

INDUSTRIAL TRAINING IN SCOTLAND

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Industrial training is vital to any modern economy. A systematic training effort is central to ensuring an adequate supply of skilled manpower. Any strategy which aims to reverse the process of manufacturing decline and reindustrialise the economy must pay attention to skill training. In addition the existence of a pool of skilled labour is an important advantage in attempts to attract internationally mobile investment. This factor is likely to be present in any explanation of the success of Fife and the Lothians in attracting advanced technology electronics firms. In Eire, the training authority (Anco) has been making strong efforts to raise the quantity and quality of industrial training.

The Employment and Training Bill which was introduced in Parliament in January 1981 could lead to radical changes in the system of industrial training as the Government aims to restore the economy's training effort to the direction of market forces. This seems an appropriate point to reflect on the development of training policy and institutions, and to examine recent levels of provision of industrial training in Scotland.

The Development of Training Policy

Industrial Training in Britain is largely the responsibility of industry itself. However, two post-war Acts of Parliament, both the result of Conservative initiatives, have helped to guide that effort and shape the State's own interventions in training. The first of these, the Industrial Training Act of 1964, followed protracted discussion during the 1950s and early 1960s, a period marked by shortages of skilled labour which affected many sections of manufacturing industry. During this period, there appeared a number of official reports which examined all aspects of training,

further, higher and technical education. These reflected growing concern in government at the rapid advance in the industrial applications of technology and science in other countries.

Up to 1964, industrial training was "voluntary" in that companies were left to train as and when they wished. Many firms preferred to "poach" skilled manpower than train to meet their own needs. Forsyth's study of US-owned firms in Scotland has suggested that in the 1960s many of these were able to poach skilled labour by offering relatively high wages⁽¹⁾. However, poaching was widespread and by no means confined to foreign-owned companies.

The 1964 Industrial Training Bill was introduced by the Conservative government but did not become law until Labour had regained power later that year. The Act therefore reflected the agreement of both major parties that voluntarism in training had failed to provide adequately for industry's skill requirements. Nevertheless, the Act reinforced the central role of industry itself in training. During the discussion leading up to the Act it had been suggested that industrial training be organised on an occupational basis in recognition of the fact that many skills, engineering skills for example, are required by a variety of industries. However, this view was finally rejected because of the over-riding desire of policy makers to leave industry with a very direct stake in the training effort, and to avoid the complexity which would arise if many firms each had to deal with a variety of occupational training organizations.

The 1964 Act empowered the Minister of Labour to establish Industrial Training Boards (ITBs) which would have the duty to secure the quantity and quality of training required by their industries. Boards were given statutory powers to levy companies in their industries up to a maximum 4% of their wages bill, and to collect information from firms falling within their scope. In 1979 according to Manpower Services Commission (MSC) evidence to the Committee of Public Accounts there were 23 ITBs and one training committee which between them covered about 50% of employees in employment⁽²⁾.

Most ITBs quickly set about using the mechanism of levy-grant to improve training in their industries. Levies were set as a percentage of pay-roll costs (a small number of Boards set per capita

levies) and grants were paid to firms carrying out approved training. The Engineering ITB set a 2½% levy judging this to be an accurate reflection of the real training costs of its industry.

The ITB system brought with it a number of startling improvements in industrial training:

1. The Boards themselves comprised employers, trade unionists, educationalists and representatives of government. At the end of the day, they ensured a collective approach to training. While opponents of ITBs, like Enoch Powell, were later to present ITBs as monolithic, bureaucratic and inflexible, Perry has argued that the ITB system, "By comparison with the structure which most of Britain's economic competitors have had for generations, ... is a highly democratic and decentralised form of organization"⁽³⁾.

2. The power of the levy-grant mechanism brought about a rapid increase in the level of training carried out by industry.

3. The levy-grant system redistributed the costs of training. While firms with a poor training effort paid a tax to their ITB, others received grants for their training activities and in some industries the best trainers could make a net gain on transactions with their training board.

