupational Standard Councils*, *Industry Training Organisations*. Today this task is carried out by the *National Training Organisations (NTOs)*, independent employer led sectoral bodies which are recognised by the government. There are currently sixty five recognised organisations and their number is expected to grow to around seventy once all industry sectors are covered. The “landscape” is thus rather fragmented and the coverage and impact of different *NTOs* seems to vary significantly. The *Engineering and Marine Training Authority (EMTA)*, for example, covers the entire sector of mechanical and electrical engineering which represents a considerable segment of the labour market. The *NTOs* cover all of the United Kingdom, which can be considered as a unified space in terms of labour market mobility. They are members of the *NTO National Council (or the Scottish Council of Training Organisations)*.

The definition of competence standards is followed by the certification of qualifications. This process is ensured by the awarding bodies, mentioned before, and by an authority which ensures the national coverage of qualifications. However, in this case “national” refers in this case to the three countries of

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12 In Scotland 5 core skills (communication, numeracy, problem solving, information technology and working with others) are embedded in various new Higher Still courses (and in Standard Grades).

England (including Northern Ireland), Scotland and Wales and therefore there are three qualification authorities: the *Qualifications and Curriculum Authority for England (QCA)*; the *Scottish Qualifications Authority (SQA)*; the *Qualifications, Curriculum and Assessment Authority for Wales (ACCAC)*. These authorities are responsible both for the curriculum of compulsory education and for the three types of qualifications. This unity is a recent achievement: the agencies initially responsible for vocational qualifications (the *National Council for Vocational Qualifications, NCVQ* and the *Scottish Council for Vocational Qualifications, SCOTVEC*) were merged with the academic curriculum and qualification authorities in 1997.

The role of the national authorities and the awarding bodies differs across the different sectors. The national authorities are entirely responsible for the definition of academic and general vocational qualifications, the awarding bodies intervening only as certifying agencies. For the *NVQs* and *SVQs* the awarding bodies elaborate the definition of vocational qualifications established by the national Training Organisations, but these must then be accredited by the national authorities.

### ***Education and training***

The preparation for qualifications is ensured by the education and training providers. “Providers” can be:

- Schools;
- *Further Education Colleges* (FE colleges) which initially provided mainly technical and vocational training;
- Private providers (either profit making or non-profit -- charities, for instance, are active in this field) which are established exclusively as education or training providers or which can be part of industrial enterprises, providing training for their own employees and possibly for workers of other enterprises.

Academic qualifications are prepared by the schools and, increasingly, by FE colleges. The *GNVQs* are prepared mainly within FE colleges, but schools provide them increasingly as well, in particular for the service sector. *NVQs* are normally prepared at the work place, with complementary training possibly being offered by private providers or by FE colleges. But there are cases where no formal training is provided at all. Finally, FE colleges can also prepare for *NVQs* on their own, if they can provide a work environment within training workshops.

We shall address the issue of financing later on in the report. At this point it is useful to mention, however, that the mode of financing depends on the status of the provider institution. In England and Wales schools are financed either by *Local Education Authorities (LEAs)*, or directly by the Government in the case of “grant-maintained schools”<sup>13</sup> which have chosen to withdraw from the responsibility of *LEAs*. The resources of FE colleges are provided by the *Further Education Funding Council (FEFC)* in England and Wales, and directly by the *Scottish Office* in Scotland<sup>14</sup>. The private providers receive their funds from the

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13 A new framework of schools will abolish this type of school from September 1999.

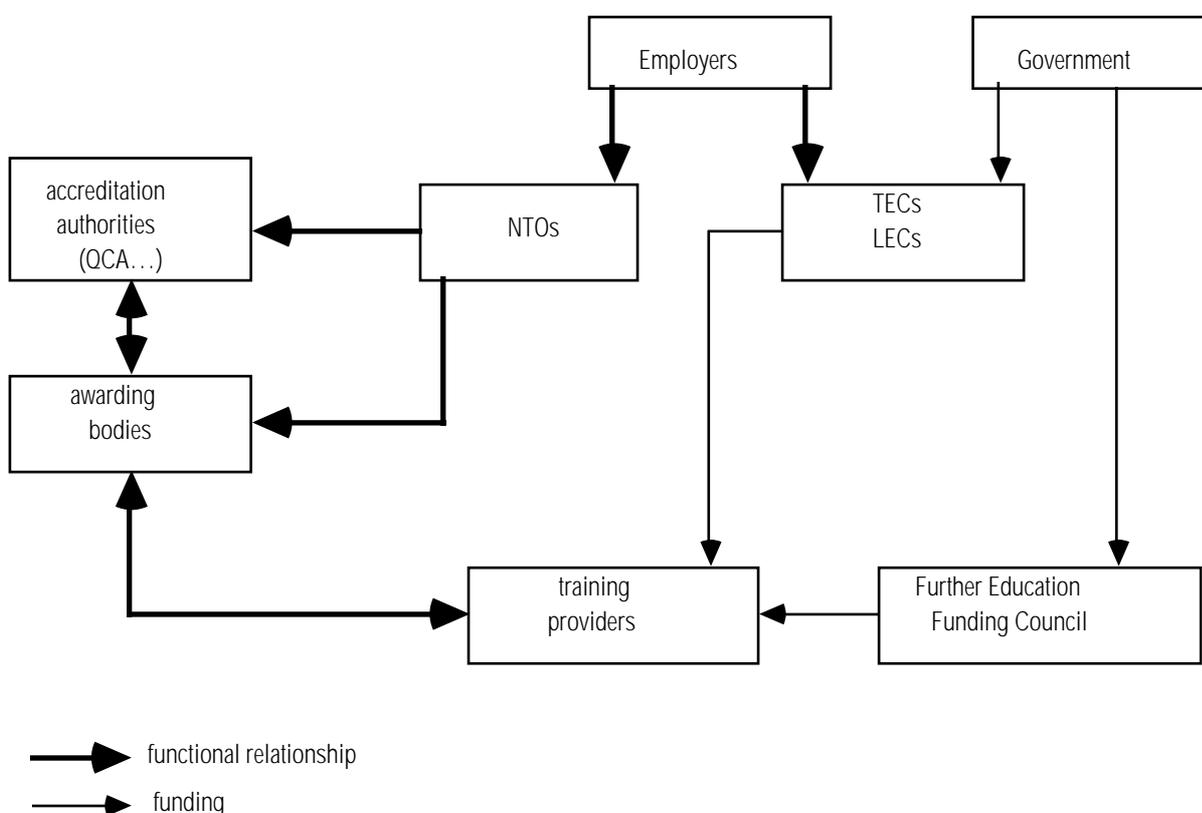
14 until 1999; thereafter the funds in Scotland will be administered by the newly formed Scottish Further Education Funding Council (SFEFC).

Training Enterprise Councils (TECs, in Scotland Local Enterprise Companies, LECs)<sup>15</sup>. TECs and LECs can also to some extent contribute to the financing of schools and FE colleges in order to support particular common projects.

### Certification

The certification of *GNVQs*, like generally that of academic qualifications, includes an internal dimension which is part of the education or training programme as well as external examinations implemented by the awarding bodies which are the same for these two dimensions of qualification. The *NVQs*, as already indicated, are in most cases certified only “internally” in the work situation.

**Figure 2 Functional linkages and funding flows between the actors**



The internal certification is of course closely linked to the training process. It often is carried out by an assessor who is employed by the organisation conducting the training, and who may train or supervise the trainee. The role of the awarding body is to control the work of the assessors. In order to exercise this task the awarding body sends an “external verifier”. The relationship between the awarding body and the training provider is, in fact, a bilateral one: the awarding body authorises the training provider to provide each particular qualification through the process of accreditation, including the accreditation of the assessors; the training provider chooses and pays the awarding body for its accreditation services. Figure 2 shows the functional linkages and the funding flows between the different actors involved.

15 The financing of these local employer led bodies is described at the end of Section 3 of this Country Note (The Process: Soliciting education and training provision responding to local needs: TECs and LECs).

### *Issues for further consideration*

The general architecture of the qualifications and their different levels is a factor of suppleness. It facilitates the progression of individuals throughout life: training can be taken up again at the point of qualification which was reached before. This suppleness is reinforced through the modularisation of each qualification. However, a related risk is the temptation to abandon a training programme before obtaining a complete qualification and this is illustrated by the statistics: in Scotland, for instance, since 1990 less than half of those who started to prepare a *SVQ* have actually achieved it.

The suppleness of the system facilitates also the continuous adaptation of courses and qualifications to changing technologies and patterns of work organisation. Indeed, today qualifications in the broader sense of the term are no longer acquired once and for all. In order to obtain or preserve employment it is indispensable to periodically update one's competences and in the United Kingdom the responsibility of the individual in this respect is strongly emphasised. Individuals will have the possibility to continuously maintain their competence by replacing an obsolete element of qualification by a newly defined one.

The ways in which qualifications are defined, in particular the role of employers through the *National Training Organisations (NTOs)* facilitates their adaptation to the changes in employment. It seems reasonable to assume that the same applies to the triple "market" which we have described above:

- The qualification market, where the awarding bodies sell their services to the training providers;
- The training market, where the training providers compete in order to attract the learners;
- The labour market, where individuals compete for jobs and where enterprises search for qualified workers.

The question is whether this relatively complex framework can react sufficiently rapidly and to which extent it allows changing skill requirements to be anticipated. The employer organisation *CBI*, for its part, considers that the financing system in place favours the competition among training providers rather than the adaptation of individuals to the needs of the labour market. In the future, individual Learning Accounts will provide the learner with greater control of what is learned and where it is learned.

In addition, at least as far as *NVQs* are concerned, the recognition of the necessity to evolve which is a feature of the modern world, contrasts with the definition of qualifications based on the analysis of occupations in terms of discrete work functions. They are defined and evaluated in the context of particular occupations, and do not of themselves guarantee transferable skills applicable across a broad range of work situations, or possible future working roles.. The notion of competence as it is conceived in the framework of *NVQs* could encourage behaviourist forms of training, that is simple conditioning of occupational performances which are predetermined in advance and which correspond to the technical conditions of the moment. The capacity to adapt and evolve are at risk of being neglected. This problem explains the importance given today to "key skills" which not only have a longer life time but aim also at abilities ensuring long-term adaptability. While such key skills are part of the *GNVQs* this is to date not the case for *NVQs*. And yet, employers unanimously emphasise the importance of attitudes, motivation and personal qualities together with specific occupational competences.

It is not easy to reconcile suppleness with simplicity and clarity. But the latter two qualities are important factors in the recognition of qualifications. To judge from many reactions which we heard during our visit, we got the impression that widespread familiarity and recognition exist only with regard to A levels on

one hand, which guarantee a solid academic education and, on the other hand, the traditional vocational qualifications (e.g. *City and Guilds*, *BTEC*) which still exist and are perceived to be safer and more global than the new qualifications. It is true that the *NVQs* are only ten years old, which is a short time to acquire good recognition. But it is also true that there exist 17000 different qualifications emanating from more than 300 awarding bodies, a situation which does nothing to facilitate clarity and recognition. Based on a survey concerning the 100 most common *NVQs* and *SVQs*, the *Beaumont* report<sup>16</sup> speaks of “widespread support” by 80% of the employers who replied to the questionnaire. CBI indicates: “The media coverage of *NVQs* and *SVQs* is largely negative. Yet employers using them believe they are valuable tools for business development”<sup>17</sup>. The expression “using them” contains of course an important restriction. However, the *CBI* firmly supports the development of these qualifications which, in its eyes, correspond to the needs of enterprises because they are based on the concept of competence. Nevertheless, *CBI* has requested certain changes, in particular in order to reduce the burden related to the certification processes and their “bureaucratic” features. Such changes have indeed been proposed by the *Beaumont* report, as well as the introduction of *key skills* into *NVQs*.

