Recent Developments in Training: The Emergence of 'Embedding' in State Policy

Paper Presented at the Australian Association for Research in Education Conference

Fremantle

2 - 6 December – 2001

Rob Strathdee

Australian Institute of Education, Murdoch University, Australia

Email- strathde@central.murdoch.edu.au

Proposal Number STR01459

Abstract

Up until recently, the dominant response from western governments to the problem of youth unemployment has been to promote a high-wage/high-skill training strategy. Accordingly, governments have invested heavily in training programmes designed to improve the human capital of young people and, therefore, their chances the open labour market. However, to date, this strategy has not been effective, and youth unemployment remains high. The contention of this paper is that although high-wage/high-skill training strategy remains a powerful force for mobilising consent for new training initiatives, faith in this strategy has waned amongst policy makers. This claim is evidence through drawing on two recent initiatives designed to improve school-to-work/welfare-to-work transitions (Skill New Zealand & Enterprise and Career Education Foundation). Evidence suggests that policy makers and practitioners have adopted two, inter-related strategies for solving youth unemployment. The first of these is to employ brokers to generate employment opportunities on behalf of job seekers and the State. The second is to focus on soft skill development in an attempt to improve job seekers’ ‘employability’. Combined, these factors suggest that economic interactions remain embedded in the social infrastructure and that the State is attempting to prepare young people for the contingent labour market.

Introduction

It is widely accepted that changes in the economy, in particular the effects of economic globalisation and the introduction of new technologies have resulted in increases in unemployment, changes to the range of skills many workers are required to have and increases in the level of credentials needed in order to secure many types of employment (Murnane & Levy, 1993). Those most affected by these changes are workers with few or no school qualifications who are in unskilled and semi-skilled segments of the labour market.
Workers in these segments have experienced declining wage levels, decreasing job security and a high rate of unemployment.

For the State these changes are important in that senior secondary school students can no longer leave school at the earliest opportunity and easily obtain well-paid jobs in semi-skilled and unskilled occupations. According to Biggart and Furlong (1996), in the United Kingdom this has led to a growing number of low-attainment pupils who are sceptical of the value of the qualifications they are studying towards, but nevertheless remain in school as 'discouraged workers' because of the uncertainty inherent in entering a labour market that is characterised by high levels of youth unemployment. Thus, it is becoming more common in depressed labour markets to find young people with few qualifications drifting through school without clear aims. In the past students could reject the culture of schooling and enter semi-skilled and unskilled segments of the labour market (Willis, 1977) but the decrease in the number of manual jobs and a decline in level of remuneration manual workers receive for their labour power means that this option is no longer as viable.

Up until recently, the dominant response from governments to the problem of youth unemployment and the discouraged worker effect has been to develop vocational education programmes geared towards improving young people's human capital through adopting a high wage/high skill approach to training. While emergence and spread of such training systems throughout the advanced capitalist countries has been a phenomenon of the last twenty-five years, they have, to date, enjoyed limited success in Australia. For example, it has been estimated that in 1996, approximately 15 per cent of young Australians aged 15 to 19 years were engaged in ‘marginal activities’. Marginal activities were defined as not studying and in part-time work, not studying and unemployed, and not studying and not in the labour force. Those most likely to be engaged in marginal activities are young people who left school early and those whose parents are employed in semi- or unskilled occupations.

While there are many explanations for the inability of training programmes to reduce youth unemployment and to solve the discouraged worker effect, there is a growing awareness among policy makers that these problems can be traced back to changes in the social capital of middle and working-class families. In the past, social capital, in the form of social networks, provided a vehicle for school-leavers to learn about the world of work and to gain employment. This process was buttressed by state schooling systems where selective assessment practices structured school-to-work transitions in ways that limited working-class, post-school destinations. For the State, social networks were economically and socially productive because they minimised the cost of integrating young people into the labour market in ways that contributed to the reproduction of social classes. As Keil (1977) noted, young working-class people had a wide range of knowledge about the world of work and much of this was acquired before full-time employment began. The emergence of the discouraged worker effect and youth unemployment suggests that social networks are no longer as effectively facilitating school to work transitions.