4. In some industries there were rapid improvements in the quality of training. The Engineering ITB quickly laid the basis for national engineering apprenticeship standards with the establishment of its "module" system in 1968. Under this system an apprentice receives one year of broad-based off-the-job training followed by two more specialised training "modules" which involve appropriate industrial experience. The trainee is monitored and tested throughout this process. Other boards were quick to follow suit.⁽⁴⁾

5. Under the aegis of ITBs there was a rapid development of Group Training Schemes which permit those firms with limited training resources to join together in a collective training effort, and so play their part in providing for the training needs of their industries. The MSC informed the CPA that in 1979 there were 800 group training schemes (covering 1.8m employees) compared with only 60 such schemes in 1964.

6. The better ITBs have shown themselves to be flexible when faced with a changed situation in their industries, and at times have proved themselves to be effective and far-sighted vehicles

for change. For example, the Engineering ITB has made a number of initiatives to promote the training of women⁽⁵⁾ for the more highly skilled occupations, and has been to the fore in developing training to meet the demands of new technology.⁽⁶⁾

Looking back on the development of industrial training in Britain, Lord Scanlon, Chairman of the EITB, commented,

"From the point of view of ensuring an adequately trained labour force throughout industry, the 1964 Act was one of the most progressive pieces of legislation ever put on the statute book"⁽⁷⁾

The Boards however were not without critics though often criticisms were made with reference to broader objectives than those of the 1964 Act. The persistence of shortages of skilled manpower in the late 1960s led some to attack ITBs for their failure to solve this problem. Clearly though "skill shortages" involved complex problems of pay differentials, labour recruitment, utilisation and retention and often did not have a training solution⁽⁸⁾. In addition, the Act had given ITBs the responsibility of securing adequate training in their industries and this did not always coincide with the requirements of the whole economy for particular types of labour.

The report of the Hunt Committee in 1969 praised the achievements of ITBs but argued that there existed a strong need "to devise administrative arrangements which will ensure, first, a closer partnership and better regional co-ordination between those concerned with training and with education and, second, better liaison between those interests and the regional economic planning machinery"⁽⁹⁾. The TUC for its part had long favoured a strong central authority which would coordinate the ITBs, look to the needs of sectors without a Statutory Board, and function as a broad training and manpower agency. The Central Training Council set up in 1964 was largely without powers and singularly ineffective when assessed against TUC objectives.⁽¹⁰⁾

Many expressed the need for machinery which could deal effectively with the manpower aspects of industrial restructuring. Industry based ITBs could not be effective mechanisms for dealing with problems of large-scale redeployment and retraining arising from the decline of traditional industries⁽¹¹⁾ (particularly where these were regionally concentrated). Some suggested that the 1964 Act had been too narrow, leading to the separation of training from

broader manpower issues. Lastly some of those who had been bitterly opposed to state intervention in training in the early 1960s remained so a decade later. Early in 1971 the ever imaginative Mr. Powell was making speeches about the "Great Training Robbery"⁽¹²⁾.

The 1973 Employment and Training Act set up the Manpower Services Commission, a statutory body which was intended to coordinate public training and employment services. Operating through the Employment Services and Training Services Agencies (ESA and TSA) the new central authority was responsible to the Secretary of State for Employment and assumed some of his functions in relation to ITBs.

The levy-grant mechanism operated by ITBs was altered to a "levy-grant-exemption" system. Under the new system small firms were to be excluded from levies, and firms which trained adequately to meet their own needs (rather than their share of the perceived needs of their industry) were to be exempt from levy. The maximum levy was set at 1% of payroll costs and the MSC later took on responsibility for ITB operating costs. The immediate effect of this was to reduce the powerful financial "carrot-and-stick" mechanism through which ITBs had raised the level of training activity. In addition, the immediate stake of industry in training was lessened. In the longer term, the dependence of industrial training institutions on public funds created the basis from which the nation's training activity could be tailored to meet short-term financial objectives rather than the longer-term needs of the economy for skilled manpower.