The more recent *GNVQs* have gained recognition by certain universities and open thus a new route towards higher education. But they remain largely ignored by employers and they have a difficult time to find their place in between the academic qualifications and the specific vocational qualifications, perhaps due to a lack of articulation with the latter. When asked to explain what an (advanced) *GNVQ* is, students, teachers and administrators inevitably start by responding: “well, it is equivalent to two *A levels*”. As to employer organisations, they do not consider them as genuine vocational qualifications but rather “like applied *A levels*”<sup>18</sup>. Indeed, the preparation of *GNVQs* does not require work-based training. The situation is worse for the *GSVQs* in Scotland: they were unable to impose themselves, most probably because certain *Highers* and *National Certificates* of the Scottish system already play the role of general vocational qualifications.

Behind these difficulties, and behind the differences between Scotland and England, a question arises which has received diverging answers: should one distinguish three pathways -- academic, general vocational, specialised vocational -- or should they be considered as variants of a unified system with many equivalences and common elements? Scotland seems to tend towards the second response which is currently inspiring the *Higher Still* reform, a credit system which allows small training units (40 hours) belonging to different sectors to be combined freely. This has the advantage of avoiding students being locked into isolated pathways, especially in a situation where vocational qualifications are far from having obtained “parity of esteem”. In addition, the *Higher Still* reform attempts explicitly to establish core skills in the curriculum. But the risk is that the resulting qualifications, and in particular the vocational qualifications, will still not be sufficiently readable and transparent. This is the reason for current plans to define “group awards” which guarantee a level of qualification (at 6 possible levels) by assembling a required number of certified units and among them the “named group awards”, focused on a sector of knowledge or employment, such as Science, Business, Electrical Engineering. It is planned that the *SVQs* should be taken into account in this framework. Similar ideas of a “credit system” and a global National Certificate seem to be making their way currently in England and Wales, based on a report by Sir Ron Dearing “*Review of Qualifications for 16-19Year Olds*”<sup>19</sup>.

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16 Beaumont, G. (1996) Review of 100 *NVQs* and *SVQs*.

17 CBI 1997.

18 TEC National Council.

19 Dearing, Sir Ron (1996) *SCAA*, Hayes.

The recognition of qualifications is also related to the trustworthiness of their certification. The issue seems to arise especially for the *NVQs* and *SVQs*. The fact that their certification is completely internal to the work place, and the multitude of training providers and of awarding bodies causes this trustworthiness to be questionable in certain cases. In addition, a number of confusions exist which call into question the principle of a separation between the functions of the *NTOs*, the accreditation bodies and the awarding bodies: an *NTO* like *EMTA* (engineering), for instance, is at the same time an awarding body or, rather, in order to keep up the appearances, “owns” an awarding body. Similarly, in Scotland, the *Scottish Qualification Authority (SQA)* is both the accreditation authority and awarding body: it accredits itself. Furthermore, it appears questionable whether it is a healthy principle that the training provider chooses and pays the awarding body, especially in a system where the resources of the provider depend on the number of qualifications obtained. Finally, a certain number of voices are requesting an external part in the certification of *NVQs*, in particular in order to evaluate the knowledge acquired and not only the practical competences. The *Beaumont* report makes this point. Evidently, certain contradictions exist: thus the *CBI* is requesting more rigorous certification, but only within the work place, without uniform rules and simplified with respect to the “bureaucratic burden” currently imposed on enterprises.

Finally, the question arises whether certification alone can guarantee the quality of training. Doubts have been expressed with regard to work-based training and recently a *Training Standards Council* has been established for England. It has already issued “Guidelines for self-assessment and inspection of work-based training” and a programme of inspections of government funded work-based training began in May 1998. In Wales, the task of inspecting the quality of training has been entrusted to the Office of her Majesty’s Chief Inspector -- the same body which inspects schools and colleges.

### 3. THE PROCESS

#### *Compulsory education*

In 1989 a national curriculum had been defined for compulsory education in England and Wales, in order to indicate the obligatory fields of study, their content and the standards to be attained. Greater flexibility has been introduced into the curriculum in primary schools from September 1998 to enable them to give priority to literacy and numeracy. The bodies responsible are those cited before: the *Qualifications and Curriculum Authority (QCA)* for England and the *Qualifications, Curriculum and Assessment Authority for Wales (ACCAC)*. The principle of a “national curriculum” was new in the United Kingdom and criticism continues to be voiced because of the rigidity which it is perceived to impose on education. The obligation to follow a curriculum was indeed an innovation given the traditional idea that the qualifications to be attained are sufficiently orienting the curriculum. Today compulsory education is seen to last too long to be guided by final qualifications alone. However, the curriculum is related to the *National Tests and Teacher Assessment* arrangements in English and mathematics which have to be taken at the end of the first three stages, that is age 7, 11 and 14. Science is tested from age 11 and there is teacher assessment of six other foundation subjects at age 14. The last stage, age 14 to 16 ends with the GCSE examinations. A further assessment at the time of entry into primary school -- known as “baseline assessment” -- has been introduced from September 1998. These tests are seen by many teachers as a useless bureaucratic burden. This seems to indicate that they are not making use of the tests as a basis for improvement of their teaching practice, as should be the case. In Scotland there is no obligatory national curriculum, but the *Scottish Consultative Council on the Curriculum* provides curriculum guidelines orienting and supporting the decisions taken by schools and teachers.

The *National Curriculum* involves 11 subjects, plus the Welsh language in Wales, but only seven statutory subjects for the 14-16year olds. Schools are able to offer complementary optional subjects. Among the obligatory subjects is “information technology”, but there are no obligatory courses preparing for transition to employment or to further study. However, this situation is currently changing due to national level policies followed up by numerous local initiatives, in particular for 14-16year old students. The preparation for transition really starts at that age.

First, the large majority of schools offer activities and often genuine courses about the choices to be made in the context of “careers information, education and guidance”. The curriculum authorities support these efforts. For instance, the *SCAA*, the predecessor of the *QCA* published a document called “Skills for Choice” in 1996 in order “to provide support for schools on the development of pupils’ decision-making, action-planning and negotiation skills”. As the *SCAA* puts it: “Programmes of careers education and guidance and personal and social education have a particular contribution to make”. Such programmes are expected to develop personal skills reaching beyond the immediate choices which must be made at the end of compulsory education, and which can be used throughout working life. Box 3 below provides an extract from this document.

The first objective is to persuade students that they must make a truly personal choice rather than being carried along into further academic study or to abandon education altogether without reflecting on longer term consequences. We had the opportunity to see in one school a performance by a professional theatre company on the theme: “You have to choose”. This company was scheduled to visit a large number of schools in the area.

### Box 3 Managing your future

Year 11<sup>20</sup> pupils in a girls' school take part in a two-day conference where they discuss issues in small groups with employers, university graduates, students and staff at the local college and advisers from the careers services.

The first day, **Preparing for the Future**, focuses on skills such as :

- interpreting job advertisements ;
- using careers information ;
- applying for jobs ;
- communicating on the telephone ;
- understanding body language ;
- developing interview techniques.

The second day, **Pathways to the Future**, provides opportunities for the pupils to apply the skills and to consider :

- future trends in employment ;
- issues facing women in employment.

The day includes student-led workshops on A levels, GNVQs, training schemes and university courses.

Another type of initiative relates to familiarising the students with the world of work, in particular through work experience, usually of short duration, between one or two weeks. The *DfEE* document "Excellence in Schools"<sup>21</sup> recommends among many other proposals the establishment of school-business links as a way to prepare young people for the world of work and to strengthen their motivation to learn. In particular, it promotes "work-related learning" for the 14-16 year olds. The *QCA* document "Learning from Work Experience, a Guide for Successful Practice" uses case studies to show how different areas of the curriculum can be linked to work experience programmes. It underlines that 98% of the students in the last year of compulsory school are already participating in work experience. The document proposes a curriculum involving six stages (preparation, briefing, placement, debriefing, follow up, evaluation), discusses the relationship with other parts of the national curriculum guidelines and provides quality standards for schools, training enterprises and the bodies acting as intermediaries at the local level. One of the many different experiments described in this document is presented in Box 4 below.

### Box 4 Confidence building

A school in the Midlands has devised a preparation programme to develop personal and social skills directly relevant to the workplace. The programme uses simulation and role play which are presented by the work experience co-ordinator through a programme of one hour lessons. This is supplemented by a focus on health and safety taught as part of a tutorial programme.

During the programme, pupils build a chart of work experience expectations ; apply for a placement ; take part in group exercise designed to evaluate personal assertiveness ; discuss their rights and responsibilities while on work placement ; discuss equal opportunities ; and take part in confidence-building exercises. Debriefing involves group discussion to evaluate how far these interpersonal skills have been developed during work placements.

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20 Last year of compulsory education, age 15-16.

21 July 1997.

In Scotland we visited the *National Centre: Education for Work and Enterprise*, associated with the education faculty of the University of Strathclyde. Its mission is “to ensure that young people are thoroughly prepared to enter the world of work and that education-business links and enterprise education are widely used to enhance the curriculum”. In many places there are bodies called “*Education Business Partnerships*” which propose related projects and activities to schools. In Glasgow the “*Education Business Partnership*” agency (*EBP*) has been established by the City Council and by the Development Agency. Among the numerous programmes supported by the *EBP* are the “*Work Experience*” programme, which is intended to cover all secondary schools, 8000 young people and 1200 enterprises, and other “enterprise education programmes such as “*Young Enterprise*”, developed in secondary and even primary schools.

All this is part of a global policy framework aiming to draw young people’s attention to the importance of industry and to fight against what was presented to us as a tradition of disinterest or even disdain of the upper classes for the industrial world and for manual work. These could well be due to the dominance of academic education and the weakness of vocational education and training. Launching a new policy agenda under the banner Education for Work and Enterprise, the then Scottish Minister for Education and Industry, Mr. Brian Wilson, declared in November 1997: “I would like to see enterprise education at the heart of the curriculum”. And the government document on “Education and Training in Britain asserts: “Britain is a world leader in the field of education-business partnerships”<sup>22</sup>. This statement is based on the observation that 90% of secondary schools and close to 60% of primary schools have contacts with enterprises and that since 1989 more than 250,000 teachers have followed traineeships.

These efforts have their echo on the employer side. The *CBI* states that the current curriculum “does not develop adequate skills for adult working life” but also that “through business links with schools, employers are helping to raise standards in numeracy and literacy and are increasing the motivation and interest of both pupils and teachers”<sup>23</sup>.