The contention presented in this paper is that the erosion in the value of social networks has necessitated increased state intervention geared towards replacing those functions formerly completed by networks. As will be argued later in the paper, replacing these functions has recently led to the development of two inter-related strategies for getting young people into employment. The first of these is to develop training systems that better reflect the needs of industry for particular kinds of workers. This primarily involves developing basic workplace skills and ensuring young job seekers adopt pro-work attitudes and values. The second is to create a regulatory framework that encourages training providers to develop and maintain social networks. As will become apparent later in the paper, the nature of these networks has a defining impact on the nature of the training provided to young job seekers.
To substantiate these claims, the paper proceeds as follows: the first section briefly explores the relationship between the Training State and social networks. The second section critically examines the relationship between the Training State and social class in de-industrialised contexts. The third section substantiates the claims made in this paper by exploring the impact of Skill New Zealand's (Skill NZ) training programmes and the Australian Enterprise and Career Education Foundation (ECEF). Skill NZ's programmes are designed to better prepare job seekers for the labour market and the ECEF is designed to encourage and support school-industry partnerships and link businesses, schools and communities to create a greater diversity of learning experiences. The final section concludes this paper.

The emergence of the Training State as a solution to the discouraged worker effect and youth unemployment

Mizen (1994 & 1995) uses the term the "Training State" to describe the way in which the State in the United Kingdom has responded to a declining demand in the labour market for poorly qualified school-leavers. As he points out, the Training State has emerged during a period when the catch-cry from policy makers has been to reduce the size and power of the State. However, while the Training State was initially seen by policy makers as a short-term response to the vagaries of the business cycle and its depressing effects on labour-market activity, it has now become a central and defining component of economic policy. As Ashton and Green (1996) point out, the nexus between training, economic competitiveness and capitalist profitability in the contemporary period is unparalleled in the history of capitalism. Similar trends are occurring in New Zealand and Australia. The emergence of the Training State in New Zealand can be seen for instance, in the role played by Skill New Zealand in skill formation and skill recognition (Jordan & Strathdee, 1998), while in Australia it can be seen in the role played by the Australia National Training Authority and the related system of training packages.

There is evidence suggesting functions that the Training State is now attempting to provide were formerly provided by informal social networks. Cohen (1983, 1985 & 1990) has argued that historically working-class school-to-work transitions were structured by two "codes": "inheritance" and "apprenticeship".

Until recently, growing up working class has meant being apprenticed to a special kind of inheritance. In this, destinations were fixed to origins through an active mastery of shared techniques and conditions of labour. As a child you were both "set on" to tasks related to a future function on the shop floor or kitchen floor, and thereby acquired a sense of being "born and bred" into your class place. This code operated through, and linked, the cultures of family, workplace and community. (Cohen, 1983, pp. 29-30, original emphasis)

This suggests that families provided school-leavers with access to cultural resources which facilitated their transitions into the labour market. Indeed, the role played by families in the maintenance and reproduction of the social relations of production under capitalism has long been acknowledged by both social democrats and conservatives. Consequently the family has been a focus of state policy designed to strengthen the State’s functions (Jones & Novak, 1980).

Research has shown that, in addition to providing cultural resources, families facilitated school-to-work transitions through the employment opportunities generated by their social networks (Manwaring, 1984; Rosenbaum, Kariya, Settersten, & Maier, 1990; Granovetta, 1995). Social networks are also productive when they provide job seekers with an opportunity to learn the social relations of production. They achieve this, for example, by
exposing young people to the norms, traditions and the taken-for-granted practices which govern labour-market behaviour (Cohen, 1983, 1985 & 1990; Manwaring, 1984; Grieco, 1987).

For a number of reasons, however, the emergence of the discouraged worker effect and youth unemployment suggests that family-based social networks and the associated codes of inheritance and apprenticeship are no longer as effectively facilitating school-to-work transitions. The reasons for this are diverse and range from deindustrialisation and the erosion in the value of manual labour, changing patterns of mobility, and the congregation of work-poor families in particular neighbourhoods. Related changes mean that social networks are no longer a viable resource for poorly qualified school-leavers because there are simply fewer suitable jobs available. This seems likely given recent estimates that on average there are seven people unemployed for every job vacancy (Australian Council of Social Services, 2001). The recent drop in job vacancies suggests that this situation is unlikely to change in the short term at least (Cleary, 2001). Employers are also increasingly demanding that job-seekers come to the workplace with relevant training and credentials. This means that the ability to utilise social networks may be constrained by the kind of training and credentials that job-seekers have. Finally, employment networks are useful only if school-leavers wish to enter the kind of employment to which their networks provide access. In this respect Okano’s research into the role played by social networks in the school-to-work transitions of young working-class men in Japan suggests that social networks and schooling interrelate; "when students saw few or no positive family resources for getting jobs, they were likely to perceive more positive resources for that purpose at school and to rely upon them" (Okano, 1995, p. 365). These factors mean that today, social networks are fragmented and only partially integrated into social infrastructure.