In the next section, we shall look at the recent levels of training provision in Scotland under the 1973 Act. However, before proceeding to this, it is necessary to comment on more recent policy developments. The present Conservative government has announced its intention to reduce exchequer funding of ITB operating costs in 1981/82 and eliminate this funding altogether in 1982/83, to restore responsibility for these costs to industry, and to return industry and commerce as far as possible to voluntary training arrangements. A short enabling Bill, the "Employment and Training Bill", was introduced to Parliament late in January 1981. This will permit the Employment Minister to exercise a variety of powers, and in particular to set up, abolish or change the scope of an ITB

without recourse to Parliament or the MSC. These powers will be exercised in the light of a MSC review into the needs of individual sectors for statutory training arrangements.

While the 1964 and 1973 Tory initiatives enjoyed the easy passage afforded by parliamentary consensus on training questions, the second reading of the latest Bill faced a three-line Labour whip. Outside Parliament the Bill has been widely attacked by the STUC and individual trade unions. The STUC favours retention of statutory ITB's, expansion of the ITB system to sectors not presently included, and the return of responsibility for ITB operating costs to industry. On March 13th 1981 the TUC held a Consultative Conference on Industrial Training at which disbelieving TUC Commissioners on the MSC were informed by Lord Scanlon that ITBs had already received notice from the MSC that funding of their operating costs would cease at the end of December 1981. The MSC subsequently called for flexibility in the timing of the transfer to industry of ITB operating costs. (13)

The Provision of Industrial Training in Scotland

At present industrial training is carried out by industry itself. In the main sectors of industry and commerce that training effort is guided and assisted by ITBs. The Manpower Services Commission has responsibility for public employment and training services, including coordinating ITBs, meeting their operating costs, and helping the training effort of those parts of the economy not covered by ITBs.

MSC Scotland

On 1st July, 1977, responsibility for MSC activities in Scotland was transferred from the Secretary of State for Employment to the Scottish Secretary. Financial responsibility for fully decentralised activities was assumed by the Scottish Office at the start of the 1978-79 financial year. Since the 1978-79 financial year the Scottish Office has contributed the equivalent of the estimated cost of decentralised activities to the MSC's grant-in-aid.

MSC Scotland expenditure amounted to £39.5m in 1978-79, £53.2m in 1979-80 and £67m in 1980-81. The Public Spending White Paper gives the Vote figure for MSC Scotland in 1981-82 as £96.9m, although for previous years actual expenditure has turned out to be

substantially less than the amount voted. Thus in 1978-79 expenditure was almost £9m less than the grant available and in 1979-80 more than £6m below. The discrepancy in 1978-79 was explained by a shortfall in the take-up of training programmes and the Youth Opportunities Programme. The explanation given for 1979-80 was that the costs of training and Youth Opportunities Programmes were less than anticipated⁽¹⁴⁾.

Table 1 shows the breakdown of total expenditure as forecast by MSC Scotland for the years up to 1984.

TABLE 1
ESTIMATED COSTS OF DECENTRALISED ACTIVITIES
OF MSC IN SCOTLAND
(£m 1979 Survey Prices) 1981-82 to 1983-84
AND ESTIMATED STAFF NUMBERS

	1981-82		1982-83		1983-84	
	COST ESTIMATE	STAFF	COST ESTIMATE	STAFF	COST ESTIMATE	STAFF
	£m		£m		£m	
EMPLOYMENT SERVICE	14.216	1533	13.708	1478	14.070	1435
TRAINING SERVICES	21.213	856	21.108	806	20.230	794
SPECIAL PROGRAMMES	24.665	194	24.633	186	24.613	177
OFFICE FOR SCOTLAND	0.256	46	0.259	46	0.251	46
TOTAL	60.350	2629	59.708	2516	59.164	2452

NOTE: These estimates exclude expenditure on STEP by MSC Scotland on behalf of the Department of Employment. MSC Scotland expected this expenditure to be £8.5m in each year.

SOURCE: Taken from Annex 1, MSC Plan for Scotland 1980-84.

The MSC's major training activities are the Training Opportunities Programme (TOPS) and Direct Training Services to Industry. The Commission is also responsible for counter-cyclical training measures and for the training of divers for the oil industry at the Underwater Training Centre in Fort William.

