

EUROPEAN UNIVERSITY INSTITUTE  
Department of Political and Social Sciences

**Path-Dependency or Convergence? The Emergence of Labour  
Market Institutions in the Media Production Industries  
of the UK and Germany**

by

Arne Baumann

Thesis submitted for assessment with  
A view to obtaining the Degree of Doctor of the  
European University Institute

Florence, May 2002

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Florence, May 2002

## SUMMARY

This study compares labour market institutions and their emergence in the media production industries of Great Britain and Germany. The two principal institutions examined are vocational education and training patterns on the one hand and recruitment channels on the other hand. The former manage the labour market entry at the start of an individual's career while the latter govern the repeated labour market transactions between company and employee that occur throughout an individual's career. The comparison of these institutions in the two industries is based on novel labour market data for both companies' and individuals' training and employment behaviour in Germany and the UK.

On a theoretical level, the comparison analyses dynamics of institutional formation and contributes to the literature on varieties of capitalism and socio-economic institutions. The examination of labour market institutions in the media industries of two countries that are generally classified as belonging to opposite types of market economy allows us to study dynamics of institutional reproduction and change. In order to map difference and similarity in institutional formation, the comparative research design is organised along two institutional variables, job titles and joint supply, and three potential causal mechanisms for institutional development, technological, societal and hierarchical embeddedness. Job titles and joint supply are constituent parts of an occupational labour market and represent different types of social norms, namely conventional and essential norms. The three types of embeddedness encapsulate environmental spheres that expose actors to different variables, deemed important for institutional development in the existing literature.

Important results emerge with respect to the adequacy of training regimes in the media industry, marked by short-term employment and project production in both the UK and Germany. The British industry's further training regime emerges as superior to the German dual system of initial training in light of the large freelance workforce in both countries. With respect to institutional formation processes, the main counter-intuitive outcomes are that job titles in the German industry resemble those of its British counterpart, and that the British industry has arrived at a comprehensive joint supply regime. Contrary to predictions of the literature on varieties of capitalism, institutional dynamics on the industry level can thus deviate from their respective national parents. The cases show that institutional formation varies not primarily with differences in the national institutional set-up but with the type of institution and the uncertainty of actors in arriving at and legitimising such an institution. The less distributive the character of an institution, and the less actors need to legitimise an enforcement regime, the more independent of national institutions they become in their efforts to arrive at an institution.

## **ACKNOWLEDGEMENTS**

The very first impulse for this study resulted from a conversation with my sister Nico, a fine maker of theatre costumes, about the resistance of her theatre company's management to install a works council. This conversation focused my interest on the world of entertainment – and its conditions of work, which normally remain invisible to the audience. The second impetus originated from the comparative literature on industrial relations and economic institutions, which documents remarkable differences across countries in organising markets and the economy and tries to give satisfying answers to what causes these differences. Both in combination are responsible for this dissertation that compares labour market institutions in the media production industry in Great Britain and Germany.

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**ABBREVIATIONS**

ACTT	Association of Cinematograph, Television and Allied Technicians
AfB	Arbeitsausschuß für Berufsbildung (Committee for Vocational Training)
AFVPA	Advertising Producers Association
AIM	Ausbildung in den Medienberufen (Training in Media Professions)
ALI	Adult Learning Inspectorate
ARD	Arbeitsgemeinschaft der öffentlich-rechtlichen Rundfunkanstalten der Bundesrepublik Deutschland (Co-operation of German Public Broadcasters)
BBC	British Broadcasting Corporation
BBiG	Berufsbildungsgesetz (Law on Vocational Education and Training)
BDA	Bundesvereinigung der Deutschen Arbeitgeberverbände (Federal Association of German Employers' Associations)
BDI	Bundesverband der Deutschen Industrie (Federal Association of German Business Associations)
BECTU	Broadcasting Entertainment Cinematograph and Theatre Union
BETA	Broadcasting and Entertainment Trades Alliance
BFI	British Film Institute
BFTPA	British Film and Television Producers Association
BiBB	Bundesinstitut für Berufsbildung (Federal Agency for Vocational Education and Training)
BMBF	Bundesministerium für Bildung und Forschung (Federal Ministry of Education and Research)
BMWi	Bundesministerium für Wirtschaft (Federal Ministry of Economics)
BR	Bayerischer Rundfunk (Bavarian Public Broadcasting Corporation, Munich)
BverfGE	Bundesverfassungsgerichtsentscheidung (Decision of the German Constitutional Court)
CDL	Career Development Loans
DAG	Deutsche Angestelltengewerkschaft (German white-collar union)
DfES	Department for Education and Skills

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DGB	Deutscher Gewerkschaftsbund (German Trade Union Confederation)
DJV	Deutscher Journalistenverband (German Journalists' Union)
DQP	Diversified Quality Production
EB	Elektronische Berichterstattung (Electronic News Gathering)
ENG	Electronic News Gathering
FTF	Freelance Training Fund
GG	Grundgesetz (Basic Law; German constitution)
GMTV	National Breakfast Time Television
GNVQ	General National Vocational Qualification
IBA	Independent Broadcasting Authority
IHK	Industrie- und Handelskammer (Chamber of Industry and Commerce)
IiP	Investors in People
ILA	Individual Learning Accounts
IPPA	Independent Programme Producers Association
IPTF	Independent Production Training Fund
ITA	Independent Television Authority
ITB	Industry Training Board
ITC	Independent Television Commission
ITN	Independent Television News
ITO	Industry Training Organisation
ITV	Independent Television
IVCA	International Visual Communications Association
KWB	Kuratorium der Deutschen Wirtschaft für Berufsbildung (Joint Committee of German Business for Vocational Training)
LEA	Local Education Authorities
LSC	Learning and Skills Council
LWT	London Weekend Television
MSC	Manpower Service Commission
MDR	Mitteldeutscher Rundfunk (Central German Public Broadcasting Corporation, Leipzig)
NDR	Norddeutscher Rundfunk (Northern German Public Broadcasting Corporation, Hamburg)
NCVQ	National Council for Vocational Qualifications
NVQ	National Vocational Qualification