The merger between the bodies previously responsible for the national curriculum (*SCAA*) and the vocational qualifications (*NCVQ*) respectively into one agency, the *QCA* (in England, *ACCAC* in Wales), can also be interpreted as a move towards stronger continuity between compulsory education and the vocational qualifications, even if some people fear that the contrary could be the case, namely that the academic features could contaminate vocational education. The national curriculum framework is currently being revised and the new version will certainly integrate the issue of guidance and work experience.

A third element aiming to prepare young people from compulsory schooling onward for the transition from school to employment is the introduction of vocational options in the form of a first stage of *GNVQs* (*Part One GNVQs*). This is intended to allow young people to prepare for general vocational qualification units from the age of 14 and thus to allow those who intend to take the *GNVQ* pathway to gain time or improve their overall attainment of vocational qualifications. These options are an alternative to the national curriculum and to the *GCSE* examinations. We observe here a deviation from the principle of comprehensive education for all. This is part of a more general tendency towards increasing differentiation and “individualisation” at all levels of the education and training system.

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22 Education and Training in Britain, 1998, p. 15.

23 Ten years on the National Curriculum in primary schools, CBI, April 1998.

Indeed, a certain number of schools and teachers see all the initiatives described here -- guidance, work experience, *Part One GNVQs* -- as being directed towards those students who have the greatest difficulties in academic subjects, in order to prepare them for another pathway and to re-motivate them. This seems also to be the official point of view as expressed in the document "Excellence in Schools": "By the age of 14, too many young people, especially boys, have become disaffected with the school system and a traditional curriculum. Work-related learning can help re-motivate these young people"<sup>24</sup>.

Here the question arises whether it is reasonable to increase the burden of these students who have the most serious learning difficulties. A recent response has been the introduction of regulations allowing schools to set aside up to two national curriculum subjects from design and technology, modern foreign languages and science for individual pupils aged 14 to 16 and offer them work-related learning programmes. But the question remains whether it would not be preferable to insist on the acquisition of broad basic education. A closely related question is whether the objective of re-motivation should primarily be pursued through contact with industry, and whether this contact can effectively be reinvested into the acquisition of basic knowledge which, as a matter of fact, is strongly requested by employers.

### ***Further Education and Training***

The transition period begins at the end of compulsory schooling at age 16. A large majority of young people, approximately 70%, receive full-time education in a school or FE college, either in the academic or in the general vocational pathway or (very occasionally) a mixture of the two. However, this proportion decreases in the following years, less so in the academic pathway than in the general vocational one: only 57% of 17 year olds are in full-time education and at age 18 the proportion is reduced to 38%, most of whom are by that time in higher education. The period between age 16 and 18 is thus decisive for transition and the general vocational pathway serves to organise this transition. The efforts related to guidance and work experience described before with regard to compulsory schooling are pursued during this stage, although apparently less extensively.

When young people leave full-time education, at age 16 or later on, they either enter work-based training or leave initial education and training altogether, at least temporarily, for employment, unemployment or inactivity. It is furthermore noteworthy that full-time education is often accompanied by part-time work: at age 17, this is the case for half the full-time students.

Work-based training takes many different forms of training arrangements subsidised by government. This accounts for about 10% of 16 year olds, 11% of 17 year olds and 8.5% of 18 year olds. As in many other countries, the British government started to intervene at the end of the 1970s in combatting unemployment among young drop-outs. In 1983, vocational training for young people was recognised as an important issue and related initiatives were brought together in the "*Youth Training Scheme*" programme, re-named "*Youth Training*" in 1990. In Scotland a similar programme is called "*Skill Seekers*". Every young person below age 18 who is neither in education nor in employment is guaranteed a place in one of the related schemes.

Nevertheless, from its very beginning work-based education has been unable to rid itself of certain negative perceptions. It attracts mainly young people who have difficulties at school and the expansion of school-based educational programmes has reinforced this problem. Work-based learning is thus a second choice route. Its quality seems highly variable and we saw the best and the worst examples, the most demanding ones and those where training is undemanding or obsolete. It was the declared aim of the

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24 DfEE, 1997b.

introduction of *NVQs* certificates for initial work-based training to regulate such training and to guarantee its quality. It is not evident that this objective has been attained entirely.

However, considerable efforts are being made to counter these weaknesses and to define within the work-based training pathway more demanding programmes with the aim of attracting the best students. This is the case for the “*Modern Apprenticeship*” programmes which were created in 1995 and which refer explicitly to the German dual system as a model. They are designed for 16 to 19 year olds and prepare directly for a *NVQ/SVQ* Level 3 qualification. They are recognised in terms of *NVQs* or *SVQs* but include key skills. Their duration is normally of three years but some employers insist on longer programmes. The training and qualification standards are defined by the *NTOs*. All this points to more regulated training pathways than those under the “*Youth Training*” programme or other work-based learning: an elite pathway so to speak.

It should not be overlooked, however, that the obligations of the training enterprises are not very clear: the apprentice is not necessarily employed by the training enterprise (even though this is generally the case) and the complementarity of the respective roles of training enterprises and other training providers seems to be variable. The objective is to arrive at 60,000 apprentices per year, that is approximately 10% of an age cohort, and it seems that the 1997 results may even have exceeded this target: the *Modern Apprenticeship* route represented 39% of all work-based training in 1997. At the level below (Level 2) a new programme, “*National Traineeship*”, with similar characteristics has just been established in order to prepare those young people who cannot without further support fulfil the demands of *Modern Apprenticeship* for Level 2 qualifications. Similarly, a programme for “*Higher Modern Apprenticeships*” has been established which prepares for Level 4 qualifications.

Among the training providers those whose intervention is most central with regard to the transition from school to work are the FE colleges, of which there are about 500 in the United Kingdom. Indeed, they contribute to the three pathways academic, general vocational and work-based and they offer programmes in the first years of higher education. They are open to adults as well as to young people. This leads them to develop multiple modes of education, including full-time provision as well as diverse forms of part-time and distance education. They are very complex establishments, often with large numbers of students and staff, and located in several sites.

One college which we had the opportunity to visit is distributed across eight different sites. In another, nine different modes of training were listed: block-release, day-release, evening, full-time, infill, open learning, part-time, short full-time, work-based. The 12,000 students in this institution are equally distributed over three age groups: 16-25, 26-40, and older than 40. In the youngest age group less than one quarter of the students are full-time and for the institution as a whole only 1 out of 11 students studies full-time.

However, these examples should not be seen as typical or average. Indeed, the student numbers in colleges vary between several hundred and 40,000 students and the programmes and ways of functioning are similarly variable. In England there are 435 colleges in the further education sector. In round terms they are of the following types:

- 50% are general FE colleges;
- 14% are tertiary and community colleges, with a particular focus on the economic and social needs of the communities they serve;
- 11% are specialist colleges, including 30 concentrating on agriculture and horticulture; and

- 25% are Sixth Form Colleges providing mainly full-time academic education for 16 to 19 year olds.

FE colleges thus play an essential role in implementing government policy in favour of increased participation in education and training. This is perhaps the reason why the previous government decided to withdraw the responsibility for these colleges from local authorities and to make them responsible for their own management under the *Further and Higher Education Act 1992*. Since 1993 FE colleges are thus directed by a governing body which includes representatives from local enterprises.

The main source of funding for FE colleges, as well as the guidance and control of their functioning through inspection, has since 1993 been invested in two independent central agencies, the “*Further Education Funding Council (FEFC)*” in England and Wales and until 1999, directly by the Scottish Office for the 43 incorporated Scottish FE colleges<sup>25</sup>. In England, the *FEFC* has nine *Regional Committees*, supported by regional offices. The financing follows the student, taking into account the cost of different programmes and three general criteria: the entry of the student into the college, the participation in the courses, and the results obtained in terms of qualifications (entry, on-programme, achievement). This method applies generally across the FE sector colleges. The *FEFC* distributes thus 3 billion Pounds for England..

Even if the fears were strong in 1993, the principals of FE colleges would today not want to return to the former conditions. They appreciate their autonomy and consider that the financing rules are much clearer and more equitable than they were before. We met with a great deal of enthusiasm and inventiveness in the colleges we visited. The reform has led them to adopt a truly entrepreneurial spirit in order to attract and serve the students. Box 5 presents an extract from a very colourful and attractively designed college prospectus which illustrates well the commercial spirit.

More fundamentally, FE colleges have adapted the subjects on offer and their modes of delivery to their clients. They have taken initiatives of “franchising” in order to develop their supply and to reach new users. They have also started to develop in foreign countries. The number of students has increased rapidly, rising in four years from 3 to 4 millions, 800,000 of whom are full-time. Today FE colleges deliver the majority of NVQ Level 3 qualifications and above. At the same time, a number of evaluation reports suggest their increasing efficiency. The Association of Colleges reports that the cost per student has diminished by approximately 40% since 1993<sup>26</sup>.

Nevertheless, these advances are not being achieved without certain difficulties. We had the impression that among colleges managers the concern for growth, finances and efficiency may not always leave enough room for genuinely pedagogical preoccupations. FE colleges are entirely responsible for the hiring and employment conditions of their staff. But no common qualification requirements for teachers and trainers have been formulated and their knowledge and teaching practice does not always receive the necessary up-dating. In addition, the number of permanent teachers is diminishing. The reasons for this decrease are most often not related to changing training content, a purpose which could justify the employment of part-time teachers who are in touch with what is happening in enterprises, but to financial restrictions. As a result, growing numbers of teachers are hired from temporary work agencies where they have registered because they have lost their permanent employment.

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25        Thereafter, the funds in Scotland will be administered by the newly formed Scottish Further Education Funding Council (SFEFC).

26        Association of Colleges, “Shaping the future of further education”.

### **Box 5 X... College**

- Your personal partner in “Lifetime Learning”
- Offering you a brand new beginning to obtain those skills, competences and vocational qualifications you need.

#### **OUR PARTNERSHIP WITH YOU**

- Impartial and clear advice, guidance and information in selecting a programme to meet your learning and training objectives
- A supported induction to your study programme
- Personal tutor support
- Well qualified staff working in a well equipped environment
- Mutual assessment of progress in your selected course of study/training
- Well equipped library, learning support and IT centre
- Career and Further Education and Training advice and employment sign posting
- Collaboration with organisations, employers to assist in the development of training programmes.

There are no shortcuts to anything worth achieving.....but joining with us can make it a quality, enjoyable and worthwhile experience.

Let us, together with you, create for you a personal training and learning programme at a time, location and pace to suit your needs.

Similarly, the maintenance of buildings and the renewal of teaching and training equipment are fraught with difficulties because they can be taken care of only once the most urgent requirements of daily functioning have been dealt with. It thus appears that the financing system and competition among FE colleges are inducing a certain neglect of longer term investment with regard to both material and human resources.

Other difficulties have been revealed by Helena Kennedy’s report “Learning Works”<sup>27</sup>, commissioned by the *FEFC*. While insisting that “ the national strategy for widening participation must have further education at its core”, the report states: “Since funding has been related to successful outcomes, namely qualifications attained by students, there has been a tendency to go in pursuit of the students who are more likely to succeed. There has been growth, but the students recruited have not come from a sufficiently wide cross-section of the community (...). Competition has been interpreted by some colleges as a spur to go it alone. Other colleges are seen as rivals for students rather than as potential collaborators with whom good practice and a strategic overview can be shared and developed.” And, citing the international financier George Soros, Helena Kennedy adds: “Too much competition and too little Co-operation can cause intolerable inequities and instabilities”. The report therefore insists on the necessity to develop partnership and co-operation among the colleges at the local level.