TOPS was introduced in 1972, and grew out of the earlier Vocational Training Scheme under which adults were trained in Government Training Centres⁽¹⁵⁾ and to a lesser extent in employers' establishments. The modern TOPS scheme is designed to complement training by industry. Training under TOPS is restricted to adults whereas industry's activity in skill training concentrates on young people.

TOPS courses are provided in Skill-centres, Colleges of Further Education, Employers Establishments and Heavy Goods Vehicle Driving Centres.

Following a review in 1978 TOPS policy was changed with the effect that the ability of local industry and commerce to absorb those trained became a major test of course viability, leading to reductions in some areas of provision.

TABLE 2
TOPS COMPLETIONS IN SCOTLAND
BY TYPE OF ESTABLISHMENT.

	1978-79 TOTAL	1979-80 TOTAL*	1980-81 PLANNED TOTAL
SKILLCENTRES	2473	2509(23)	2514
COLLEGES OF FURTHER EDUCATION	5679	5813(4460)	5036
EMPLOYERS ESTABLISHMENTS	367	446(47)	366
HEAVY GOODS VEHICLE DRIVING	435	461(3)	513
TOTAL	8954	9229(4533)	8429

* Figures in brackets are completions by women. These are included in the totals.

Sources: Figures for 1978-79 and 1979-80 are taken from MSC Annual Report 1979-80, Table 25. The 1980-81 Figures are from MSC Plan for Scotland 1980-84, Table 1.

MSC Scotland expects a further decline in TOPS volume of the order of 10% in 1981/82.

In 1979/80 the most important occupational groups in terms of TOPS completions were clerical/commercial and engineering and automotive which accounted for 42.5% and 20.6% respectively. Management courses accounted for 8%, construction for 5.8% and HGV driving for 4.8%. The remainder were in miscellaneous occupations. Reduction in TOPS will be in non job-specific management courses, in clerical and commercial courses, and to a lesser extent in those Skillcentres where there is believed to be overprovision. It may be then that changes in TOPS volume will particularly affect the opportunities currently available for adult women, and affect colleges more than other institutions. Within the overall reduction, some increase in electrical and electronic training is envisaged⁽¹⁶⁾. A monitoring exercise on all those completing TOPS courses in Scot-

land in the year to September 1979 showed that over 63% of trainees were in employment 3 months after completing training, and that over 78% of these were using their newly-acquired skills⁽¹⁷⁾. However the general slackening of the labour market in Scotland is bound to have added to the longer-standing difficulties of placing TOPS trainees⁽¹⁸⁾.

Direct Training Services to industry provided by the MSC range from supervisory training and the use of mobile MSC instructors in firms to courses in international trade procedures. In October 1979 charges were introduced on Direct Training Services in Assisted Areas resulting in an immediate 28% decline in demand for these services in Scotland. Training of firms' supervisors declined by nearly 40%.

Investment in training tends to fluctuate with the economic cycle. However, for more highly skilled occupations, investment in training is long-term, bearing fruit perhaps 3 or 4 years after the commencement of training. Training agencies have long felt that the tendency of firms to reduce training because of short-term difficulties was likely to hamper overall provision for longer-term manpower requirements. For this reason the MSC supports a number of counter-cyclical measures. These measures are mainly concerned with maintaining apprentice training at the level felt to be consistent with industry's long-term needs. Recent support of this kind for apprenticeship dates back to 1971 when the Engineering ITB and the Department of Employment took measures to partially offset a cyclical downturn in apprentice recruitment. In recent years the measures have taken two forms: 'premium grants' paid to firms to take on additional trainees and 'training award schemes' under which trainees are paid by MSC funds and later placed with firms.

TABLE 3
NUMBER OF PREMIUM GRANTS AND TRAINING AWARDS
TAKEN UP IN SCOTLAND IN 1979/80

	Premium Grant	Training Award Scheme
ITB Sector*	1525	171
Non-ITB Sector	137	241
TOTAL	1662	412

* ITB figures do not include Christmas School leavers

Source: MSC Annual Report, 1979-80 p.32.