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NRW	Nordrhein-Westfalen (Northrhine Westphalia)
NTO	National Training Organisation
PACT	Producers Alliance for Cinema and Television
PIRS	Producers Industrial Relations Service
RSA	Royal Society for the Encouragement of Arts, Manufactures and Commerce
SIF	Skills Investment Fund
SME	Small and medium sized enterprises
SRT	Schule für Rundfunktechnik (School for Broadcasting Technology)
TEC	Training and Enterprise Council
UK	United Kingdom
Ver.di	Vereinte Dienstleistungsgewerkschaft (United Trade Union for Services)
VET	Vocational Education and Training
VFFV	Verband der Fernseh-, Film- und Videowirtschaft NRW (Northrhine- Westphalian Association of the TV, Film and Video Businesses)
VRRF	Vereinigung der Rundfunk-, Film- und Fernsehschaffenden (Association of Radio, Film and Television Professionals)
WDR	Westdeutscher Rundfunk (West German Public Broadcasting Corporation, Cologne)
YT(S)	Youth Training (Scheme)
ZDF	Zweites Deutsches Fernsehen (Second German Public Broadcasting Corporation, Mainz)

## INTRODUCTION

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### *The Research Question*

This study is guided by two questions: Does the development of institutions for organising our economies and working lives follow different patterns in different countries? If yes, what are the reasons for such national pathways of institutional formation? Regularly, comparisons of institutions and their historical trajectories across countries in the western industrialised world are astonishing because of the observed differences between national institutions that apparently serve the same purpose, and because of their dogged resistance to converge on a uniform pattern in a globalised world. The systems for wage formation between management and employees, for example, vary from country to country and the observed differences between them seem to be extremely stable over time.

Sometimes, resemblance is as surprising as difference, however. The credits at the end of a movie, naming the crew and their roles in producing the movie, are one example. If we go to the movies to watch a Hollywood film, we can follow a long list of cast and crew at its end, if we are patient enough to stay seated. The seemingly same list of cast and crew appears at the end of a French, a British or a German movie. Does that mean that movie productions are carried out in the same way in all these countries? Is the entertainment industry working along the same principles all over the world? In light of the otherwise different ways of organising the national economy and the world of work, this would be quite surprising. This study will analyse the formation of labour market institutions in the media production industry of the UK and Germany in order to look at this puzzle in more detail.

Differences in institutional configurations have been observed and described consistently in the disciplines of international political economy, economic sociology and comparative political science. Michel Albert (1991) has established the terms of the ‘Rhenish’ and the ‘neo-American’ capitalism in order to distinguish between two different institutional environments for capitalist markets. William Lazonick differentiates between proprietary capitalism, dominant in nineteenth century Britain, managerial capitalism, generated in the United States at the beginning of the twentieth century, and collective capitalism, which emerged from Japan after the Second World War (Lazonick 1991). Michael Porter (1990) has identified competitive advantages of nations which he ascribes to a large extent not to demand or supply conditions, but to the national institutional environments of firms. Varying levels and kinds of technological innovations have been linked to national differences in university

and research patterns and the different systems of professions (Nelson 1993). The literature on varieties of capitalism (e.g. Kitschelt et al. 1999; Hall and Soskice 2001) has condensed the complexities of institutional configurations into two national models of innovation and production and has introduced the distinction between a liberal and a co-ordinated market economy. This literature subsumes real types of national political economies under one of these two ideal types according to their specific institutional configuration. Empirically, the distinction here is between countries with a dense institutional environment, represented, for example, by Germany, and countries with a sparse institutional environment, exemplified by the United Kingdom or the US (Soskice 1997, 1999; Hall and Soskice 2001). With respect to organising work, the “societal effect-literature” has described distinct national patterns of organising factories. The relationship between labour and management, the distribution of responsibilities across production, and the employment of technology have been shown to be different across France, Germany and the UK, for example (Maurice et al. 1986, Sorge and Warner 1986). The complex interplay of respective organisational factors, education and training, and industrial relations has been described as the societal effect. Thus, the dominant line of differentiation in the literature is along national lines (see also e.g. Hollingsworth and Boyer 1997; Lane and Bachmann 1997; Whitley 1999). However, the distinction of institutional environments resonates earlier studies on the institutional prerequisites of post-fordist industrial production, as for example flexibly specialised production in Italian industrial districts (Piore and Sabel 1984) or German diversified quality production (Streeck 1991). The latter production regimes use institutional resources like trust and co-operation that cannot be provided on demand and in an ad-hoc way but rely on historically grown social structures such as the town community and business associations. The literature on governance distinguishes the state, hierarchies, communities, associations and the market as governance types which differ from each other in the way they govern economic exchanges and to the degree they can provide collective goods (Hollingsworth et al. 1994; Crouch and Streeck 1997; Crouch and Trigilia 2001). This typology is conceptionally independent of the political entity of the nation state and facilitates the analysis of institutions on a level other than the national one, as for example in industries or regional economies (Herrigel 1994; Le Galès and Voelzkow 2001).

The second question raised at the beginning starts from these empirically observed differences in institutional configurations and asks for potential causes for their continued reproduction despite forces of convergence such as European integration, globalisation and the economic

challenges these entail. In the wake of the integration project of the European Union, national legal regulations have been harmonised, markets opened, and competition increased. Globalisation has led to a growing integration of economies on a global scale, promoted by a rapid progress in communication and transportation technologies and the strong political commitment to dismantle national regulatory frameworks. This, in turn, has resulted in an intensification of competitive pressures in product markets and a multiplication of cross-national financial flows in search of profitable investment. Partly due to these developments, there have been changes within western European countries, which had a sizeable impact on the social and working environment of these countries' citizens. Most notably, this was the decline of the manufacturing sector and the growth of the service sector. Although still the most important sector in most countries of Europe, the continuous decline of manufacturing has introduced a large-scale shift in employment away from industrial occupations towards work in the service sector. At the same time, in traditional manufacturing, new production models were heralded for securing economic success on global markets, most notably the concept of lean production. Despite these uniform challenges, however, countries seem to respond differently and accommodate developments in ways that correspond to their institutional traditions. In the sphere of the political economy, a large body of literature describes how national industrial relations systems (e.g. Wallerstein et al. 1997; Traxler 1998; Traxler et al. 2001), welfare regimes (e.g. Esping-Anderson 1996; Pierson 1996; Ebbinghaus and Manow 2001) and corporate governance structures (e.g. Beyer 1998; Vitols 2001) respond in a path-dependent way. In the organisation of work, research consistently demonstrates how workplaces continue to be governed by traditional occupational identities and established management-labour relations (Daniel 1987; Lane 1995; Cully et al. 1999; Jürgens 1997).