#### ***Careers information and guidance***

Young people enrolled in full-time or part-time education up to the age of 18 as well as schools and FE colleges, training providers and employers benefit from the support of the *Careers Service* in preparing

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27 Kennedy, Lady Helena “Learning Works”, June 1997.

and facilitating the transition process. Beyond age 18, young people like adults can also utilise the help of the *Employment Service*.

Like FE colleges, the *Careers Service* agencies were withdrawn from the responsibility of the local authorities in 1993 when they were transformed into “companies” usually led by a board composed of local and business representatives. There are 91 *Careers Service* companies throughout Britain. Most of their finances come from central government, in England through its regional offices. They are provided on the basis of five year contracts, subject to the agreement of annual business plans through which government can ensure that careers services take account of local and national priorities. For example, minimising the number of drop-outs or ensuring the “tracking” of young people after they have left the institutional framework of initial education and training. In addition, however, like FE colleges the *Careers Service* companies can find further resources through complementary activities, in particular those addressed at adults. Each company hires its own employees including professional careers advisers who must possess a regulated and recognised qualification.

The question is: who are the clients of these “companies”? Officially, they are individual persons. Among them, special attention is given to “persons with disabilities”, for whom there exists no age limit. The services provided include information about careers and the labour market, structured programmes of careers education and guidance, as well as assistance with placement in an educational institution, in an employment programme or in a job.

Nevertheless, the *Careers Service* companies have their “partners”: schools, colleges, private training providers, enterprises, *TECs* and *LECs*. They are not defined as “clients”, yet they provide resources directly or through the activities which they allow to be carried out. The problem is therefore to stick to the fundamental principle of impartiality: “The individual client’s best interests must be paramount in all the services provided by the *Careers Service*”, say the rules laid down for the *Careers Service*<sup>28</sup>. It might be difficult, however, to abstain from the placement of trainees with local enterprises or training providers known for the inadequate quality of their training provision, to the extent that they contribute to the financing of a *Careers Service* company. Providing an impartial service to young people can create tensions with local partners, each suggesting that the principle of impartiality should be at the advantage of their own institution, organisation or enterprise. The employers, in particular, are accusing the *Careers Service* of giving priority to the school-based pathways and of not orienting the most successful students towards the work-based training route.

The *Employment Service*, on the other hand, is a governmental agency which functions through its approximately 1000 *Job Centres*. Its contribution to facilitating transition from school to employment occurs mainly through one of the key strategies of the current government, the “*New Deal*”. The main objective of the *New Deal* is to pave the way “from Welfare to Work”, from unemployment assistance to employment. The first client group of this strategy are young people between age 18 and 24 who have been unemployed for six months. The United Kingdom thus abides by the decision of the European Union countries taken in November 1997 “to offer a new departure to each young person before he or she reaches six months of unemployment”. The aim is to improve the employability of these young people and to find them a job. From their first contact with the *Job Center* they enter into the “*Gateway*” which is a period of intensive help including advice, guidance, information and support aimed at making them ready for a job. This period can last a maximum of four months. Those who have not found employment during this time are then offered four possible options:

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28 “Requirements and Guidance for Providers of Careers Services”.

- Full-time education or training;
- Work with the *Environment Taskforce*, to contribute to environmental improvements (6 months);
- Work with a voluntary sector organisation (6 months);
- A subsidised job with an employer.

A strong message is that “there is no fifth option”, i.e. no possibility of financial support in case of refusal of all four options.

While the *Employment Service* is the main actor of the *New Deal* it co-operates with a number of partners, both during the *Gateway* period and in implementing the four options. Among these partners are above all the FE colleges, the *Careers Service*, as well the *TECs* and *LECs*. Thus, the *Birmingham Strategic Partnership* has been formed to oversee the planning and implementation of *New Deal*. This group comprises representatives of the *Careers Service*, the *Education Business Partnership*, the *City Council*, *Further Education Colleges*, the *Training and Enterprise Council*, the *Voluntary Service Council*, and the *Employment Service*<sup>29</sup>.

During our visit we were told about impressive results of *New Deal*, but we also heard complaints from organisations which have long been providing more tailor made programmes to school drop-outs and particularly disadvantaged young people that they now feel threatened by the bureaucratic principles of *New Deal*, such as the four options. Indeed, the risk could be that these young persons will be among the first to “disappear” from the registers and for whom no further policy measures are available although initial monitoring does not suggest that this is taking place in practice. In addition, some thought has been given to the effectiveness of the *New Deal* for this group. The *New Deal Advisory Task Force* published a report on the “New Deal and Disadvantaged Young People” and the Government is pursuing adjustments to the operation of the *Gateway* in the light of its findings. In Scotland, a *New Futures Fund* has been established to provide “pre-*Gateway*” support for the most disadvantaged young people to increase the likelihood of them achieving a successful experience in *New Deal*.

### ***Soliciting education and training provision responding to local needs: TECs and LECs***

The challenge in the late 1980s was the development of work-based training for young people and adults in a country with a weak tradition of formal vocational training. The *NVQs/SVQs* provided the qualification framework and the *Youth Training Scheme* the financial basis. The task which remained to be accomplished at that time was to mobilise and to interconnect the three actors of such training: the trainees, the training enterprises, and the other training providers.

A double strategy was chosen at that time. First, to link training to local development which, in some areas, consists of a genuine regeneration of the local economy, and thus to treat training as an element of the transformation of local enterprises aiming at improved competitiveness. The second part of the strategy was to entrust the training mission to industry itself rather than to political or administrative authorities, since employers were those most concerned by this challenge.

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29 According to “New Deal for young people in Birmingham”.

This is how, on the basis of a proposal made in the White Paper of December 1988 on “Employment for the 1990’s”, a network of new bodies was established: 78 *Training and Enterprise Councils (TECs)* for England and Wales and 22 *Local Enterprise Companies (LECs)* for Scotland. The term “company”, used in Scotland, is indeed more adequate because these bodies are private companies, even if they exercise a public mission and are mainly financed out of public budgets. They are led by a board whose chair person as well as a majority of members must be representatives of private enterprises while the rest are persons representing the public sector, trade unions and voluntary organisations. *TECs* and *LECs* are thus indeed “employer led” organisations, a frequently used expression.

The role of these bodies is described differently in different documents and it is implemented in various ways in different places. From the visits which we have made to three *TECs* and one *LEC* and according to their reports of activity, four major domains can be distinguished:

- Work-based training of young people, especially in the framework of *Modern Apprenticeships* and *National Traineeships* -- the task is to create and to manage such training programmes, especially through contracts with training providers;
- Adult training, whether the aim is to help the unemployed to return to employment or to encourage enterprises to train their personnel, especially in the framework of the “*Investors in People*” programme;
- Strengthening the competitiveness of enterprises and local economic development, for instance through “*Business Link*” for small and medium-sized enterprises;
- The launching of and participation in local partnerships, for instance in support of the *New Deal* and the *New Start* programmes (see Box 6 below).

Most of the time, the purpose is to participate in national level programmes. It is the task of the *TECs* and *LECs* to promote and adapt these programmes in the local environment. However, they have a small discretionary budget which they can also use to fund local initiatives. For such activities they can furthermore use any surpluses which they are able to make on the main national training budgets, together with funding from other public and private sources. For example, some of them undertake research on local employment needs. The results of such studies are not always very new, but they allow various actors to become conscious of each other’s needs and expectations and to engage in dialogue. Nevertheless, the possibilities of implementing purely local action are limited.

Local initiatives are frequently part of the last of the four domains listed above and that field of action of *TECs* and *LECs* is expanding. Indeed, many of the programmes launched by the current government require a partnership between different actors within the same geographical area. The term “partnership” seems today to have to some extent replaced the word “competition”. Because of their initial mission and because of their experience in recent years the *TECs* and *LECs* are often well placed to organise such partnerships at the local level.

This is not the case as far as *New Deal* is concerned for which another actor, the *Employment Service* has been attributed clear responsibilities. However, *TECs* and *LECs* are often important partners, especially for the education and training option or the search for employment. Another important example is the *New Start* programme which has just been launched in England in order to tackle disaffection among 14 to 17 year olds. This programme is described in Box 6 below. The social services *Youth Service* and voluntary organisations try to convince the young people concerned, the careers services provide information and guidance, and the schools, colleges and training providers with external help as necessary take various

initiatives. Local partnership is thus a major feature of this strategy which must include the local *TEC*. The important role of *TECs* in the *New Start* programme is illustrated by the fact that more than half of the 60 partnership projects currently being funded by *DfEE* are led by a *TEC* (local authorities and careers services are the other major leads). The *TECs* are also associated with the *Education Action Zones*. These have been created in order to help schools situated in geographic areas where particularly severe social-economic deprivation contributes disproportionately to school failure. Currently 25 such “zones” have been established.

### **Box 6 New Start**

The New Start Strategy was introduced in England from September 1997 to increase the participation in learning and motivation levels of young people. It recognises the need for more consistency and co-ordination of efforts to tackle disaffection among young people, and that those efforts should begin at age 14, if not earlier.

Its key characteristics are :

- a strategic response to low participation and achievement, rather than a discrete programme;
- the main focus on 14-17 year olds who are outside learning, or at risk of leaving early;
- a national strategy which will encourage networking and extend good practice to all parts of the country;
- support of £10m over three years;
- coverage in England only (Wales, Scotland and Northern Ireland also recognise the needs of disaffected young people and are developing their own approaches);
- firmly based on partnerships, involving all relevant sectors in a multi-agency approach.

A grand total of 57 bids were received after a *DfEE* prospectus for projects. All partnerships had to include the Careers Service, schools, further education colleges, Training and Enterprise Councils, local authorities, the Youth Service and voluntary organisations, and many included a range of other organisations with an interest in young people. Altogether, 17 bids were successful.

(New Start Journal, November 1997)

These examples show that the action of *TECs* and *LECs* reaches beyond the domains of training and economic development and extends to the treatment of social problems in communities as well as to compulsory education. The first point has been evident in areas with particular economic and related social difficulties, especially where heavy industry is in crisis or has disappeared. In addition, many *TECs* implement programmes aiming to overcome the barriers which the most socially disadvantaged encounter in the labour market concerning, for instance, the care of children of lone parents.

The second point relates to the fact that the transition to employment is now being prepared for before the end of compulsory education. Many *TECs* and *LECs* helps to sensitise enterprises to the work experience operations of schools. Another programme, called “*Compact*” aims at developing among 14 to 16 year olds the personal qualities which employers are looking for. The *TEC* of the Gwen area in Wales, for instance, presents this programme to employers as indicated in Box 7 below. Indeed, through such programmes the *TECs* and *LECs* take into account the growing readiness of employers not to limit themselves to post 16 training but to intervene in the content of compulsory education in order to communicate the values of enterprise.

## **Box 7 Gwent Compact**

### **What is Gwent Compact ?**

The Gwent Compact launched by Gwent TEC, is a partnership between local schools, colleges and businesses. It is designed to increase motivation, raise aspirations and improve achievement records of young people as they prepare for their future careers.