Counter-cyclical measures have been taken in engineering in every year since 1971 except for 1973 and 1974. With this degree of continuity there is clearly a danger that some firms may "substitute" grant-assisted trainees for their normal recruitment. Against this though lies the over-riding need to maintain apprentice recruitment for future manpower requirements. A downturn in recruitment does not merely threaten future skill shortages. It also affects the fee income of the many colleges providing first year integrated courses for apprentices, and threatens training facilities, since below a certain level of use these cease to be viable.

Training of divers began at the Fort William Underwater Training Centre (UTC) in January 1975, following a report from the Inter-departmental Underwater Training Task Group which pointed to a need for more deep divers for the off-shore oil industry. The UTC was established and wholly supported by MSC funds and run by a private bank. The Commission was criticised for these arrangements by the Committee of Public Accounts in 1980, following debate over the UTC in the Commons in July 1979⁽¹⁹⁾. In 1979/80 65 divers were trained through TOPS in basic air diving, and 106 in mixed gas diving through grant support from sponsoring employers.

Training by Industry

a) The ITB Sector

The ITBs are bodies covering the whole of Britain. However, many treat Scotland as a distinct administrative unit and some produce employment and training data for their industries in Scotland. It would be impossible to summarise the activity of all ITBs in Scotland in the short space available. Here we shall only try to indicate the scale of ITB activity and influence in selected industries in Scotland.

MSC Accounts put the total operating costs of all ITBs in 1979-80 at about £42.5m with a further £44m being spent on the training schemes of ITB's. Unfortunately it is not possible to say how much of this expenditure took place in Scotland, although it is likely that Scotland accounts for a similar proportion of this expenditure to the country's share of employment in the ITB sector. At any rate, the cost of the ITB system in Scotland is very small compared with MSC Scotland expenditure.

Unfortunately, there are no figures for total spending by industry on industrial training, though some ITBs survey the costs of training in particular skilled occupations⁽²¹⁾. Department of Employment figures do indicate that in most industries in Scotland in 1978 more was spent per hour on training, and training expenditure constituted a larger proportion of total labour costs, than in, for example, the South East and West Midland regions of England.

The Road Transport ITB treats Scotland as one of four divisions. At the end of March 1980, the RTITB had within its scope in Scotland, 1,652 employers and 69,913 employees⁽²²⁾. The Board reports that some 9,500 adults in a broad range of occupations underwent training during the year.

Nearly 4,000 apprentices were trained during the year with about 31% of these in their first year. About 44% of the total were trainee light vehicle mechanics with the remainder spread across a variety of trades. The Board points out that in Scotland a high proportion of apprentices in the road transport industry receive no formal off-the-job training and attributes this partly to the frequent difficulty in finding appropriate courses within a reasonable travelling distance. The RTITB has its own training centre (MOTEC) at Livingston. In 1979-80 over 2,700 trainees attended this centre on 384 different courses.

Scotland is one of five regions for the Shipbuilding Industry Training Board. In Scotland in 1979 the SITB covered 139 establishments and 27,000 employees (about 13% of the Board's total establishments and 28% of total employees)⁽²³⁾.

The SITB Annual Report gives detailed information for employment and training in the shipbuilding, ship repair and marine engineering sectors which account for all but 1,500 of the employees covered by the Board in Scotland. In particular, employment in marine engineering is regionally concentrated, with Scotland accounting for over 60% (1,785) of the SITB total in this sector.

Despite a reported drop in craft employment, these three sectors remain craft intensive. In 1979 over 55% of the ship building labour force in Scotland were in craft occupations. At May 1979 the board reported nearly 3,000 craft trainees in Scotland of whom 626 were in the first year of their apprenticeship. Of these 133 were plater/shipwrights, 82 were welders, 90 were in various engin-

eering occupations, while the remainder were spread across a variety of trades.