The declining significance of social class

The declining significance of the codes of inheritance and apprenticeship are important because it is seen to have contributed to broader changes in school-to-work transitions. While the reasons for this decline are extremely varied (ranging from changes in working-class cultures, changes in their communities and the opening up of the non-work sphere in identity formation) the most important in terms of the Training State’s contribution to this process is the rise of the “career’ code with its particular stress on individualism” (Hollands, 1990, p. 15). Although Hollands stresses that the wage-labour relationship remains an important part of working-class identity formation, one expression of the impact of the Training State has been the replacement of collectivist and oppositional forms of working-class behaviour with more individualistic forms. This suggests an acceptance of neo-conservative values such as enterprise culture. In this way the cultural apprenticeship, referred to by Cohen (1983, 1985 & 1990), Manwaring (1984) and Hollands (1990) above, is no longer as successfully conducted in the private sphere of working-class families and the communities in which they live, but is increasingly conducted in the public sphere of our schools and, as Hollands argues, through the Training State.

The notion that working-class school-to-work transitions are no longer being structured as directly by the codes of apprenticeship and inheritance has led some to suggest that social-class and the associated social networks are no longer a primary organising principle of society. In this regard Beck (1992) argues that social-class divisions have eroded and as a result, we now live in an unequal world without class stratification. According to Beck the demise of industrial capitalism means that people have been freed from standardised roles and while inequality continues, it is individualised rather than class-based. As a result traditional structures and the associated institutions of industrial society, such as social class and social networks, no longer provide clear signposts for mapping one’s life. However, such
institutions do not lose their influence altogether but provide a way for individuals to construct their own biographies. As Beck explains:

... schooling means choosing and planning one’s own educational life course. The educated person becomes the producer of his or her own labor situation, and in this way, of his or her social biography. As schooling increases in duration, traditional orientations, ways of thinking, and lifestyles are recast and replaced by universalistic forms of learning and teaching as well as by universalistic forms of knowledge and language. (ibid., p. 93)

Taken to its logical conclusion, one result of the declining influence of social-class is that the labour market has become emancipated from status restrictions and exclusions, and occupational attainment is simply a matter of individual competition for educational credentials (Scott, 1996). At the same time, the weakening of institutional restraints on identity formation means that individuals face an increasing array of choices and are forced to take more responsibility for shaping their own futures.

As soon as people enter the labour market, they experience mobility. They are removed from traditional patterns and arrangements ... they become relatively independent of inherited or newly formed ties (e.g. family, neighbourhood, friendship, partnership). There is a hidden contradiction between the mobility demands of the labour market and social bonds. (Beck, 1992, p. 94, original emphasis)

The loss of social class and a decline in the influence of the associated social networks as a means of "mapping" one’s life can also be thought to have contributed to greater risk and uncertainty for individuals. Hence Beck’s notion of the "risk society".

The suggestion that social networks have eroded in value provides support for the claim that the influence of traditional social and economic patterns and arrangements have declined. It also suggests that, "by becoming independent from traditional ties, people’s lives take on an independent quality which, for the first time, makes possible the experience of a personal destiny" (ibid.).

If students are no longer constrained by their former social-class positions then the Training State may increase choices such that they become the authors of their own labour-market situation. Some take the expansion of university education as an example of this kind of process. As Gibbons, et al. (1994) outline, the process can be characterised as the "democratisation of graduate origins and destinations" (p. 77).

Moreover, as Crompton (1993) suggests, even if commentators who argue that social-class has lost, or is losing, its ability to act as a source of identity formation are broadly correct, the work people do is likely to remain the most powerful indicator of life-chances and the associated patterns of material advantage and disadvantage. Crompton’s comments are important because they highlight the wage-labour relationship as a central dynamic in capitalism. While particular cultural and social groups may come and go, maintaining the wage-labour relationship is fundamental to the maintenance of capitalism. It is with this point firmly in mind that an assessment of the role of the State in facilitating school-to-work transitions should be made.

The notion that working-class students have been emancipated by the erosion of cultural codes and that this has allowed the Training State to influence their attitudes and values, has also been challenged on the grounds that such claims misinterpret the way in which young people experience the Training State. Rather than creating working-class school-leavers who, Hollands (1990) argues, appear to be accepting the views of the ruling-class,
other evidence suggests that working-class experiences of the Training State are similar to their experience of the State, in general. For example, Mizen (1994 & 1995) argues that the wider working-class experiences of the institutional forms of the State are such that the appearance of "real benefits" actually emerge in ways which impose distinct limits on freedom. These erect additional barriers to working-class people having control over their lives. Mizen argues that this can be seen in the way that trainees have continued to resist the imperatives of the Training State. Banks et al. (1992, p. 44) found, despite the Thatcher Government's efforts to establish a "training culture", most school-leavers had not been attracted to it. Others have made similar observations (Raffe & Smith, 1987).