The most influential approach at present to explain the continued salience of national institutional patterns has emerged from the varieties of capitalism literature. It explains production systems as coherent combinations of institutional spheres on the national level. According to Hall and Soskice, the most significant institutional spheres in a national political economy are its industrial relations system, the firm-internal organisation of work, the system of vocational education and training, the corporate governance regime and patterns of inter-firm relations (*ibid.*: 7). These shape the relationship of companies to their environment and their strategies for action. The assumption is that the institutional spheres are interlocked through institutional complementarities and form equilibrium states, either in the form of



liberal (LMEs) or in the form of co-ordinated market economies (CMEs). Institutional complementarities describe “[...] reinforcement mechanisms between institutional arrangements: each one, by its existence, permits or facilitates the existence of the others” (Amable 2000: 656). Co-ordinated market economies like Germany are thus not only marked by institutional specificities but, above all, by the complementarity of its institutional spheres: The system of corporate finance, characterised by public savings banks, allows long-term investments, as firms are not dependent on capital markets. Industrial relations are marked by strong trade unions with a high degree of organisation and comprehensive pay and working time agreements on the industry level. Through high minimum wages and a condensed wage spread, they force companies to engage in quality competition. The dual system of vocational education and training supplies high and polyvalent skills that enable employees to sustain flexible and highly productive production. Companies keep long-term relations of mutual co-operation and trust, mediated and supported by business associations. In contrast, liberal market economies, like the United Kingdom, are characterised by short-term company financing and monitoring through capital markets, and decentralised wage bargaining on the company level. The absence of industry-based vocational education and training leads to low skill, low quality production (Finegold and Soskice 1988). Strong anti-trust policies and market-based standard setting lead to inter-firm relations that are characterised by competition and encourage radical innovations (Hall and Soskice 2001: 19-33).

The interdependence and mutual reinforcement of institutional spheres leads to the assumption of efficient institutional equilibria. Liberal and co-ordinated market economies display different institutional combinations, but each is considered to be efficient on its own terms and characterised by specific advantages, for example by radical product innovation versus incremental process innovation capacities respectively. For institutional reproduction over time, these efficiencies are considered to be responsible for the maintenance of institutional spheres. On the macro-level, the clustering of political economies around the two ideal types and the correlation between economic growth and indicators for strategic (CMEs) as opposed to market co-ordination (LMEs) are presented in favour of this hypothesis (Hall and Soskice 2001: 19, 22; Hall and Gingerich 2001: 51). The varieties of capitalism protagonists view institutional combinations as relatively stable over time and are sceptical about the possibility of combining institutional spheres from different market economy types with each other, or the possibility of change within one sphere without affecting the others. In this perspective, change can only be conceived as a parallel shift of the entire national political economy from one market economy type to another.

On the micro-level, Hall and Soskice employ the concept of comparative institutional advantage where “[...] the institutional structure of a particular political economy provides firms with advantages for engaging in specific types of activities there. Firms can perform some types of activities [...] more efficiently than others because of the institutional support they receive for those activities in the political economy” (ibid. 2001: 36). The complementarities between training systems and labour relations within companies, for example, are suggested to guide companies and workers towards the acquisition of general skills in formal education in liberal market economies, and towards the operation of industry-specific workplace training in co-ordinated market economies. The high level of job mobility in the former makes investment in general education profitable for workers, while the co-ordinated industry wage bargaining in the latter provides individuals with the incentive to acquire industry specific skills and control poaching of non-training firms (Hall and Gingerich 2001: 11). The combination of institutional spheres provides individual actors with incentives for an efficient moulding of their strategies and leads to different profiles of industries across countries from divergent types of market economies (Finegold and Soskice 1988). The efficiency of certain strategies and not others within the institutional context shapes the way co-ordination and collective action problems such as the provision of skills are resolved across countries (Culpepper 2001).

### ***The Case***

This study is a test case for the suggested causal mechanism of efficiency selection behind institutional reproduction along national boundaries and types of market economies. I will compare the formation of labour market institutions in the media production industry in the UK and Germany. On several levels, this allows me to illuminate the mechanism of institutional reproduction suggested. Germany and the UK have become the proto-types of liberal and co-ordinated market economies respectively. Labour market policies in the two countries differ, particularly with respect to vocational education and training. In Germany, the federal government, the federal states (*Länder*), trade unions and employers’ associations jointly administer the procedure, the content and the funding of vocational training. The outcome is a standardised apprenticeship system with general contents taught in vocational schools and practical skills conveyed in companies according to curricula and procedures drawn up and agreed to by the unions, employers and the government. In the United Kingdom, training is the responsibility of individual companies. Government policies aimed at reducing youth unemployment, like Youth Training, or at increasing labour mobility, like

National Vocational Qualifications, have taken over from earlier traditions of apprenticeship training in the 1980s, which were marked by neo-corporatist policy patterns.

The media production industry is a growing sector in both countries. The production of movies, fictional drama, series and documentaries for broadcasting and cinema release is of growing economic importance since the audio-visual mass media has changed its overall character from being a domestic public service into an international entertainment industry. Audio-visual media products are globally traded, and we can see American movies alongside German series and British documentaries on television every day. Despite this global flair, however, the industry is rooted in national economies and operates within national institutional settings. In both the UK and Germany, the industry's labour market has expanded in line with the increasing amount of domestic programme production over the last decade and a half. It has been transformed from the dominant internal labour markets within broadcasting houses during the monopoly of public broadcasting into an external labour market with public and private broadcasters and many small production companies with a demand for skilled employees. The labour force is marked by atypical forms of employment with a high degree of short-term and freelance employment. In the 1990s, the combination of externalisation, growth, and freelance employment has challenged actors in both countries alike in searching for a solution for providing the industry's workforce with the training and skills necessary for competitive production.

Comparing the formation of institutions for training and skill provision in the two countries will provide important clues for evaluating the proposed institutional complementarities of the varieties of capitalism literature. Does the media production industry diverge in its institutional solutions to skill provision despite similarities in other respects? Does the respective industry reproduce the institutional set of its national parent? If yes, can we say something about the causes for this reproduction? Reacting to the incentives of the national political economies, we would expect the British industry to adapt a market solution of skill provision while the German industry can be expected to adopt a co-ordinated solution. By looking at the formational history and the implementation of the adopted institutional solutions, the empirical test of these predictions will allow us to evaluate potential causal mechanisms behind the reproduction or divergence from national institutional configurations.