The Engineering ITB, the largest of the Boards, treats Scotland as one of 9 administrative regions. In April 1979 the EITB reported 1,637 establishments and 211,461 employees in its scope in Scotland⁽²⁾. The Board's Annual Report gives the occupational breakdown for this employment total and training information for these occupations (see Table 4 below) which shows clearly that the most important in training terms are the "transferable" skills of scientists and technologists, technicians and craftsmen. Training in these highly skilled occupations is both lengthy and expensive. However, by virtue of their training, employees in these occupations are fully "transferable" across the engineering industry, and indeed outside the industry in some cases.

TABLE 4
EMPLOYEES AND TRAINEES IN THE ENGINEERING
INDUSTRY IN SCOTLAND, BY CATEGORY
OF MANPOWER, 1978/79

Category of Manpower	No. of employees	No. of trainees at a given date	Trainees as a percentage of employees
Managerial Staff	8408	176	2.1
Scientists & Technologists	3610	346	9.6
Technicians, including Draughtsmen	14874	2113	14.2
Administrative & Professional staff	8597	469	5.5
Clerical and office staff	20616	629	3.1
Supervisors, including foreman	11251	232	2.1
Craftsmen	46338	7407	16.0
Operators in occupations requiring at least one week's training	83882	2584	3.1
All other employees, excluding canteen staff	13885	54	0.4
TOTAL	211461	14010	6.6

Source: EITB Annual Report 1979/80, Table 2B

EITB recommended training for craft and technician apprentices starts with a common first year of off-the-job training generally in a firm's training centre or a college. Table 5 gives figures for the first year training places available in Scotland in 1980.

TABLE 5
FIRST YEAR TRAINING PLACES FOR
ENGINEERING APPRENTICES IN SCOTLAND
AS AT 31st MARCH 1980

	Approved Places	Registrations
Industrial Establishments	1037	965
Colleges	402	247
Board Equipped and Other Training Centres	1412	793
TOTAL	2851	2005

Note: 416 places were filled by trainees from non-engineering firms.

Source: EITB Annual Report 1979/80, Table 10.

The engineering industry has of course been very badly hit by the present recession with employment dropping in all sectors except the advanced technology ones like aerospace and electronic capital goods, and those producing railway equipment. Unemployment amongst engineering industry workers rose by nearly 100% during 1980. This sharp slackening in the labour market is reflected in a drop in training activity. The registration of about 2,000 first year trainees in Scotland in 1979 included nearly 300 supported by counter-cyclical grants and awards. At October 1980 an intake of about 1700 trainees was indicated, including about 300 recruited in "special measures". The EITB reports that the decline in apprentice intake in 1980 was not as sharp as in 1971. In part however, the Board fears that this may be a technical delay resulting from commitments entered into by firms during the levy-exemption dialogue with the Board. Though serious, the decline in apprentice intake in Scotland in 1980 does not seem to be worse than the general British pattern, and is not as severe as in the West Midlands, and North East regions of England⁽²⁵⁾.

The Board reports that declining grant incentive represents a further difficulty in encouraging firms to train. In 1966 EITB grants for first-year off-the-job training represented about half

the cost. Under post-1973 arrangements firms which gain exemption from levy receive no grant for this training. Furthermore, while small firms are excluded from levy, the funds made available by the MSC to encourage them to train craftsmen have been frozen for two years. Over the same period the costs of training have risen due to rising wages and improvements in apprentice rates. The EITB believes that the grant paid to small firms now meets about one third of the training cost⁽²⁶⁾.

ITBs and Small Firms

Since the 1973 Act, small firms have not been levied by training boards. Small firms have remained eligible for certain training grants and training advice offered by ITBs. But the main mechanism through which small firms are assisted is the group training scheme. Group training schemes permit small and medium firms (which might have only intermittent training needs and little in the way of training resources) to make a collective training effort. Some such schemes were established before the 1964 Act. For example, Hawick Hosiery Manufacturers set up a scheme involving 20 employers and 3,000 employees in 1949. Another scheme was started by employers in the light castings industry in the Falkirk area in 1952⁽²⁷⁾. However, there has been a great development in these schemes since ITBs began systematically to encourage their formation following the 1964 Act. The RTITB reports that in its industry in Scotland at the end of March 1980 there were 16 group training associations covering 519 employers and 19,500 employees. The EITB reports that in 1980 the Scottish engineering industry had 18 group training schemes involving 601 establishments with 113,400 employees.