### **How does it work ?**

Students, with the help of their tutors, set a number of realistic targets for improvement. Their conduct and achievements are assessed and recorded just as they would be at work. Local employers may also be involved as mentors to students offering group advice sessions and one to one interviews, mock interview experience, work experience briefing and debriefing sessions and workplace visits. Targets are set for attendance, punctuality and attitude to work. Students receive certificates and incentives for making substantial improvement.

### **How will my business benefit ?**

- You will be able to influence the qualities and skills of your future workforce by helping them to be better motivated, educated and trained for employment.
- You will provide youngsters with a better understanding of the commercial and industrial workplace.
- You will be helping to ease your skill shortages by ensuring that there are sufficiently adequately skilled future employees with the potential to work for your business.
- Through helping to secure a future for today's school leavers you are making a positive contribution to the local community in which you live and work.
- Mentoring of students is a good training ground for your staff.

As indicated before, *TECs* and *LECs* are financed by government and 70% of their finance is earmarked for training programmes. As with FE colleges, finances take into account results in terms of entry into training, terminating intermediary stages of progression, and final achievement (qualifications, employment...). The remainder of the budgets is determined by other programmes and by the profile of activities of each *TEC* or *LEC*. All activities together are the subject of an annual contract. In England, these contracts are concluded with the nine regional government offices. In Scotland, the *LECs* are financed by two federating organisations, each responsible for part of the country: *Scottish Enterprise* and *Highlands and Islands Enterprise*. For England, the budget is close to 1.3 billion Pounds, of which expenses for the training of young people account for slightly over 50%. At the margin, *TECs* and *LECs* find additional resources coming, for instance, from the European Social Fund.

The *TECs* and *LECs*, on their side, finance the organisations with whom they work and in particular the training providers, utilising the same financing criteria which are applied to them. For instance, while the training results count for about one third in the financing criteria for *TECs*, the training providers are paid on that basis for a proportion varying between 25% and 45%. Referring to colleges, we have already pointed to the advantages of this formula in terms of efficiency, but also to the risks of selectivity. For the work-based qualifications, where the certification is carried out by the training enterprise itself, the quality of training is at risk as well. Cases are apparent, for instance, where the training period has deliberately been shortened. The cascade process of quality control from regional government offices to *TECs* and from them to training providers is not necessarily effective. It can be hoped that the inspections to be

induced by the *Training Standards Council*<sup>30</sup> mentioned before will improve this situation. It should be added that a mode of financing related to the persons trained favours the training demand of individuals. This may not necessarily respond to the needs of local economies. That is a concern expressed by *CBI* which would like to see a change in the financing rules for education and training.

It can be observed that the *TECs* and *LECs* have largely succeeded in mobilising a large number of enterprises for training, in increasing the consciousness in public opinion and in schools of the nature and importance of work and of industry and in developing training in the work environment. We met with a great deal of competence and enthusiasm. The *TECs* are the natural interlocutors of *DfEE* for issues concerning training and transition to employment. They are now almost naturally consulted when new national level programmes are being developed. Nevertheless, a certain number of questions have been raised with regard to their functioning and effectiveness. A review of the activities of *TECs* has just been conducted in England and it will probably lead to some reorganisation. We had the impression that in the *TECs* we visited these developments had led to some uncertainty about future tasks, governance and financing.

In the preparatory document which was submitted for consultation<sup>31</sup> the government expresses its concern about the ways in which *TECs* take account of national priorities and the lack of guidance provided to them. This concern is based above all on the observation that the performances of *TECs* vary considerably. One explanation relates to the financing system which is the main steering tool. This system is complex and bureaucratic, it is not oriented towards the education and training of the most disadvantaged and, finally, it does not encourage long-term projects. Apart from the reform of the financing system, improved steering can be expected to result from the establishment of eight regional development agencies in England, planned for April 1999.

Nevertheless, another question arises with regard to the position of the *TECs* and *LECs* among numerous other local bodies intervening more or less in the same domains. A particular case is that of the Chambers of Commerce: initially they certainly could have been entrusted with the missions which led to the creation of the *TECs* and *LECs*. Indeed, a certain number of mergers between *TECs* and Chambers of Commerce have taken place -- 14 cases in 1996 -- leading to the creation of *Chambers of Commerce, Training and Enterprise (CCTEs)*.

But there are other bodies which operate in areas related to *TEC* and *LEC* responsibilities, local authorities, , Careers Services, Employment Service Job Centres, Education Business Partnerships, Business Links, and Local Economic Regeneration Partnerships. These bodies have many overlapping activities. Our impression was that too large a number of intermediaries are intervening between the real actors. The case of work experience projects provides one illustration of this situation: the *TECs* intervene between the schools and the enterprises in order to mobilise the enterprises. Sometimes, the Chambers of Commerce play a similar role, as well as the Education Business Partnerships which organise the contacts and which are financed for that purpose by the *TECs*. Another example is young people's placement with training providers by the Careers Service who, in turn, place the same young people as trainees within enterprises. In addition, the enterprise may pay the training provider for the placement of trainees. All this creates rigidities, costs and a lack of transparency. The fashionable word is "partnership". But partnership can simply create additional support structures. A question comes to the mind of outside observers: will the new Regional Development Agencies (intervening, it is true, at a different geographical level) complicate this crowded landscape even further or will they help to clarify the situation?

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30 And OHMCI in Wales.

31 *TECs: Meeting the Challenge of the Millennium*, DfEE, 1998.

#### 4. THE RESULTS

Today a majority of young people in the United Kingdom receive good quality education and training. For them, transition did, at the time of the review, not seem to pose particularly difficult or complex problems. As in many other countries, this is particularly the case for those who enrol in tertiary education. In 1996 these represented almost 27 % of 18-21 year olds (22.2 % in university level education and 4.7 % in non-university tertiary education). Their number increased by 81% between 1990 and 1996, which is among the highest growth rates of OECD countries after Portugal, Poland and Hungary<sup>32</sup>.

More generally, the most visible result of developments over the past ten years is the considerable development of post-compulsory education and training. The objective set by the previous government was to take all young people at least up to Level 2 qualifications<sup>33</sup>, with a more precise objective for the year 2000 formulated in 1995<sup>34</sup>: 85% should reach Level 2 by age 19. A second objective was to take 60% of all 21 year olds to Level 3. The present government has established a target of 85% of 19 year-olds reaching Level 2 by the year 2002. Very significant progress has been achieved over the past ten years in this direction (see Figure 3), most certainly due to policies favouring the development of qualifications. In 1997, 71% of 19 year-olds had reached Level 2 and 49% of 21-year-olds Level 3. The objectives for the year 2000 will probably not be entirely achieved but the results will be very near them if progress continues at the same speed.

These proportions remain still modest, however, compared to other OECD member countries. International comparisons are difficult. Those carried out in the United Kingdom<sup>35</sup> in comparison with France, Germany and Singapore indicate for 1994 that for young people between 25 and 28 the level of qualification was lower than in the other countries, except perhaps for higher education. But the United Kingdom has come a long way and the efforts to increase the qualification achievements had, at that time, not yet produced all their results for the age group taken into account in that comparison.

One observes also a positive development of youth unemployment (16-24) which has decreased from 17.7% in 1986 to 14.8% in 1996. This situation is better than for the European Union as a whole. The question is, of course, whether this is not first of all due to economic development and to employment policies, rather than to improvements in education and training. Furthermore, as in the majority of countries, the youth unemployment rate remains significantly above that of adults (25 plus) which was 6.8% in 1996. Finally, while the youth to adult unemployment ratio of 2.2 is lower than the 2.5 average of OECD countries, it has tended to increase: it was only 1.9 in 1986.

It is not sure that employers are truly satisfied with the knowledge and skills acquired by young people. Employers often underline that many of those who leave the education system do not have the attitudes required at work and in adult life more generally -- seriousness, responsibility, punctuality, learning motivation, initiative, the ability to work in teams -- nor the basic knowledge of literacy and numeracy which are part of the "key skills".

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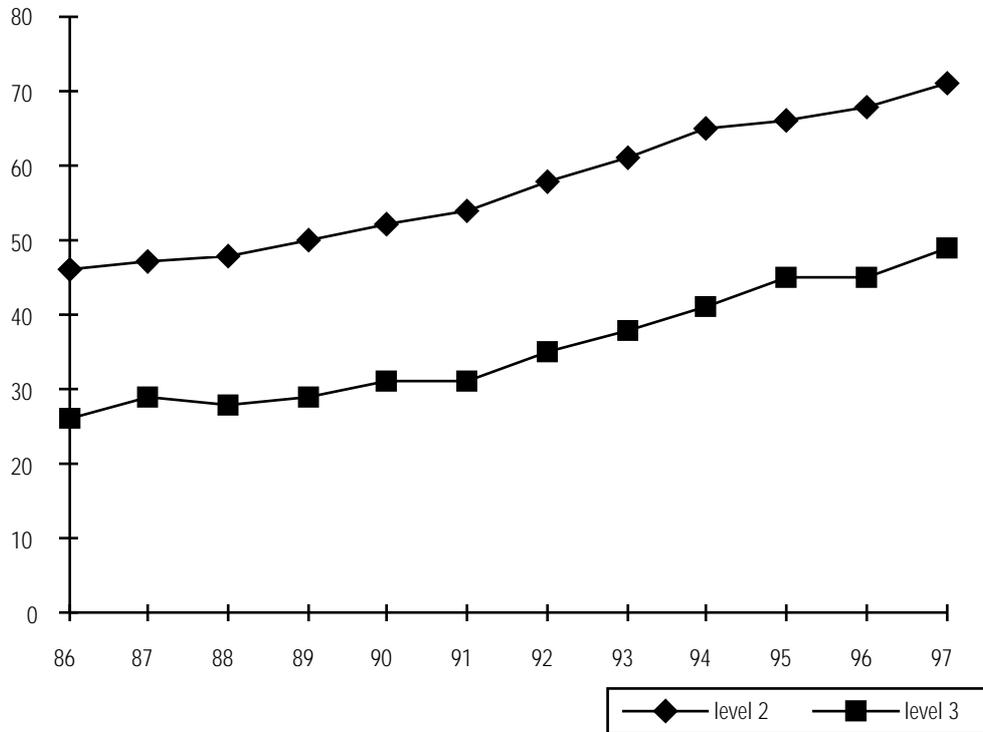
32 *Education at a Glance*, OECD, 1998, Chart C3.3.

33 Investing in Young People, DfEE, December 1997. The sentence expressing this objective contains a restriction, however: "The long-term aim of the Investing in young people strategy is that all young people who are able to should achieve NVQ Level 2 (or equivalent), or higher if they can."