### ***Structure of the Thesis***

The thesis is divided broadly into three parts. In the first part, I describe the history of the industry in the UK and Germany and its regulatory framework (chapter 1). Using data from

company interviews and statistical information, the industry's current economic and employment structure, its product market and the production model of project production are discussed next (chapter 2). In order to gain an understanding of the political economy of skill provision, the second part will discuss human capital and institutional labour market models (chapter 3). This will allow me to compare the national institutions governing training in the UK and Germany (chapter 4). In doing this, I will distinguish between two separate parts of an occupational labour market, namely job titles and joint supply. Job titles co-ordinate labour market exchanges, the organisation of work within production, and the labour market entry of trainees and young industry entrants. Joint supply of skills governs the successful provision of transferable training. This distinction allows us to capture the potentially competing dynamics of work organisation and vocational education and training in shaping labour market institutions. In a homogenous occupational labour market, these areas are in harmony and endorse the same job titles. The specific organisation of work in the media production industry, on the one hand, and national systems of joint supply, on the other hand, may promote different job titles, however. If, due to the complementarities suggested by the varieties of capitalism literature, the media production industry is drawn towards the national joint supply regime, it may have to give up its job title regime. In contrast, the industry's interest in an efficient organisation of work may require it to emancipate itself from the national system of joint supply to protect its job titles. Institutional efficiencies can thus vary according to emphasis on joint supply or smooth organisation of work. This rivalry between work organisation and national training institutions in influencing job titles and joint supply are discussed as technological, societal and hierarchical embeddedness. They supply us with the necessary tools to understand the mechanisms of institutional formation in our cases (chapter 5). In the third part, I will discuss the job title and joint supply regimes and their interdependencies with the respective national institutions in the two countries. On the basis of survey data and interview results, the industry's traditional job title regime, its informal training practices and the governance of labour market exchanges will be presented first (chapter 6). Following this, the joint supply solutions in each of the cases can be evaluated (chapter 7). Here surprising results emerge. Against all expectations, the UK industry has introduced a co-operative solution for skill provision; and the German industry has found an unexpected way to accommodate different job designs in vocational training and work organisation respectively. In the conclusion, I propose to view institutional reproduction not as a result of efficiency promoting complementarities but as a consequence of actors' attempts to reduce uncertainty and to find institutional solutions that are considered legitimate.

## THE REGULATION AND HISTORY OF THE AUDIO-VISUAL MEDIA IN THE UK AND GERMANY

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This chapter will lay the ground for the analysis of the media production industry's training and labour market patterns by defining the industry's borders and describing its regulative framework and history. It will start with a definition of the media production industry and its boundary to neighbouring industries and economic activities. In a second part, it will establish the industry's development over time and describe its present regulative framework and ownership structure.

### DEFINITION OF THE MEDIA PRODUCTION INDUSTRY

In order to define the "media production industry", let me begin with the term "industry". Hollingsworth, Schmitter and Streeck have defined industries as "[...] a population of firms producing a specified range of potentially or actually competing products" (Hollingsworth, Schmitter and Streeck 1994: 8).<sup>1</sup> The authors argue that industries must become the key unit for comparative analysis as they effectively constitute the borders for product competition and factor mobility. In this and the ensuing chapters, I shall use this definition. Consequently, I will use the criteria of product competition and factor mobility in order to review definitions of the media production industry's borders.

The Oxford English Dictionary's ambiguous definition of media is "newspapers, radio, television, etc., collectively, as vehicles of mass communication." Accordingly, "media" comprises the contents as well as their distribution, and "media production" denotes the activities that are involved in producing these vehicles of mass communication, i.e. for example journalism, printing, radio moderation, camera handling and broadcast engineering. In terms of factor mobility and product competition, this list of media creates hazy borders. Newspapers, radio and television programmes are generally seen today as non-competing products at the point of consumption. Yet in terms of advertising, they may in fact attract the same customers and thereby constitute competing businesses with respect to advertising revenue. In addition, the Internet is widely seen as constituting considerable actual and potential competition for all three traditional media and may thus have to be included in the list of vehicles of mass communication. Moreover, in terms of ownership, all these media are more often than not combined under the roof of one company, which usually extends its reach

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<sup>1</sup> Note that what I call 'industries' they call 'sectors'.

also into book publishing and popular music, areas which are not included in the dictionary's list. As far as factor mobility is concerned, journalists may work for newspapers, the television and the radio at the same time or at different stages of their career. Yet camera men or make-up assistants are only needed in the television medium and in the movie picture industry. Actors may appear on theatre stages, in television productions and movies, but there are usually no newspaper off-set printers involved in any of these. Thus, the mobility of different groups of employees spans across different sub-elements of the media as defined above. Likewise, not all capital equipment is mobile across all of the above-mentioned elements. The capital of a newspaper cannot be transferred to a radio station without losing much of its productive value, whereas that of a television studio may still be of some use for producing a radio show or, indeed, making a movie.

Following the broad definition of a dictionary may thus be more confusing than clarifying. In the following, I will therefore discuss more elaborate definitions of the media production industry. It will become clear, however, that these definitions cannot entirely escape the definitional problems outlined in the previous paragraph either. All of the following definitions use the criteria of product competition and factor mobility only implicitly, if at all. They either spring from statistical research on the industry so that the definition is primarily a declaratory one which is dictated by the criteria for data collection. Or they have their origin in functional criteria slightly different from those of Hollingsworth et al.

One functional definition comes from Skillset, the British training organisation for broadcast, film and video. It is based on a Eurostat definition, which describes the "audio visual industry" as all "economic activities related to the design and production of sound and image signals which are stored and transmitted to the audience by different information technologies (film, TV broadcasting, video tapes or other video storage technologies" (Caple and Melbourne 1997: 1; European Commission 1998: 1). From this definition, the Skillset authors more specifically designate seven sub-industries as belonging to the "broadcast, film and video industry". These are (1) audio-visual production, (2) TV broadcasting, (3) radio broadcasting, (4) multimedia, (5) audio-visual distribution, (6) cinema and (7) direct satellite and cable (Caple and Melbourne 1997: 3). According to the authors, the first four sub-industries belong to the category 'production', the fifth sub-industry constitutes the category 'distribution', while sub-industries (6) and (7) make up the category 'audience contact'. Most notably, Skillset's definition excludes the newspaper branch. It includes, however, multimedia production, an activity dependent on information technology but close in content to television, radio and cinema. It also comprises the cinema itself, including production as well as

distribution and theatres. The exclusion of newspapers and the inclusion of multimedia and cinema makes the definition more homogeneous in terms of product competition than that of the Oxford Dictionary. As a result, four products reside in the industry: radio services, television services, multimedia services and movies. At the same time, however, there are three distinct and separate activities which inhibit any factor mobility: the production of the products, their technical distribution, and the presentation to the consumers. Consequently, the criterion for including these three activities in the industry is their interdependency in terms of the production process. Without the respective transmission facilities, no broadcaster can send a programme, and without the necessary technical and sales facilities, no cinema or satellite provider can enter the business. And most of all, without the production facilities for making the raw material, i.e. the sound and image signals, neither the broadcaster nor the cable or the cinema provider will be able to provide anything.