The claims of Beck have yet to be substantiated. However, his thesis raises a number of issues about the role of the Training State and its ability to compensate for the erosion in the value of familial social networks and the emergence of the discouraged worker effect.

From faith to doubt

The development of the Training State is typically justified on the grounds that the introduction of new technology and the continued globalisation of the world's economy has necessitated new ways of organising and structuring schools and post-compulsory training to improve the efficiency of school-to-work, unemployment-to-work transitions, in an age when capitalism is thought to demand new kinds of workers. The argument typically advanced is that the development of new technologies throughout industrial capitalist societies and continued globalisation of the world's economy has rendered obsolete forms of work organisation and production technologies associated with patterns of Fordist accumulation that were dominant throughout the long-boom of the 1960s and 1970s (Aglietta, 1979). Workers in these countries must now adjust to the demands of an accumulation process that has not only restructured the labour market, but also re-organised production relations in ways that require workers to become 'polyvalent', 'multiskilled', and 'flexible.' In this way the new technology has implied a major re-evaluation of the expectations that employers have of labour in the workplace and of work itself. According to this perspective, these developments require that to compete effectively with the developing countries and newly industrialised countries, the advanced industrial economies of Europe and North America must adopt policies aimed at creating infrastructures that will support high levels of training and skill formation among their respective workforces. Such a strategy will not only allow workers to prepare for rapid change in the workplace, but also support high levels of skill formation enabling them to produce high value-added commodities for the global market place. The argument that is advanced, therefore, is encapsulated within the simple formula: high skill = high value added = economic growth = high wages and living standards. It is this rather rudimentary equation that underpins the new ‘training gospel’ of late twentieth century capitalism.

However, while this formula has served as a powerful means of marshalling political support for training, there are good grounds for challenging this position. The reasons for this are firmly established in debates regarding skill development and labour market change and are briefly outlined below.

While employer groups might be committed to the idea of improving skill levels amongst work bound school leavers, research suggests that demand for skilled labour has not increased dramatically, if at all. This research suggests that rather than increasing all forms of employment, the introduction of new technology has created low skilled employment and high skilled employment in New Zealand and Australia.

While the precise role played by qualifications in the process of helping school leavers to find employment will continue to be a source of debate, two things are abundantly clear.
First, it is clear is that employers are not making unequivocal demands for workers with higher levels of technical know-how and skill. As point out, research on the attitudes of employers toward recruitment of employees suggests that they place high value on basic workplace discipline i.e. punctuality, attendance, and reliability - the so-called 'soft skills'. Recent research shows New Zealand and Australian employers also place a high premium on these qualities. In addition, a recent Senate Report set up to explore youth unemployment in Australia established that, above anything else, 'employers look for employees with the right attitude to work - that is a willingness to work, a desire to learn, punctuality, honesty and appropriate personal behaviour and presentation'.

Second, although it is debatable whether or not skill demands have increased or decreased, credential inflation has meant that the qualifications required to complete many forms of work outstrip the skills required. In this respect, some claim that increased employer demand for skilled labour is demonstrated by the increased importance of qualifications in the allocation of high status and high paying employment. However, while those who have educational qualifications are more likely to be employed, to earn more, and to experience more stable employment than those without them, the connection between qualifications, skill, and employment remains unclear. For example, although young workers today are more highly educated and qualified than in the past, wage rates paid to most workers have declined over recent years. For example, in the United States, a person who graduated from college in 1994 could expect earn as much as a person who graduated from high school in the early 1970s. Thus, while qualified people have maintained their relative advantage over unqualified people, the return from obtaining qualifications has declined over time. Moreover, if employers are demanding higher levels of skill and qualification on the part of new employees, and there is indeed a skills shortage, one might reasonably expect employers to be investing in training. However, evidence from the United States suggests that employers are actually spending less per capita on training workers. There is also evidence that volatility of production cycles and intense competition appear to have made it more difficult for employers to offer training-based employment to young workers in New Zealand. It has been suggested that this is due, in part, to the increasing prevalence of outsourcing as a management strategy which has been adopted by public and private sector employers to improve worker productivity and reduce production costs. The relevance of outsourcing will be made apparent later in the paper. For the moment it is worth noting that one consequence of outsourcing has been the creation of a contingent workforce that is characterised by a lack of stable, full-time, and permanent employment. Not surprisingly, outsourcing has been associated with a deterioration of employment conditions in low skill and poorly paying segments of the labour market. Because companies usually compete to deliver services for relatively short periods of time on the basis of cost, there are few incentives for employers to invest in training. This means that while the New Zealand and Australian Governments can laud the necessity for increased levels of training and creation of a knowledge economy, their own management practices and those of many businesses may actually reduce incentives to train workers. Indeed, industry leaders in New Zealand have been claiming for some time that if government wants more people to be trained it will have to pay for it. This sentiment has been echoed in the United States where research suggests that industry now expects workers to pay for their own training.