New Technology

A number of ITBs have been developing training in their industries to meet the demands of new micro-electronic technology. The Engineering ITB began giving grant assistance to post-graduate advanced technology courses in 1968. In 1978/79 the Board approved 6 new advanced technology courses in Britain, one of which is run jointly by Heriot-Watt and Strathclyde Universities. The EITB also reports a good reception in Scotland for its management seminars in new technology.

b) The Non-ITB Sector

Sectors without statutory ITBs include private industries like shipping and insurance, as well as large public employers like British Rail, the Post Office, gas and electricity boards. A separate branch of the MSC's Industry Division is responsible for discussing training plans and priorities with training organizations in these sectors⁽²⁸⁾. It is impossible to discuss this sector in general terms as training needs, awareness of these needs and training provision will vary greatly from industry to industry. However, the TUC believes that in general training standards are higher in the ITB sector⁽²⁹⁾.

In some industries existing voluntary arrangements do not seem to produce adequate training effort. A recent survey which concentrated on non-statutory training in the Scottish Health Service found that within the S.H.S. there was no systematic approach to training policy, plans or budgets, and that there existed a range of staff shortages⁽³⁰⁾. As far as works and maintenance staff were concerned, the study found "no health service commitment to apprenticeship schemes". Some of the engineers interviewed felt there was a need in Scotland for a hospital engineering centre similar to that run by the DHSS in Gloucestershire, and for specialist courses similar to those on maintenance held at Central London Polytechnic.

c) Regional and Industrial Policy and Finance for Training

Financial incentives for training and re-training have long been available to firms in Scotland through Assisted Area or other development status. For example, a scheme was introduced in 1964 under which financial assistance was given towards the training costs of firms moving into or expanding in Development Districts. Re-training grants made available in 1966 were administered through the ITB machinery⁽³¹⁾. More recently, on April 1st 1980, the Government introduced the "In-Plant Training Scheme" under Section 7 of the 1972 Industry Act. In Scotland the scheme is run by the Scottish Economic Planning Department, using the machinery of the MSC and ITBs. Assistance is given to projects in Special Development Areas and Development Areas, where training is essential to the creation of new jobs and where the project meets the criteria for regional assistance. The Section 7 grant will cover 40% of eligible costs and a matching 40% may be paid by the European Social

Fund, leaving the remaining costs to be borne by the firm.

The regional policy changes announced by the Government in July 1979 are likely to mean that in Scotland by 1982 over 30 employment office and travel-to-work areas will have ceased to be eligible for this financial assistance with training costs. In addition, as we noted earlier, charges were introduced in Assisted Areas for MSC direct training services in October 1979. Financial assistance with training and re-training costs is also paid under more general programmes. For example the Department of Industry's Microprocessor Application Projects (MAP), set up by the last Labour Government, gives grants to approved training courses. By March 1981 15 grants totalling £205,000 had been made in Scotland under this scheme.

CONCLUSION

There is clearly a substantial volume of industrial training activity in Scotland. However, the scale of current industrial restructuring (as reflected in redundancy and short-time working), the needs of new technology for highly qualified manpower, the crisis of youth employment, the need to pay more than lip service to women's equality in the labour market, all these factors point to the need for a vastly increased training and re-training effort. Industry, faced with severe recession, is badly placed, unwilling and probably unable to qualitatively improve its training activity at the present time. The government is committed to restoring "voluntary" training arrangements in industry. This system failed to produce adequate supplies of skilled manpower in the 1950s when the economy was expanding and industry was much more competitive internationally than it is today, and seems unlikely to succeed in the 1980s.

Continuation or even improvement of our present training system would neither solve Scotland's manpower problems nor offset the process of deindustrialisation in Scotland.