Irrespective of this interdependency, the DIW (Deutsches Institut für Wirtschaftsforschung) defines the industry differently and more narrowly. In contrast to Skillset, their data collection on the German "broadcasting industry" includes only the broadcasters and their in-house production facilities, spanning across the television and the radio medium (DIW et al. 1998: 34). It does not include multimedia, cinema or independent production companies. In another data set on the German media production industry, Böckelmann defines the industry as including the television and radio broadcasters plus the independent movie and television producers and the attached service providers (Böckelmann 1995: 1). His data does not include multimedia or cinema theatres, however. Thus, this definition takes the interdependency of the production process into account without exploring the complete spectrum of the product market as was done in approximation by Skillset.

These different definitions can be displayed according to the groups and classes of the Standard Industrial Classification of Economic Activities, last updated in 1992 (SIC92). SIC92 classifies business establishments by the type of economic activity in which they are engaged and tries to cover all of them, if only by residual category. SIC92 is used by the British Central Statistical Office. Like all national classifications of this kind in the European Union, it is designed to comply with Eurostat's standard, the *Nomenclature générale des activités économiques dans les Communautés européennes (NACE)*. It is thus identical to Germany's equivalent, the *Klassifikation der Wirtschaftszweige*, issued by the *Statistisches Bundesamt* in 1993 (*WZ93*). All of these are compatible with the International Standard Industrial Classification of All Economic Activities (ISIC), published by the United Nations and last updated 1989. All the above-mentioned classifications are organised in a hierarchical

order, starting with sections (A) and sub-sections (AB), then going to divisions (AB 10) and groups (AB 10.1), and ending with classes (AB 10.10) and sub-classes (AB 10.10.1) (Mears 1992: 166).

For our purposes, the sections are only important in so far as all possible parts of the media production industry are found in service industries, namely section K, "real estate, renting and business activities", and section O, "other community, social and personal service activities". As for the divisions, we are mainly interested in division K 72, "computer and related activities", and in division O 92, "recreational, cultural and sporting activities". The groups, classes and sub-classes which allow us to organise the media production industry and according to which the presented definitions differ are shown in table 1.1.

SIC92 groups / classes / sub-classes		European Commission Audio-visual sector	Skillset Broadcasting, film and video sector	DIW Broadcasting industry	Böckelmann Broadcasting and allied activities industry
92.11	motion picture and video production	+	+		
92.11.1	production of cinema movies	+	+		+
92.11.2	production of TV films	+	+		+
92.11.3	production of advertisement films	+	+		
92.11.4	other film production	+	+		+
92.11.5	technical support activities	+	+		+
92.12	motion picture and video distribution	+			+
92.13	motion picture projection (movie theatres)	+	+		
92.20.1	TV and radio broadcasting	+ (excl. radio)	+	+	+
92.20.2	production of TV and radio programmes	+ (excl. radio)	+	+	+
62.20	TV and radio transmission by satellite/cable	+			
72.60	other computer related activities (multimedia design and production)		+		

Table 1.1: SIC92 classes for defining the media production industry

Sources: Central Statistical Office 1992; Caple and Melbourne 1997: 2-3; DIW et al. 1998: 34; Böckelmann 1995: 2-7; European Commission 1998: 1

Table 1.1 shows how the different definitions of the industry overlap with each other. The most restrictive definition is that of the DIW, covering only the broadcasters and their



production facilities. The most extensive one is that of Skillset, primarily because it also includes multimedia.

In order to arrive at a definition of the industry for this work, it will be necessary to find a definition somewhere between these two. As we are interested in training institutions and labour market structures, the definition will have to take primarily recourse to the criterion of labour mobility while, at the same time, taking account of production interdependencies, as they form an important precondition for the mobility of labour. For our purposes then, the main defining criteria must be whether employees have to undergo an industry specific training and whether they are essentially confined to the industry for finding employment. Product competition, in contrast, is only of minor importance. Thus, the definition of the media production industry will comprise the following areas:

- The class of motion picture and video production with all its sub-classes (92.11.1-5)
- The class of radio and TV broadcasting with its two sub-classes of radio and TV broadcasting and production of TV and radio programmes (92.20.1-2)

Multimedia (72.60) will be excluded from our definition. It would open up a whole new field of occupations that are scarcely employed in any other field of the media production industry. Likewise, motion picture projection (92.13) and motion picture and video distribution (92.12) will not be part of the definition. The occupations employed there are either of a general managerial or of a general sales character and do not specifically relate to the media production industry. As a result, the media production industry resembles Böckelmann's broadcasting and allied activities industry, with the one exception that the distribution of motion pictures and videos is not part of it. If the other definitions are used in the following, this is done in order to designate the respective industries as they are described in table 1.1.

In terms of occupations, the definition of the media production industry produces a range which is mostly specific to the industry and, at the same time, largely of a technical and not of an artistic nature. A list of the occupations in the industry is given by the Skillset authors. Adapted to our definition, the relevant occupations are: Animation, art and design, broadcast engineering, capturing still and moving images, costume/wardrobe, editing moving images, film processing, lighting, make-up/hairdressing, production and direction, properties, research/editorial, set crafts, sound recording and reproduction, special physical effects, and studio operations (Caple and Melbourne 1997: Annex B). It is important to note that this list does not include journalists, script writers, actors and entertainers. The latter three are not included because, although they more often than not do undergo professional training, their

employment is more dependent on talent than on training. For the same reasons, these occupations usually have a strong position on the labour market.<sup>2</sup> Journalists are not included because their training is, as a result of the legal interpretation of the constitutionally guaranteed right of free speech, protected from regulation in Germany (Bamberger 1986: 36). This makes it difficult to analyse the training structures for journalists in Germany in terms of the collective action vocabulary proposed in this study. Thus, I decided to drop journalists from my list of occupations.