34 Competitiveness: Forging Ahead, White Book of the Government, 1995.

35 The Skills Audit, DfEE and Cabinet Office, 1996.

**Figure 3 Proportion of 19 year olds qualified at least at Level 2 or equivalent, 21 year olds qualified at least at Level 3 or equivalent, United Kingdom, 1986 -97**



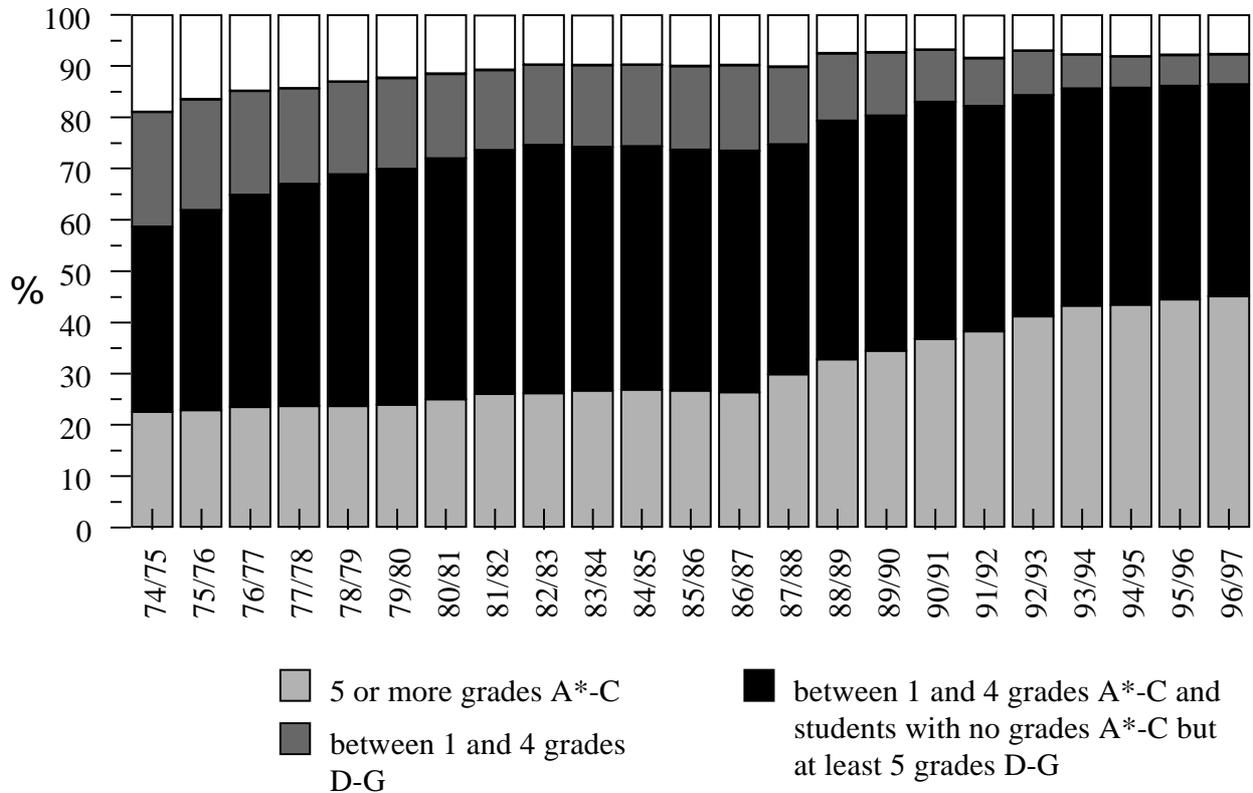
Source: Labour Force Survey, Spring 1998.

***At the end of compulsory education***

For England and Wales the *Youth Cohort Study (YCS)* illustrates the results of the *GCSE* examinations from a representative sample. As indicated previously, these exams are normally taken at age 16 after the 11th year of compulsory schooling. The exams are taken separately for each subject and graded from a maximum grade A to a minimum grade G. In 1996, 45% of the cohort obtained at least five awards between A and C, 27% one to four awards between A and C, 18% no A to C award but at least five between D and G, 4% achieved between one and four Ds to Gs and 6% no award at all (c.f. Table 1 below). A significant proportion of students thus attains only rather weak results at the end of compulsory education.

It is interesting to observe the evolution over time: Figure 4 shows clear progress. In particular the proportion of those who perform best (at least five As to Cs) has grown significantly since 1986. But for those who do not succeed in any subject, whilst their proportion declined from 20% in the mid-seventies to less than 10% in the late 1980s, it has remained stable since then.

**Figure 4 O-level, CSE, and GCSE achievements of pupils in England**

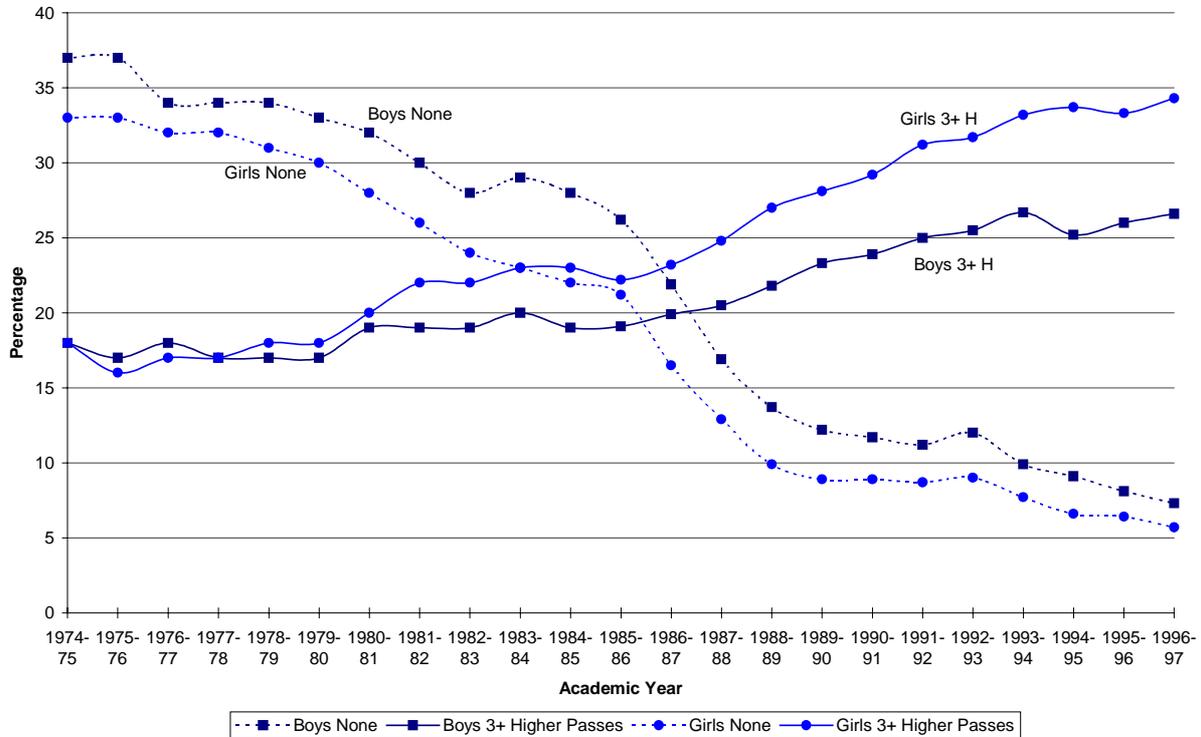


Source: DfEE, 1998.

For Scotland, the proportion of school leavers with no *Scottish Certificate of Education (SCE)* qualifications was even higher in the mid-seventies, around 35%. There was a significant drop until 1988/89 and a moderate decrease since then, the 1997 figures being close to 6% for girls and 7% for boys (Figure 5). The figure also shows that the proportion of young people who obtain three *Highers* or more has increased during the same period from 18% to approximately 26% for boys and 34% for girls.

The success rate of students leaving compulsory school varies to a very large extent by school, and even more by geographical area. Young people from deprived housing estates seem to drop out to a much larger degree than average. It seems that social exclusion is not only an individual and a family risk, but a more persistent pattern connected to certain areas, mainly in inner cities, but also to economically weak areas in the countryside. These areas have had persistently high unemployment over the years and mobility into and out of these areas is low. Such geographical pockets of unemployment clearly introduce rigidities in the national labour market. In this context it should be kept in mind that education and training of young people is in fact one of the most important tools available in order to create the necessary mobility.

**Figure 5 School leavers without any SCE qualifications and leavers with 3 or more Highers, by gender, 1974-75 to 1996-97**



Source : Scottish Education Statistics, Annual Review 3, 1998.

**Results in further education and training**

The results obtained at the end of compulsory education evidently have a strong impact on the further itinerary of young people. This is shown in Table 1 which clearly distinguishes the group who continue their studies from those who are at risk, even if a certain number among them will be able to return to education or training and achieve a Level 2 qualification.

The participation of 16 to 18 year olds in education and training has significantly increased between 1987 and 1993, as shown in Section 3 of the UK Background Report. The increase is particularly strong for full-time education: at age 18, for instance, it has grown in England from 17% of the cohort to 38%, in Scotland from 22% to 43%. At the beginning of this period the growth was mainly due to the governmental training measures in the framework of the *Youth Training Scheme*. Since then their relative importance has decreased, especially for the 16 and 17 year olds who increasingly go on in schools and FE colleges. Today it can be assumed that 70% of an age group continues in full-time education after compulsory education: 40% in the academic pathway and 30% in the general vocational qualification route in England and Wales, where these pathways are differentiated. Another 20% are in apprenticeship or other forms of work-based training and 10% are outside any education or training. Nevertheless, the progression seems to have slowed down or to have even slightly decreased since 1993. This could be due to the fact that the proportion of the least successful students at the end of compulsory education is no longer decreasing.

**Table 1 Main activity of 16 year olds in 1996 by qualifications obtained after Year 11, England (per cent)<sup>1</sup>**

Qualification obtained after Year 11	Weighted sample size	Full time education %	Government supported training %	Full time job %	Out of work/ Unemployed %	Something else %
5+ GCSE grades A*-C	7 046	92	3	2	1	2
1-4 GCSE grades A*-C	4 395	68	13	9	5	5
5+ GCSE grades D-G	2 793	49	24	12	9	6
1-4 GCSE grades D-G	645	34	22	13	20	10
None reported	1 020	26	20	17	21	17
<b>All</b>	<b>15,899</b>	<b>71</b>	<b>11</b>	<b>7</b>	<b>5</b>	<b>5</b>

1. Percentages sum across rows

Source: YCS cohort 8, sweep 1

Table 1 shows that work-based training is often provided to those young people who are least successful in their studies. Among those who follow full-time further education, 40% go to FE colleges. As indicated before, these colleges prepare for general vocational qualifications as do certain schools. But young people choosing this pathway are not the most successful ones. All this is not surprising, but it must be recognised that the policies implemented over the past ten to fifteen years have not allowed the vocational routes to fully overcome their “second choice” status, in particular as far as training in enterprises is concerned.

**Table 2 NVQs awarded by level and by academic year, England and Wales**

NVQ	1988-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	Total
1	46 134	47 792	47 761	54 809	52 296	60 374	76 545	385 711
2	68 142	86 064	117 097	144 198	164 24	213 506	267 396	1 060 727
3	13 288	11 753	16 236	25 114	48 682	63 794	90 385	269 252
4	8 505	6 644	7 846	10 777	7 222	7 796	8 619	57 409
5	0	118	544	659	902	1 058	1 172	4 453
Total	136 069	152 371	189 484	235 557	273 426	346 528	444 117	1 777 552

Source : DfEE.

The number of qualifications awarded is also progressing. This is particularly the case with regard to NVQs : Table 2 shows a continuous increase. Every year the largest number of awards are for Level 2 qualifications. In the earlier years the second largest group were the Level 1 qualifications but the number of Level 3 NVQs has gradually taken the second position, probably due to improvements in compulsory

education. Levels 4 and 5, on the other hand, remain very weak. The work-based route has not really been implemented for tertiary level qualifications.