However, the government seems set on the abandonment of active training policy, a course which can only lead to the loss of valuable training institutions and expertise and exacerbate the problems of adjustment which seem likely to be central to Scotland's industrial future.

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10. Memorandum submitted by the TUC to the Estimates Committee (Sub-Committee on Economic Affairs), published with the Ninth Report from the Estimates Committee 1966-67 Manpower Training for Industry, HC 25th July 1967.
11. See Report of the Hunt Committee and Hughes J (1976), Industrial Restructuring: Some Manpower Aspects, Nedo.
12. Perry, op cit, p 276
13. Financial Times, Saturday 14th March 1981; MSC Press Notice 25th March 1981, and TUC, Industrial Training Discussion Document 13th March 1981.
14. These figures are taken from the Appropriation Accounts (Vol 2) for 1978-79 and 1979-80.

1980-81 MSC Scotland Expenditure of £67m compares with the Supplemented Supply Vote for that year of £74.8m. See the Government's Expenditure Plans, 1981-82 to 1983-84, Cmd 8175, HMSO March 1981, and SUPPLY ESTIMATES 1980-81, SUPPLEMENTARY ESTIMATES CLASSES 11-XV11, House of Commons, 18th February, 1981.

15. The first Government Training Centres were set up in 1925. GTC objectives remained firmly social - meeting the training needs of the disabled and of Forces ex-regulars - for nearly 40 years. In the early 1960 s the emphasis shifted towards providing "accelerated adult training" as GTC resources were mobilised in the struggle to protect the economy from labour shortages. By 1966 Scotland had 7 GTCs , at Dumbarton, Dunfermline, Glasgow (Queenslie and Hillington), Irvine, Motherwell and Port Glasgow. Between them they had 893 training places. 770 of these places were occupied in November 1966, with the largest numbers being trained in carpentry (176) and capstan setting operating (108).

See the Memorandum submitted on behalf of the Minister of Labour to the Estimates Committee (Sub-Committee on Economic Affairs) 30th January 1967, published with the Ninth Report from the Estimates Committee, House of Commons 25th July, 1967.
16. Recent research indicates possible shortages of some electronics skills in the Fife area. See MSC (1980) Skill Shortages in Manufacturing Industry in Fife.
17. MSC Annual Report, 1979-80, p 31.
18. These difficulties tend to be blamed on trade union "restrictive practice" and opposition to dilution of skills. However recent research has noted that, as far as engineering TOPS courses are concerned, those trained in machining skills did not meet employers' requirements. See NEDO, Focus on Engineering Craftsmen, February 1980.
19. The CPA interviewed the Director and Chairman of the MSC after Robert Hughes MP (Aberdeen North) had raised the question of the UTC in Parliament following an article in the Glasgow Herald. Commons Hansard, July 6th, 1979.

The CPA found grounds to criticise the Commission for failing to get the oil industry to contribute to the cost of UTC, and for the contractual arrangements made with those running the Centre. See the Twelfth and Thirty-fifth Report of the C.P.A., Session 1979-80, House of Commons 18th March 1980 and 13th November 1980.
20. See MSC Accounts, House of Commons 6th March, 1981.
21. The Engineering ITB conducts surveys of the costs of training in the main engineering transferable skills. See for example, Brayshaw, P., J. Fairley and I. Wheeler, The Costs to Firms of Training Professional Engineers in 1976-77, EITB Working Paper 4, 1979.
22. RTITB Report and Statement of Accounts 1979/80.
23. SITB Annual Report 1979-80.
24. EITB Annual Report 1979-80.
25. Engineering craft and technician training and the industrial climate, EITB Economic and Industry Monitor No. 5 November/December 1980.
26. EITB Annual Report 1979/80 p 7.
27. Perry, op.cit pp 254-257.
28. MSC, Training for Skills, p 50.
29. TUC (1981) Industrial Training, Discussion Document.
30. MSC (1979), Training Needs in the Scottish Health Service.
31. Details of early schemes can be found in the Hunt Report op.cit, and the Ninth Report from the Estates Committee op.cit.