Despite all the definitional effort, there may still be cases in which it will be hard to distinguish certain economic activities and various occupations as strictly belonging within or outside the media production industry. For all practical purposes, however, the definition outlined above should suffice. The media production industry, then, is that economic activity which is occupied with all non-artistic areas of producing and broadcasting sound and image signals.

### **THE MEDIA PRODUCTION INDUSTRY IN THE UK AND GERMANY: HISTORY AND MARKETS**

In order to place the media production industry in its economic environment, it will be necessary to give a selective account of the industry's history. In virtually all countries, broadcasting is historically an area of comprehensive government regulation. As the first transmission services grew out of the telegraph and post offices of the 1920s, they inherited the post office's monopoly character. And with the monopoly character, there came a strong regulative framework of the government (Humphreys 1996: 112-116). This regulatory framework has varied over time and still varies according to the political system and the dominant ideology to which the broadcasting system is subjected. Yet in general, the regulation has decreased over time and the broadcasting systems have increasingly been released from government control. When looking specifically to the UK and Germany, the last two decades have probably seen the most far-reaching deregulation of their respective broadcasting systems (Gellner 1990; Hoffmann-Riem 1996). The reasons for this are technical innovations as much as shifts in government, both of which have allowed market forces to enter the formerly monopolistic broadcasting industry. At the same time, however, a core of regulation, which has its roots in the right to freedom of speech and in liberal competition policies, has persisted into our days. The following will serve to describe the co-

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<sup>2</sup> In Hollywood, however, where there is a plentiful supply of script-writers and actors, the situation may be different. In fact, Paul and Kleingartner describe how the guilds of these two professions protect their labour

existence of market and regulation in the two countries' broadcasting systems for the post-war period. As I approach the present time, the account will become more detailed in order to shed light on the changes in the regulatory framework that possibly have had an effect on the labour market structures this study is interested in. I shall begin with the broadcasting system of Germany and then cover that of the UK.

### **Germany**

The re-organisation of broadcasting in Germany after the Second World War was fundamentally influenced by the allied occupational powers and, to a lesser extent, by the traditions of the Weimar Republic. The period of centralised state broadcasting which was introduced as one of the first measures after Hitler and the National-Socialist party had taken over power in Germany in 1933<sup>3</sup> found its end with the destruction of most of the technical facilities during the invasion of Germany and the capitulation of the totalitarian German state on May 8, 1945. In the immediate post-war period until 1948, the broadcasting system in the British, French and American sectors in Germany<sup>4</sup> was controlled and organised by the respective military governments (Schuler-Harms 1998: 134). In 1948 and 1949, the parliaments of the newly founded *Länder*, the regional states, passed laws for the creation of several broadcasting corporations on the territory of the not yet founded Federal Republic of Germany. With the creation of these *öffentlich-rechtliche Anstalten*, the equivalent of public corporations, the *Länder* parliaments fulfilled the requirements of the allied military governments to establish a broadcasting system which is independent from the government and also decentralised (Bausch 1980: 18). Six of these public broadcasting corporations had started their operations by 1949, by 1956 the number had increased to nine. When, in 1955, the Federal Republic of Germany was granted full sovereignty as a state, it was given back the control of the technical transmission of broadcasting signals, which, in the interim, had been under the control of the allied high commissioners. This led to separate competencies and a power-sharing arrangement of the federal state and the *Länder* with respect to broadcasting. The public broadcasting corporations of the *Länder* were firmly in place by 1956, the only competence left to the federal government in terms of broadcasting policies was that of the maintenance of the technical transmission facilities. Incidentally, this separation of competencies dates back to the Weimar Republic when the *Länder* had to fight for their

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market interests in Hollywood (Paul and Kleingartner 1994).

<sup>3</sup> For a description of broadcasting during the Nazi-Regime, cf. Diller (1980)

<sup>4</sup> The broadcasting system of the Soviet sector and the German Democratic Republic will not be considered here. For information, cf. Fuchs 1988.

participation in the upstarting broadcasting activities by invoking their exclusive competencies in cultural affairs (Lerg 1980: 223). In the Federal Republic, the *Länder's* traditional competence in cultural affairs coincided with the plans of the allied military governments to keep broadcasting as far as possible away from the federal government. This distribution of competencies between the *Länder* and the federal government in favour of the former has been a central element of Germany's broadcasting system ever since and is recurrently subject to political and legal disputes (Schuler-Harms 1998: 138-139). It is also the driving force behind the so-called *Standortwettbewerb*, the competition among *Länder* to attract media businesses (Hoffmann-Riem 1996: 349). After the break-up of the public broadcasting monopoly, the *Länder* held the competencies for drawing up the regulatory framework for private broadcasting. Accordingly, each Land is responsible for licensing those private broadcasters which set up their physical offices on its territory, although the broadcasters are then able to broadcast nation-wide (Hoffmann-Riem 1996: 128). In times of terrestrial broadcasting, this regulatory competency was used in order to enforce cultural or other content standards through control over the limited number of frequencies (Mai 1998: 106). With the arrival of satellite and cable broadcasting and the increasing economic importance of the audio-visual sector, however, it became the regulatory basis for an ongoing competition between the German federal states to attract media businesses to their states through regulatory incentives. What has its roots in the cultural autonomy of the regional states has thus become a means for competing for the economic potential of media businesses. The public broadcasting corporations founded until 1956 were: *Norddeutscher Rundfunk* for the *Länder* Hamburg, Niedersachsen and Schleswig-Holstein, *Westdeutscher Rundfunk* for Nordrhein-Westfalen, *Bayerischer Rundfunk* for Bavaria, *Hessischer Rundfunk* for Hesse, *Radio Bremen* for Bremen, *Süddeutscher Rundfunk* for Baden-Württemberg, *Südwestfunk* for Baden-Württemberg and Rheinland-Pfalz, *Saarländischer Rundfunk* for Saarland, and *Sender Freies Berlin* for Berlin. In 1950, these corporations founded the *Arbeitsgemeinschaft der öffentlich-rechtlichen Rundfunkanstalten der Bundesrepublik Deutschland (ARD)*, a co-operation for producing a joint television channel. In 1954, the channel started to be broadcast across the Federal Republic. In 1959, the ARD corporations decided to initiate an additional television channel, which, in 1964, started to broadcast as the "third channel", produced and broadcast by each corporation individually for their regions and occupying the third slot in the TV-sets at home. The actual "second" channel came into existence only after a long dispute between the *Länder* and the federal government about a television channel that was intended by the federal government to be produced on the federal level. It ended with a decision of the

Federal Constitutional Court against the federal government of Chancellor Adenauer (BVerfGE 12, 205). As a result, the *Länder* regained the initiative and created another public corporation to produce the second nation-wide television channel in 1961. Both the corporation and the channel are called *Zweites Deutsches Fernsehen (ZDF)*. The ZDF began broadcasting across the Federal Republic in 1963. The three television channels, ARD, ZDF and the regional channels, as well as the regional radio stations, formed the broadcasting system until the early eighties when technical innovations and a new government initiated its opening up to private broadcasters. Before describing the evolution of private competitors to the public corporations though, it will be helpful to further elaborate the regulatory framework between government and broadcasting corporations that has been formed over the formative years of the Federal Republic as well as its basic principles which are still applicable with respect to public corporations and private broadcasters.