In Scotland, the *SVQs* have followed a similar development. Table 3 distinguishes between entries into *SVQ* training and qualifications obtained. It shows that, even taking into account the time lag, the number of qualifications awarded is significantly lower than that of entries. It also shows that the number of qualifications awarded has not grown at the same rate as the number of entries into training. For England and Wales this observation is confirmed by another figure concerning young people leaving *Youth Training* in 1996/97: only 44% have obtained a complete qualification.

**Table 3 SVQ entries and qualifications, Scotland, 1998**

Year	Entries	Qualifications
1989-90	6	
1990-91	660	79
1991-92	4 963	1 240
1992-93	13 254	3 161
1993-94	16 782	7 032
1994-95	21 514	6 282
1995-96	29 600	17 956
1996-97	31 493	15 773
1997-98	35 887	16 941
Total	154 159	68 464

Source : Scottish Qualifications Authority, 1998.

### ***Entry into working life***

Table 1 has shown that from the age of 16 onwards many young people enter the labour market. In reality their number is larger than indicated in Table 1 because there exists an overlap between different categories: even a “full-time” student can be a part-time worker. This is shown by the statistics concerning the 16 to 18 year old labour force (Tables 4 and 5).

Thus more than half of the 16 to 18 year olds are in employment and two thirds of the age cohort are in the labour market. Even among those who are in full-time education close to 50% have a job. More than in other European countries young people in the United Kingdom tend to look for and to be in employment, which can contribute to reducing the difference between young people and adults. The impressive efforts undertaken to promote the values of work and to bring schools and enterprises closer together may explain partly the strong engagement of young people in the labour market. Other reasons certainly relate to the existence of occupational qualifications and a work-based training pathway, as well as to opportunities to return to education and training throughout working life, even after having left initial education and training early on. On the other hand, it could also be argued that many young people struggle to find jobs at a time when it might be better for them to concentrate on education and training. It is true, of course, that they provide a flexible labour force in certain sectors of activity, in particular in the service sector.

As indicated before, this situation can also contribute to explain why youth unemployment is higher than adult unemployment. Table 6 illustrates this with unemployment rates by age and gender.

**Table 4 Participation in education and training of 16 -- 17 year olds by economic activity, end 1996 (provisional), England ('000)**

	Total	In employment	Unemployed <sup>36</sup>	Economically inactive
Total 16-17 year-olds	1 223	666	129	427
Full-time education	785	377	53	356
Government supported training (GST)	132	132	-	-
Overlap of GST and FT education	(10)	(10)	-	-
Employer funded training	33	33	-	-
Other education and training	70	14	24	32
Not in education or training	213	120	53	40

Source : School, college and trainee records, Labour Force Survey, DfEE, Statistical Bulletin 8/97.

**Table 5 Participation in education and training of 18 year olds by economic activity, end 1996 (provisional), England ('000)**

	Total	In employment	Unemployed	Economically inactive
Total 18 year-olds	557	324	64	169
Full-time education	212	84	13	115
Government supported training (GST)	48	48	-	-
Overlap of GST and FT education	(3)	(3)	-	-
Employer funded training	25	25	-	-
Other education and training	50	15	12	23
Not in education or training	224	155	39	31

Source : School, college and trainee records, Labour Force Survey, DfEE, Statistical Bulletin 8/97.

36 In Tables 4, 5, 6 and 7 the numbers unemployed and unemployment rates are calculated using ILO definitions i.e. the person is classified as unemployed if she or he is available to start work in the next two weeks and has either looked for work in the last four weeks or is waiting to start a job already obtained.

**Table 6 Unemployment rates by age group and gender, Great Britain, Spring 1998**

	16-19	20-21	22-24	25-29	30-39	40-49	50-64	16-64 <sup>1</sup>
Males	17.2	13.6	10.7	7.6	5.3	4.6	5.7	6.8
Females	13.9	11.5	8.5	6.1	5.2	3.5	3.4	5.5

1. 16 -- 59 for females

Source : Labour Force Survey

The unemployment rate is also related to the level of education: the rate falls as levels of education increase. Furthermore, vocational Level 3 qualifications protect better against unemployment than *A levels*. For women the unemployment rate is always lower than for men, except at the highest level of qualification (Table 7).

**Table 7 Unemployment rates by highest qualification and gender, Great Britain, Spring 1998**

	Males	Females
First degree higher education and above	2.8	3.3
Sub-degree higher education	3.7	2.2
A levels : 2 or more	5.2	4.7
A levels : 1	6.4	6.6
Vocational qualifications at Level 3	4.2	4.8
Completed trade apprenticeship	4.5	3.5
GCSEs : 5 or more at grades A-C	5.2	4.3
GCSEs : 1-4 at grades A-C	8.2	5.9
GCSEs : grades D-G	9.2	9.6
Vocational qualifications at Level 2	13.1	7.6
None	15.5	8.7
Total	6.8	5.5

Source : Labour Force Survey.

Those who are both young and low qualified have the highest levels of unemployment. For the 16 -19 year olds, the figures for 1998 are as follows:

- Five or more GCSEs at grades A to C: 10.4% for males and 8.3% for females
- One to four GCSEs at grades A to C: 17.1% and 16%
- Grades D to G : 20.2% and 30.8%
- No qualification: 32% and 27.5%

Here again, vocational Level 2 qualifications provide a relative protection: the corresponding unemployment rate is 14.3%.

However, the unemployment rate (number of unemployed/economically active population) is not a perfect indicator of the difficulties occurring during the transition from school to work. It must be remembered that among the least qualified are also those who are neither in the labour market nor in education or training.

### ***The main issue: too many young people at risk***

If among the 19-21 year olds one adds up those few who have already attained a tertiary level qualification (Level 4) together with those who have obtained *A-levels* or the Scottish Highers and those who have obtained a vocational qualification at Level 2 or 3 one arrives only at 60% of this age group<sup>37</sup>: Most of these young people have hardly any difficulties in finding employment. The other 40% have less well succeeded in compulsory school, enter the labour market earlier and meet with greater difficulties there. Among 18 year olds, 20% are neither in education or training nor in employment. They have not profited from the development of education and training nor from the favourable economic cycle. And this is also the case for 8% of the 16 and 17 year olds.

The latter are at a particular risk of social exclusion. Those responsible for the education system call them “disaffected”. In reality, many of them are faced with multiple difficulties, related in particular to their social origins. They are not very motivated by schools and “drop-out” even during compulsory schooling by way of persistent truancy. Thereafter many of them do not continue in any education or training.

In addition, the persistence of a group of young people with learning difficulties who are rejected by the school during compulsory education, the corresponding stagnation of participation in full-time education between the ages of 16 and 18 and the somewhat disappointing results of work-based training in terms of completed qualifications give rise to concerns that the progression of the overall level of qualification could slow down and that the objectives initially set for the year 2000 might not be reached.

It may be that lower secondary schools in the United Kingdom, more than in other European countries, are of a traditional type, initially designed mainly for those who went for academic education and which now try to pull through the entire generation. This inevitably leads to problems of motivation, truancy and a difficult transition into work for a substantial minority. It seems obvious that the future economic and social progress of the country could be negatively affected by such a large minority with low performance in education, high rates of unemployment and social or delinquency problems.

All this is clearly of growing concern in the country and in particular among policy makers. Some, like the *Kennedy Report*<sup>38</sup> raise questions as to whether an education system so strongly oriented towards the market and towards competition and with strongly elitist traditions can attain the objective of success for all. Several national programmes and numerous local initiatives aim at changing this situation in the final years of compulsory education and beyond in further education and training. Initiatives that come to mind include the *Education Action Zones*, *New Start* and *New Deal* as regards its application to 18 to 24 year olds. In many cases the objective is to re-motivate young people through contact with the world of work. Thanks to these efforts, often undertaken by a wide range of partners including the *Career Services*, *TECs*

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37 The Future of Training, R. Layard, April 1998. The figures provided in this paper refer to 1996.

38 Learning works, June 1997.

and *LECs*, the social services, and the *Job Centres* of the *Employment Service*, many of the “disaffected” are able to find training or employment. However, are these efforts not too marginal and peripheral, too much focused on remedial action rather than the prevention of problems? Or, formulated more constructively, would it not be preferable to envisage more fundamental changes within the education system, and in particular in compulsory school, in order to prevent demotivation and early school leaving?

## 5. CONCLUSIONS

### *Rapid and effective transformations*

Important innovations in the provision, management and recognition of qualifications have been introduced at a rapid pace :

- 1983: *Youth Training Scheme*: the government engages in the vocational education and training of young people.
- 1988: *NVQs/SVQs*: a national qualification framework based on competences which are recognised at work.
- 1990: *TECs* and *LECs* are established to dynamise work-based training at the local level.
- 1993: autonomy is given to colleges and the *Careers Services* to ensure relevance and effective competition.
- 1993: *GNVQs/GSVQs*: general vocational education in full-time education
- 1995: *Modern Apprenticeship* and *Skillseekers*: high quality work-based training

These innovations have strongly influenced the conditions of transition between compulsory education and employment. The education and transition landscape has been completely remodelled within a few years. One might add the introduction of the *National Curriculum* in 1989 which does not directly concern transition but which provides a national framework for compulsory education.

The results achieved are far from negligible. From a qualitative point of view, consciousness has been raised with regard to the fundamental importance of education, training and work in the life of individuals and the importance of enterprises for the future of the country. At the same time, we met with an unshakeable enthusiasm, for instance in FE colleges and in *TECs* and *LECs* or among trainers in enterprises, in spite of the frequency of reforms. All this contrasts with developments in many other countries, where work is considered as a “disappearing value”<sup>39</sup>, where enterprises are seen to be responsible for unemployment and pollution, and where the education and training system feels impotent and disenchanted.

The average level of qualification of young people has rapidly improved, but this is the case also in most other countries, even if their policies in this domain were quite different from those in the United Kingdom which remains at the lower end of economically comparable countries. Young people are not afraid of entering the labour market rapidly and many continue their education or training at the same time or they know that they can come back to acquire further qualifications throughout their life. This “work culture” facilitated by relatively low unemployment increases the chances of success for a programme like *New Deal*. Such attitudes among young people are positive, considering that this helps to prevent too much of a split between generations and disaffection from work. Contrary to some other countries, the United Kingdom also has been able to avoid excessive prolongation of initial education.

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39 Méda, D. *Le travail, une valeur en voie de disparition*, Paris, Aubier, 1995.

Considering the British education and training system as a whole, it presents today the features of a genuine system of lifelong learning from which other countries can learn a great deal. It offers diverse pathways with many opportunities for individual choice and initiative. Perhaps the choices are too many for young people, most of whom need not only individual advice and guidance but also institutional frameworks and labour markets which encourage them to acquire a well rounded education in preparation for adulthood, as well as qualifications which provide access to satisfactory jobs and careers and to continuous learning. The qualification framework and the institutional network of training providers allowing for such continuous learning have been put into place and the figures presented above show that impressive numbers of adults are enrolled in further education and training together with young people.