A weaker version of what has become known as the 'skill deficit thesis' is presented by those who argue that while current skill demands might be low, investment in training is required so that employers can introduce new production methods. This will promote economic growth and increase highly paid and highly skilled forms of employment. According to this perspective demand for particular kinds of labour power reflects particular investment strategies and state investment in training is needed to ensure a high wage/high skill economic trajectory (Brown and Lauder, 1996).
Like its stronger relation, this claim is open to question. This argument assumes the organisation of work reflects the skill level of the workforce. However, reviewed historically, school leavers are more highly credentialed and arguably more highly skilled than in the past, yet evidence suggests that many employers have not made use of this (Livingstone, 1999). For example, the authors of a British study found ‘convincing evidence of skill under-utilisation in the British labour market ... [and] show that ‘genuine’ overeducation is a significant phenomenon’. Similar claims have been made about trade training in Australia where recent research has shown that in 1996 about one in five trade qualified workers were employed in lesser skilled occupations and about one in three working tradespersons did not possess trade qualifications. Furthermore, New Zealand, along with many other western nations, has been experiencing sustained levels of economic growth, but this has not reduced youth unemployment. For example, between 1986 and 1998, employment increased significantly for both men and women aged 25 – 64 years. However, this coincided with a fall of 50,000 in the number of jobs held by teenagers. It seems unlikely that this reduction resulted from increasing numbers of students staying on in education, as evidence suggests that the holding power of New Zealand’s secondary schools has declined slightly since 1993. It is more likely that young people are simply at the end of the hiring queue and must watch from the sideline while older and more experienced workers take up new opportunities in the labour market.

Social networks and employment

The role of qualifications in securing employment is further complicated by the evidence of social network theorists who argue that work-bound school-leavers are more likely to obtain jobs through their social networks than in the open labour market and that qualifications play a relatively minor role in the process of finding employment. Many researchers have argued that social networks play an important role in connecting workers with employers (Jenkins, Bryman, Ford, Keil and Beardsworth, 1983; Grieco, 1987; Rosenbaum, Kariya, Settersten and Maier, 1990; Wallace, Boyle, Cheal and Dunkerley, 1993; Okano, 1995; Miller and Rosenbaum, 1997; Wong and Salaff, 1998). Although there are variations in the results generated by different methodologies and differences between studies conducted in different settings, the importance of social networks remains intact despite modernisation and technological change in the economy. In this respect, Granovetter (1995) argued that economic transactions are embedded in the social infrastructure.

Recruiting employees through social networks is favoured by employers because they believe they get trustworthy information about the quality of new recruits. Such information, it seems, is not provided by school qualifications, or, if it is, employers choose not to use it. For example, a number of social network theorists argue that, in the United States, high-school performance has little influence on whether or not school-leavers secure jobs. Research undertaken in the United States and Britain suggests that, for non-college-bound students, school grades have little impact on their ability to find work because employers often dismiss the information provided by schools on student achievement (Rosenbaum, et al., 1990; Miller & Rosenbaum, 1997; Rosenbaum & Binder, 1997). Supporting evidence from the United Kingdom by Wallace et al. (1993) shows that 93 per cent of employers recruiting school-leavers for manual positions did not use school qualifications. However, even if employers commonly use school qualifications as an initial screen when making recruitment decisions, as some researchers argue, massive increases in high school participation pushed the completion rate to almost 85 percent of all leavers aged 18 - 24 years in 1998. Similar trends are apparent in Australia and New Zealand. This means that most work-bound school leavers hold diplomas whether or not employers require them. Additional evidence is supplied by Newman and Lennon (1995) who show in a study of the fast food industry in Harlem, New York, that a creeping credentialism means that high school graduates are replacing high school dropouts and other young people in the workplace.
However, after accounting for educational qualifications Newman and Lennon argue that employers also seem to favour job applicants who commute from more distant neighbourhoods. The rejection rate for local applicants was higher than that of similarly educated individuals who lived further away. In addition, in searching for jobs, “who you know” was particularly important and those isolated from employment networks were less likely to be hired.