### ***Regulation***

The Federal Constitutional Court was instrumental in forming the regulatory framework of the German broadcasting system. Beginning with the ruling on the second television channel, the court has developed and established numerous principles for broadcasting regulation in consecutive rulings. The focal point of these rulings is Art. 5 of the German *Grundgesetz*, the constitution, in which the freedom of speech, which includes the freedom of broadcasting, is split into two rival elements that create some ambiguity concerning the role of the state, be it in the form of the federal or the *Länder* governments. On the one hand, citizens have to be protected from state intervention, on the other hand the government is given the duty to guarantee the freedom of speech by promoting a plurality of publicised opinions. The Constitutional Court has ruled that this tension has to be resolved by a control regime that subjects the broadcasting providers to organisational rules and rules of conduct - but not to rules concerning personnel or content - in order to guarantee a pluralist broadcasting structure (BVerfGE 57, 295).

In order to achieve such a control regime, the *Länder* governments must choose between an organisation with internal pluralism and an organisation with external pluralism. Internal pluralism describes an organisation which has a control committee in its own ranks. This is true for the public broadcasting corporations of the ARD and for the ZDF. Their so-called broadcasting or television councils (*ARD-Rundfunkräte, ZDF-Fernsehrat*) are constituted by

representatives of relevant groups of the society.<sup>5</sup> Their function is to supervise the corporations' programme contents and to guarantee the presence of a plurality of opinions in it so as to produce a programme that serves the general good. They have budgetary powers and elect the *Intendant*, the chief executive, of the public corporations. They also advise the *Intendant* in matters of programme content and execute an ex-post control on the programming. External pluralism applies with respect to the control of private broadcasting providers. There, the decisive criterion is not the plurality of opinions in one programme but the plurality of channels with potentially different contents. The Constitutional Court has ruled that the *Länder* parliaments have to set up non-state, external and pluralistically constituted control institutions to guarantee "balanced plurality" (*gleichgewichtige Vielfalt*) among the private broadcasters (BVerfGE 73, 118). These control institutions are the so-called *Landesmedienanstalten*, the state media authorities, which operate in every *Bundesland*. Like the broadcasting and television councils, the bodies' councils are constituted by representatives of various groups in society. Together with the bodies' executive committees, the councils have the responsibility for licensing private broadcasters and continuously controlling their programmes.<sup>6</sup>

In addition to the supervision of the programme plurality in terms of content, the bodies are also responsible for supervising the private broadcasters in terms of ownership concentration. As the broadcasters were mostly operating on a national scale, it soon became clear that the state media authorities had to co-operate and co-ordinate their policies for an efficient content and ownership control. For that purpose, the *Länder* created co-ordinating institutions which bear most of the responsibilities of content and ownership control today. The two most important ones, which are entitled to give directives to the individual media bodies, are the *Direktorenkonferenz der Landesmedienanstalten (KDLM)*, the bodies' directors' conference, and the so-called *Kommission zur Ermittlung der Konzentration im Medienbereich (KEK)*, the commission for the investigation of ownership concentration in the media industry (Schuler-Harms 1998: 150).<sup>7</sup> From 1987 onwards, the *Länder* have regularly updated their common media policy in the form of a contractual agreement, the *Rundfunkstaatsverträge*. The *Länder*

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<sup>5</sup> The respective media laws of the *Länder* parliaments define which group is relevant and which is not, cf. Ring 1999. The standard range includes political parties, trade unions, business and craft associations, the churches, environmental organisations, the cities' confederation and others.

<sup>6</sup> For a critical discussion of the media bodies licensing policies which are often not only influenced by criteria of content plurality but also by regional economic interests see the above discussion of *Standortwettbewerb* and Wagner 1990; Herkströter 1994; Humphreys and Lang 1998.

<sup>7</sup> Since 1996, the threshold for extensive and therefore unlawful concentration in the broadcasting industry is set at 30%. That means that no company is allowed to have shares in broadcasters which together would exceed an annual average of 30 percent of the audience, cf. for details Ring 1999.

have set out principles in these agreements for, inter alia, the funding of the state media authorities, their obligatory co-operation, the adaptation to EU directives and the control of ownership concentration. In the 1991 agreement, the public broadcasting corporations also managed to obtain a guarantee from the *Länder* governments for their further existence and development in financial and organisational terms.

### ***Funding***

The public broadcasting corporations are funded by a combination of fees and advertisement revenues. Fees are raised from all households with a TV set and/or a radio and traditionally correspond to roughly 80 percent of the budget of the ARD corporations and for roughly 60 percent of the budget of the ZDF (Ridder 1997: 310). Every other year, the fees are set by a unanimous decision of the *Länder* governments, following the recommendation of an independent commission of experts, the so-called *Kommission zur Ermittlung des Finanzbedarfs (KEF)*, which is itself based on the budget proposals of the broadcasting corporations. In addition to the funding of the public broadcasting corporations, the fees are also used for funding the state media authorities which supervise the private broadcasters. For raising revenues from advertisement, the public broadcasters are subject to strict regulations.<sup>8</sup> Here as well, the Federal Constitutional Court has established principles regarding the extent to which public broadcasters are allowed to make use of advertisement as a source of funding: Advertisement funding must not lead to a situation where the broadcasters' responsibility for the basic supply of the audience is endangered by the need to extend the programmes' scope in order to raise advertisement revenues (BVerfGE 83, 238).<sup>9</sup> For private broadcasters, advertisement revenues are the main source of income. Other sources of income are sponsoring and, for the still existing pay-TV channels, subscription fees. For advertisements and sponsoring there is a minimum regulation, which, for example, limits the daily ratio of advertisements to programme time to 20 percent and obliges broadcasters to identify sponsors clearly and continuously (for more details, cf. Ring 1999). Otherwise, private broadcasters are free in the placement and the amount of advertising they integrate into their programmes.