What remains to be improved is the learning environment and the level and quality of qualifications of many young people in compulsory and post-compulsory initial education and training, as well as the access to further education for those most in need of upgrading both their basic skills and their vocational qualifications. The current government appears to be aware of these challenges and has engaged in intense consultation on more effective and equitable modes of financing and a clarification of the roles of different intermediaries at local and regional levels. The explicit objective is to reduce the inconveniences of competition among education and training providers and to improve the cost-effectiveness of actors whose task it is to mobilise training providers, enterprises and learners and to organise complementary learning opportunities for all. The final paragraphs of this report summarise what we consider as the main challenges to be met.

### *Certain difficulties persist*

It is generally agreed that there are two principal sources of problems in the transition from school to work within the British education system:

- The academic orientation of mainstream education and, related to it
- The previous absence and today the relative weakness of a genuine system of initial vocational education.

The first has traditionally caused large numbers of young people to drop out from compulsory schooling or not to continue in formal education. The second has forced many young people to enter into non-qualified employment early on and to seek on-the-job forms of qualification. Governments have attempted to increase participation in post-compulsory education, both general and vocational, and to develop work-based training as an alternative to the school-based vocational education pathway. The first strategy has been quite successful, the second less so. One of five young people continue to drop out from the early years of further education and 50% of those who are in publicly funded work-based training leave these programmes early or do not obtain a final qualification.

The magnitude of the problem is illustrated by statistics: it is estimated that the academically unsuccessful and those that do not proceed into further education account for about 40% of each age cohort at the age of 18. At the age of 16, only 45% have reached Level 2. At the age of 19, only 70% have achieved Level 2 which is considered to be the minimum level of employability. And about 10% of each cohort disappears completely from either education or employment statistics and these young people are out of reach of any training or employment programme.

In addition, vocational education and training continue to be considered as second choices compared to academic education. This leads to contradictions, such as considering *Modern Apprenticeship* as a

solution for a significant proportion of those who do not succeed in academic education and, at the same time, trying to attract the best students. It is true that the United Kingdom is by no means the only country encountering such contradictions.

The competence-based approach seems to produce other contradictions at the lower levels of qualifications. It is at these levels that mainly those young people are involved who for one reason or another are no longer in school-based education. Some may certainly profit from the assessment of qualifications at the workplace in so far as they are quick practical learners and requirements for basic jobs appear not too demanding. But others are exactly the ones that would need special attention and coaching in organised learning situations. In addition, for both groups the approach provides too few opportunities to develop a solid foundation for further competence development.

While the review of 100 *NVQs* and *SVQs* (Beaumont report) has revealed a strong support for the approach among employers, this may well be the result of their unchanged attitude towards short-term and specific vocational training, especially for the lower ranks of the workforce, i.e. those going for Level 1 and 2 *NVQs*. Preparation for assessment guarantees a more focused approach to a particular job and to what effectively has to be done at the workplace. It is also remarkable that the *NTO* for the engineering sector (*EMTA*) -- traditionally a sector with high qualification requirements -- has been among the first to develop *Modern Apprenticeships*.

### ***A new policy?***

The group which has the clearest vision of what it wants and which expresses its expectations most precisely are the employers, be they represented by *CBI* the Chambers of Commerce or the *TEC National Council*. "What employers want is skills, what they get is qualifications" said one of our interlocutors from the employers. The position is much less clear on the side of trade unions who are not very present on the vocational training scene and who, in many respects, share the viewpoints of the employers. *NVQs* were a compromise because they are competence based and evaluated at work. But, more than such job related competences, or in addition to them, employers are now asking for transversal competences or "key skills". Some of these are of an intellectual nature (literacy, numeracy, information technology), but others are personal or behavioural qualities (improving ones own learning and performance, reliability, initiative, punctuality...). In particular, as expressed by *CBI*, the aim is "enabling the individuals to take charge of their learning and development"<sup>40</sup>: the idea of individual responsibility for his or her employability and future is very widespread among employers. The *CBI* therefore requests a better structured qualifications framework, accompanied by a credit framework and individual learning accounts. In addition, since the development of key qualifications is among the tasks of compulsory education as well, employers want to intervene also at that level, in particular in order to prevent the curriculum from being too academic.

The idea underlying these positions is that what is good for the enterprise is good for individuals and for the country. Indeed, expressions such as "*Investors in People*", "*Investing in Young People*" are part of the official language, considering individuals like any other resource. However, in addition to skills and qualifications, are individuals and the country not above all in need of education?

The new government, for its part, has within one year already put into place an impressive number of reforms, studies, strategies, programmes, and new bodies concerning education and training. The document "*Investing in Young People*" presents a certain number of them in ten points. But, as the new

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40 Response to The Learning Age Green Paper.

government's process of policy development and implementation has only recently started, the picture becomes even more complex. This is true for the interested outsider but probably also for those at whom the new transition-from-school-to-work initiatives are targeted. One of our interlocutors from a *TEC* told us: "I have never seen so many initiatives in such a short time", and he added "this does pose problems for enterprises".

The government has reintroduced the dimension of social cohesion into its education and employment policies and this implies a far greater attention to the "bottom 40%", as well as to "tracking" the lost 10%. The core of these initiatives is to keep young people in education or training until the age of 18 and to get those older than 18 out of benefit schemes and into employment. Substantial financial resources have been reserved and measures are quite innovative. However, they tend to add to the existing complexity. In addition, since many are based on temporary programmes, their lasting impact on the post 16 education and training system is not yet clear.

The government has to meet two challenges at the same time. It has to deal with the problems of those who are currently leaving the education system with insufficient qualifications, and it must introduce in-depth improvements to the system as a whole for the future. As to the latter challenge, there are educational initiatives, consultations and discussions that may well lead to fundamental changes, and consequently also change the face of typical transition-from-school-to-work problems. These initiatives are related to (i) the nature of compulsory education (see the quite comprehensive document "Excellence in Schools") and (ii) the development of new forms of learning. These may eventually lead to changes in learning processes and in the opportunities for success of young people in compulsory education. In addition, they may provide them with real and interesting alternatives to continued school-based learning or to employment. Among these initiatives, *Modern Apprenticeships* is the most promising one and *National Traineeships* are opening up an interesting complementary route.

Certain signals indicate that the government is carefully distancing itself from the "all enterprise" principle which characterised its predecessors, and that it is searching to integrate the preparation for work into a broader, more general form of education. Thus, in "Excellence in Schools", besides the dimension of work-related learning in preparation of adult life referred to in the preceding Section, the need for developing citizenship among young people is strongly emphasised. The merger of the two bodies previously responsible for the curriculum in compulsory and vocational education respectively into a single *Qualification and Curriculum Authority* can be interpreted in a similar way. Both aspects will be more interrelated. Employment related aspects will be able to influence the curriculum, but vocational qualifications will not longer be under the sole responsibility of enterprises. The fact that the *New Deal* programme was entrusted to the *Employment Service*, a government agency, and the re-evaluation of *TECs*, are further signals pointing into the same direction.

### ***The issue of steering***

It remains to be seen by which means the government will be able to implement its orientations. This raises questions about the modes and mechanisms of steering. The current system can be described as associating the centralisation of policy orientations with competition among the different organisations in order to implement these orientations. The government establishes a broad framework, defines global targets, proposes programmes and creates for their implementation a multitude of organisations carrying different designations which underline their independence: *agencies, authorities, bodies, companies, councils, organisations...* . They are what certain of our interlocutors call *QANGOs* (*quasi non governmental organisations*). Steering takes place essentially through the financing of programmes implemented by *QANGOs*, based on formulae which are valid everywhere. Another steering tool is the

publication of league tables. One way of describing these steering mechanisms refers to "semi-commercial incentives".

This "mechanistic" organisation of a "market" poses a certain number of problems and it does not seem to be entirely successful. Steering based on financing and the publication of performance indicators incites the actors to compete rather than to co-operate. However, regardless of the fact that colleges, training providers and careers services are formally private companies, paid by output, they seem to be in a sheltered arena. They act and work very much like public institutions, although with higher salaries and other costs, and with a "company value system" which is more like that in private companies. One could say that identity is "private company" while reality is "public funding".

Furthermore, trying to avoid unexpected effects inevitably leads to successive refinements of the financing rules with all their complexity and bureaucracy which do not necessarily lead to improvements. For instance, we have already pointed out that financing on the basis of qualifications obtained pushes the training providers to select the strongest candidates to the detriment of those who would be most in need of education and training. For some time the solution was seen to lie in paying more for Level 1 qualifications than for Level 2. But then the risk is that the training providers encourage trainees to prepare for Level 1, including those for whom this is not necessary because they could achieve higher levels of qualification.

Thus the question arises, whether the current way of steering yields optimal value for money. Given the complexity of a public policy program, the steering mechanisms tend to reduce the task to the output of volume. The quality of the learning process is not clearly at the focus of the incentive structure. It may be added that the reliance on programmes which are limited in time encourages the creation of pilot projects which will never be extended. More generally, this steering approach entails the risk of sacrificing investments for the future to immediate cost-effectiveness, whereas education requires to be treated in a long-term perspective.

The new government apparently wants to scale down the policy approach exclusively based on competitiveness in order to introduce more co-operation. The idea is to replace competition by "partnership". Nevertheless, the ideas behind this notion seem to lack precision and the means to achieve partnership have not been clearly defined. A number of difficulties exist: for instance the large number of organisations intervening at the local level in the field of transition from school to work. We have underlined the problems related to the intervention and remuneration of intermediaries whose usefulness can be put into question. Furthermore, the areas covered by these organisations are often incompatible: there are 150 LEAs but 100 *TECs* or *LECs*, more than 400 *Further Education Colleges* and 1000 *Job Centres*, as well as some *Local Economic/Regeneration Partnerships* -- not taking into account the Chambers of Commerce. Within this particularly crowded landscape one programme, *New Deal*, seems to be comparatively successful considering the speed with which it has been implemented. In this case a single organisation, the *Employment Service*, has been given clear responsibility for organising the partnerships.

Moreover the enthusiasm and engagement of professionals in the field of education, training, guidance and counselling rely mainly on personal identification with the task. More investment in proper training of professionals is therefore of utmost importance. The present system of steering in the education sector is strongly based on market principles and on belief in the efficiency of case by case funding by output. With a steering system relying more actively on the mobilisation of modern values and professional attitudes, as in large organisations, rather than on those of commodity markets, coherence might be improved. This would imply a combination of political guidelines and regulations with semi-commercial incentives.

One could thus envisage a more qualitative, less mechanistic and bureaucratic form of steering providing more room for the development of a common culture and for dialogue and thus for more effective decentralisation. Such an approach does require the existence of intermediaries at different levels in order to ensure proximity and allow for dialogue and the organisation of partnership. However, such intermediaries must be in an incontestable position of impartial mediators and their interventions need to be co-ordinated at the level above. An organisation of this sort is, indeed, foreseen for schools in the report "Excellence in Schools" : "each school will have its own challenging targets to raise standards ; each LEA will be working to an *Education Development Plan* agreed with the *DfEE* and its schools, showing how standards in all schools will rise". Nevertheless, there are undoubtedly too many *LEAs* in England -- the situation being evidently different in Scotland and Wales -- which call for an intermediary actor, for instance at the regional level. Would it not be desirable to imagine a similar form of organisation for vocational training, further education and transition to employment? The establishment of *Regional Development Agencies* could provide the opportunity for such an orientation.

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