When considering the relationship between qualifications and employment, it is worth remembering that even though some employers may use school-based credentials to initially screen potential young workers, they seldom seek more detailed information about the actual skills the credentials are designed to indicate school leavers have. In recent years, attempts to overcome this tendency have been made through introducing competency-based assessment into secondary schools. It was hoped that this move would increase the usefulness of school and post-school qualifications to employers by supplying more detailed information about the actual skills held by young people. In Australia and New Zealand this is most obvious in the development of Qualifications Frameworks and the associated introduction of competency-based assessment. However, recent reviews of the Australian and British experiences with competency-based training systems suggest that the qualifications produced by these systems have yet to be widely adopted by employers.

Supporting evidence from New Zealand can be found in a recent review of enterprise-based education and training. In their report to the New Zealand Ministry of Education, stated that employers were ‘ambivalent’ about the Government's industry training strategy in general and Industry Training Organisations in particular. Also in New Zealand, the attempt to create a new training framework based on ‘unit standards’ that encompassed all educational sectors failed. Although the idea of a unified framework may have been plausible in theory, in practice the New Zealand Qualifications Authority was unable to convince employers, teachers, parents and students of the benefits of competency-based assessment and the idea of a unified framework was eventually scrapped.

The analysis thus far points to two themes present in debates concerning the impact of the Training State and the nature of the labour market. First, labour market relationships are embedded in a social infrastructure and the significance of social networks to job finding continues despite economic change. Second, while demand for young workers has declined, employers are not making unequivocal demands for workers to possess high levels of skill or qualification.

In the next section two interventions designed to improve school-to-work/unemployment-to-work transitions are briefly reviewed to illustrate how these themes are being played out in practice.

**Contemporary policy developments**

Although the training gospel remains firmly entrenched in the minds of policy makers and politicians both here in Australia and across the Tasman, there is some evidence to suggest that its influence is waning. It is possible to substantiate these claims, through reference to contemporary interventions by the State that are designed to improve school-to-work/unemployment-to-work transitions.

Although the discussion that follows focuses primarily on the impact of Skill New Zealand's training programmes and the ECEF, these examples are designed to illustrate broad changes in the way the State is attempting to organise and structure school-to-work transitions in the contemporary period. It is important to note that while the core components of the consensus that has emerged around training have been given different emphases
within particular national contexts, they do nevertheless project a fairly consistent set of interrelated themes and arguments.

**Skill New Zealand**

Amongst the most significant recent interventions designed to improve school-to-work/unemployment-to-work transitions in New Zealand has been the creation of Skill New Zealand (Skill NZ) and the establishment, in 1999, of their flagship programmes, Youth Training and Training Opportunities.

Skill NZ is the business name adopted by the Education and Training Support Agency. It is a state-funded organisation, which purchases training outcomes from Private Training Establishments and other providers of training, for example polytechnics, through a contestable tender process. More specifically, Skill NZ outsources its training requirements, and funds providers primarily according to their ability to place young people into employment. However, two of Skill NZ’s stated key goals are to enhance equity outcomes of under-represented and "at risk" groups in education and employment and to develop and influence New Zealand’s education and training markets. Skill NZ aims to support these objectives by creating a "learning culture where individuals achieve nationally recognised qualifications" (Education and Training Support Agency, 1999, p. 1). For example, Skill NZ funds training programmes linked to the Qualifications Framework for those who have left school with few if any school qualifications. The Qualifications Framework, designed and administered by the New Zealand Qualifications Authority, provides a way to reward and recognise learning throughout the educational sector (New Zealand Qualifications Authority, 1994). Skill NZ and the Qualifications Framework are intended to help solve unemployment by increasing the level of qualifications held by young people and ensuring that these are more closely geared to meeting the needs of employers. Evidence suggests that these programmes have been successful in placing young people into employment. For example, well over 50 per cent of trainees who completed the Training Opportunities Programme in the year 2000, were in full-time employment two months after completing their courses (Skill NZ, 2001).

