

CYCLES OF TRAINING? EVIDENCE FROM THE BRITISH RECESSION OF THE EARLY 1990s

1. Introduction

'Even where [training] provision exists, it can often be highly vulnerable when recession or restructuring make their demands. Training is costly and may not always be seen as producing a prompt return' (House of Lords, 1990: 208; our emphasis).

'British employers do not have a good track record of taking responsibility and paying for training the workforce. When the British economic cycle moves into a downturn, employers cut training. When the economy improves, they tend to put any extra money into raising wages and to poach workers who have already been trained' (NATFHE and Youthaid, 1993: 20; our emphasis).

It has become almost conventional wisdom to assume that training volumes in Britain move pro-cyclically, and that they are particularly prone to fall in times of recession. There is agreement on this issue from both sides of industry - the Confederation of British Industry (CBI) and the Trades Union Congress (TUC) (cf Banham, 1992: 9-10; Monks, 1992: 21). At the same time academic theorists who characterise the British training system as a 'market model' in contrast to the 'educational model' in Germany and France (Rainbird, 1993; Campinos-Dubernet, and Grando, 1988), also assert the vulnerability of the British system to short-termist retrenchment during recession. The purpose of this paper is to assess the empirical and theoretical foundations on which the notion of 'cycles of training', so often quoted and assumed, is based.

An examination of the connections between the economic cycle and training is especially relevant at this time. It is now widely recognised that one of the reasons for the slow long-term growth of the British economy has been the relatively low levels of training received by workers at all levels (see, eg, Finegold and Soskice, 1988; Steedman and Wagner, 1989; Ashton et al., 1989). In the last decade, training has become a major public policy issue, not only as a means of countering unemployment, but also as a way of redressing the UK skills deficiencies. As a result, there has been a dramatic transformation in Britain's training system, both public and private. Although the traditional apprenticeship has become a relatively