Although NZ promotes a high/skill, value-added training strategy, in practice it appears to be following a different course. In this respect, recent evidence suggests that tutors funded by Skill NZ under the Training Opportunity Programme and Youth Training, try to teach basic work-place skills and instil pro-work attitudes and values in an attempt to get trainees work-ready. An indication of how this process has been broadcast through the policy discourse of the new training agenda is provided by a promotional publication of Skill New Zealand, significantly entitled *Investing in Skills for Competitive Advantage* (Skill NZ, 1999). This glossy report contains an extended interview with Price Waterhouse (New Zealand) economist Suzanne Snively who indicates how workers can contribute to the "competency needs of a workplace." As she notes, workers will require:

... the right attitude, honesty, a tidy appearance, good social skills, enthusiasm, reliability, good communication skills, being computer literate, and being able to work as part of a collaborating/learning network. People who are able to do this, and also take a disciplined approach to their work will be employable (1999, p. 2).

She goes on to argue that "the qualities required for employability" will necessitate "a considerable amount of pre-employment training" in these skills. Research suggests that trainers whose work is funded by Skill NZ focus heavily upon improving the employability of their trainees. As one trainer quoted in recently published research put it:
You are getting 40 year-olds who come from an era where they had a work ethic and an appearance ethic. … They are O.K. right from the start … while you are trying to teach the modern 18 year-old that he can’t front up to an interview with his knees hanging out his jeans, even though they are fashionable and a pair of sports shoes and rings and studs and all the rest of it. That’s his current culture, but it’s not acceptable at an employment level. (Quoted in Strathdee and Hughes, 2000, p. 140)

The need to make trainees work-ready was motivated by the need to produce the training outcomes purchased by Skill NZ. While there are a number of requirements that providers must fulfil, the most important is the need to place the appropriate number of trainees into employment. To meet this requirement the tutors relied heavily upon their social networks.

The fact is that the performance outcomes reflect what we already know, from our own operation and our own work on what makes a successful provider compared to an unsuccessful provider. We did some work a couple of years ago and basically the cost has nothing to do with it. …. The successful ones are those which get the employment outcomes. So the differences are the quality of the people working for them, and those people might be completely unqualified … but they … have exceptional networks which link into the labour market opportunities. That would be number one. I can’t remember the rest. There were about five, but that was the outstanding one. (Senior Manager, Skill NZ. Quoted in Strathdee and Hughes, 2000, pp. 139-40)

These two features of Skill NZ funded programs were revealed in the research to be of primary importance in helping young people to find employment. More significantly, they were the result of a policy framework that focused on training provider producing the training outcomes purchased by Skill NZ in an annual contestable tender. This approach is noteworthy because, by outsourcing its training requirements, and focussing explicitly on employment outcomes, Skill NZ has created a regulatory framework that ensures a close association between the skills and qualities employers require, and provides an effective conduit through which information about the labour market can flow. In terms of the skills and qualities these training programmes instil in new recruits, the evidence suggests that the trainers can only place trainees into jobs if they make trainees work-ready. To gain an understanding of what employers consider work-ready to mean, the trainers rely heavily upon the advice of the employers in their social networks. Thus, a set of reciprocal relationships between employers has been developed in which employers rely upon the trainers to produce good workers and the trainers rely upon employers to help them meet their performance outcomes and ultimately to keep their own jobs.

School-Business Links: The case of Australia’s Enterprise and Career Education Foundation

The Australian Government recently announced the establishment of a new foundation, the Enterprise and Career Education Foundation (ECEF). The ECEF is designed to encourage and support school-industry partnerships and link businesses, schools and communities to create a greater diversity of learning experiences. The Government has committed 100 million dollars over the next 4 years to the ECEF in order to help reduce youth unemployment and help create the so-called ‘knowledge economy’. The initiative is primarily designed to improve the life chances of young people who are capable but not in an academic way and to ensure that young people do not fall through the gap between school and employment.
Proponents of the ECEF typically begin their case by arguing that schools no longer provide young people with the skills they need in order to secure them employment. They no longer provide good advice about the kinds of qualifications and skills they will need in order to get jobs, and they do not provide effective links with employers. The ECEF aims to overcome these weaknesses by increasing the influence of employers in the training of senior school students. Among the benefits thought to accrue from this approach include a clearer picture of what employers require in new recruits, information about what opportunities actually exist, and an opportunity for employers to assess the potential of possible recruits before formally employing them. As the Managing Director of Lowe Construction put it during the launch of the ECEF in March of this year, young people today need 'a friend in business', someone who can give them good advice about the labour market, and who can provide a feeling that someone out there cares (Lowe, 2001).

A central part of the focus being placed on careers and enterprise education is the 'employability skills framework'. This framework contains in three broad sections and encapsulates nine aspects thought to increase employability. These include a focus on 'applying basic knowledge', self-management, developing a personal reputation by demonstrating commitment, enthusiasm and a 'can do' attitude to work, and developing networks with employers and others in the community. While it is too early to properly assess the impact of the new approach to training, Rinehart (1997) and his colleagues show, it is through such 'soft skills' that the State has been so effective in permeating and re-defining the expectations that people have of work/training in the contemporary era.

There is evidence to suggest the increasing the employability of young people through soft skill development and through creating and maintaining social networks has been adopted in other state interventions. For example, in New Zealand's version of the Modern Apprenticeship Scheme, the State funds brokers to generate training opportunities for young people and to 'manage' new apprentices. The co-ordinators report that they need to be careful to select the 'right' kinds of workers. That is those who are considered to be 'work-ready'. One reason cited for this was the need to protect the value of their social networks by 'ensuring their credibility with employers'. The use of brokers and a focus on soft skill development is also apparent in work-for-the-dole type schemes both here, in Australia and New Zealand. For example, under Australia's job network, providers are funded according to their ability to place job seekers into employment.

In New Zealand the new Minister of Social Services and Employment, Steve Maharey, argued that the recently elected Labour-Alliance Coalition would be a jobs-focussed government. To effect this, the Government recently introduced a 'work-test' and outlined new obligations the unemployed must meet in order to receive their benefits. These obligations, which include attending training programmes designed to make them 'work-ready', are outlined in individualised Job Seeker Agreements, and those beneficiaries who do not comply with their agreement may be sanctioned. To help young people to find employment, the Department of Work and Income have adopted a case-management strategy and employ work-brokers to generate employment opportunities.

In the United States, reformers aiming to reduce welfare rolls have also taken a much tougher approach with beneficiaries and have adopted a 'work-first' approach to training. This primarily involves developing programs that encourage welfare beneficiaries to become 'work-ready' by adopting pro-work attitudes and values. The work-first approach has been credited with cutting welfare roles, reducing the costs associated with delivering welfare services, and 'enforcing a vision of the work ethic commensurate with the realities of the (low-wage) labour market'.

Concluding Comments
I have argued that until recently the dominant approach to the problem of youth unemployment and the discouraged worker effect has been to adopt a high wage/high skill approach to training. However, while this approach remains widely supported and advocated by policy makers and politicians, its popularity is beginning to wane. The approach has been the subject of sustained criticism from those on the Left and those on the Right of the political spectrum who have argued that claims that a deficit of high level skills are the source of labour market disadvantage are misplaced. Critics have also maintained that simply providing young people with more qualifications will not resolve youth unemployment and the discouraged worker effect because labour market interactions are embedded in the social infrastructure in the form of social networks. If these networks are absent then the labour market will not function efficiently. Historically, familial social networks have played a pivotal role in the labour market. For example, social networks have provided a conduit through which information about labour market could flow between employer and job seekers. Moreover, networks provided young people with access to a cultural tradition that ensure they made effective school to work transitions in a manner that relied on limited if any state intervention.

The policy examples outlined above suggest that functions adopted by familial social networks are being adopted by the State. Of particular importance is the State's role in ensuring that schools and other training providers transmit those skills that ensure employability. Unlike the training gospel that held out the promise of high wages and secure employment, the new approach emphasises the development of soft skills or basic workplace skills. This approach is clearly at variance with the high-tech approach advocated by the training gospel and suggests that the interventions are primarily geared towards better preparing young people for the low-wage labour market.

The evidence also gives rise to doubt regarding Beck's (1992) suggestion that the erosion in the importance of family-based social networks has emancipated working class youth and that they have become the authors of their labour market situations. Young people may have been freed from the influence of family-based social networks, however, the role of social networks in finding young people employment remains strong. Put simply, functions formerly completed by social networks such as reproducing social relations of production have been adopted by the State and that 'social ties' remain strong. In an era when the proportion of young people entering low skill employment where work is typically poorly paid and insecure has increased in Australia, this primarily involves focusing on preparing young people for entry into the contingent labour market and brokering employment opportunities. Although initiatives such as the ECEF and Skill NZ programmes appear to hold out a bright future for young people, in practice making education more relevant to the needs of employers must involve lowering school leaver aspirations and ensuring that young people are appropriately skilled. Given the realities of the youth labour market, this approach can do little else.
References


Australian Council of Social Services (2001) Seven unemployed for every job vacancy — call for new strategy, ACOSS Media Release Issued: 5am Friday 27 April.