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<sup>8</sup> The total time of advertisements in the ARD and ZDF channels must not exceed 20 minutes per day. No advertisements are allowed weekdays before 5.30 pm and after 8 pm and none at all on Saturdays and Sundays. In addition, no advertisements are allowed in the regional third channels of the ARD corporations.

<sup>9</sup> Whether the public broadcasters always abstain from the temptation to sacrifice quality for quantity is debatable; cf. for example Rohnke 1997: 506, who praises the early evening soaps of the ARD as high-quality, yet, at the same time, as being especially designed to attract advertisement budgets from the industry.

### **Ownership**

An overview over the public and private broadcasters and the programmes which they presently supply to the audience will end this section on Germany. With respect to public broadcasting corporations, their number has changed in recent times. In 1991 and 1992, as a result of Germany's unification, the number of ARD corporations increased from nine to 11 with the foundation of the *Mitteldeutscher Rundfunk* for Saxony, Saxony-Anhalt and Thuringia, and the *Ostdeutscher Rundfunk Brandenburg* for Brandenburg. In 1997, the number decreased again by one to 10 as the *Süddeutscher Rundfunk* and the *Südwestfunk* merged in order to create the new public corporation *Südwestrundfunk* for the *Länder* Baden-Württemberg and Rheinland-Pfalz (Matzen 1998: 270). The ARD corporations produce the "first", television channel, eight regional, the "third", TV channels, two nation-wide radio stations (Deutschlandfunk / Deutschlandradio) and 55 regional radio stations (Hickethier 1998: 198). The ZDF corporation produces the "second" television channel. ZDF and the ARD corporations co-operate in producing the nation-wide *Kinderkanal*, a children's channel, and *Phoenix*, a parliamentary channel. In addition, they take part in the international public broadcasters' co-operation which produces and broadcasts *Arte*, the French-German channel, and *3sat*, a joint channel of the Austrian, Swiss and German public broadcasters.

In private broadcasting, the number and content structure of transmitted programmes has varied considerably over the years. As the programmes are dependent on advertisement revenues and the audience numbers do not increase significantly anymore, the broadcasters' attempt to extend the audience scope of their programmes has increasingly turned into a zero-sum-game where one channel can only increase its audience at the cost of another channel (Stolte 1999: 9). As a result, various channels have changed their name and contents (for example *Deutsches Sportfernsehen (DSF)*, which formerly was *Tele 5* and even before that was called *musicbox*), or continuously change their content structure in order to find a viable niche in the market (*VOX*, for example, has changed from being a news programme into a straightforward fiction/entertainment channel). Nevertheless, there is a number of channels and broadcasters which has evolved over the years and which constitute the core of private broadcasting in Germany. On the one hand, there is the RTL-Group, which is owned by German Bertelsmann, French Groupe Bruxelles Lambert/Audiofina and British Pearson Plc. On the other hand, there is the conglomerate of Leo Kirch which underwent major restructuring during 1999 and again in 2002. It is mainly owned by him and his son, with minority stakes held by the Axel Springer publishing house and others. The parent company, KirchHolding, comprises ProSieben SAT.1 Media AG, KirchMedia, KirchPayTV and



KirchBeteiligungen. These two groups are responsible for the three most popular private channels. RTL-Group produces *RTL*, and Kirch broadcasts *SAT 1* and *Pro Sieben*. These channels have existed since the mid or late 1980s. In addition, there are 14 national channels and 32 regional or local television channels (Hickethier 1998: 204).<sup>10</sup>

Private Companies	Channels	Public corporations	Channels
KirchHolding GmbH (Leo and Thomas Kirch, Axel Springer-Verlag, BskyB, Fininvest, Rewe AG)	SAT 1 Pro Sieben Kabel 1 DSF N24 Premiere (pay TV)	ARD	Das Erste
RTL-Group (Bertelsmann, Audiofina, Pearson)	RTL RTL 2 SuperRTL VOX	ZDF	ZDF
other	n-tv VIVA 1 VIVA 2 MTV Germany	ARD corporations	Dritte Programme (8)
		ARD/ZDF	Kinderkanal PHOENIX
		ARD/ZDF + public broadcasters from F, A, CH	ARTE 3sat

Table 1.2: Main TV channels of private and public broadcasters in Germany in 2001  
Sources: Röper (2001); Hickethier (1998)

Table 1.2 gives an overview of the channels and the broadcaster group they come from. The ownership structures in German private broadcasting are marked by a high degree of cross-ownership and nontransparency. This is the result of German ownership concentration regulations that were in effect until 1996 and which, inter alia, restricted the quota of shares any company could have in a broadcaster to below 50 percent (Schuler-Harms 1998: 147). As a result, every broadcaster had at least three companies as shareholders, a situation that is still reverberating, even since the ownership regulations were liberalised in 1996. Thus, ownership extends well beyond these three groups mentioned above and includes German publishing houses (WAZ, Holtzbrinck, Heinrich Bauer, Burda), and also foreign investors such as Rupert Murdoch, Silvio Berlusconi and CNN's Ted Turner (Röper 1997, 2001).

In our context, it is also important to note that the companies engaging in private broadcasting also have a considerable stake in media production facilities. Both RTL and Kirch have increased their control of the production chain and have large stakes in production facilities in

<sup>10</sup> The number of private radio stations is estimated at 180, including nation-wide, regional and local ones (Seufert 1998: 158).

Berlin, Cologne and Munich respectively (Pätzold and Röper 1999). RTL-Group's Grundy UfA in Babelsberg, just outside Berlin, is the largest producer of cinema and television fiction in Germany. Kirch's production companies, which are mainly located in Unterföhring in Munich, are a close runner up (Röper 2001: 7). In Cologne, RTL-group's CLT/UfA owns several supplier and studio services companies and Kirch has recently opened a large service centre for digital television in Munich (*ibid.*: 6, 10). Axel Springer, WAZ and Heinrich Bauer also engage in television productions (*ibid.*: 18, 20, 25, 27). Besides the vertical concentration, there is also a trend of increasing horizontal concentration in the production branch. Dutch-owned Endemol, Bavaria Film, Studio Hamburg, RTL Group's CLT/UfA and Kirch's Neue Deutsche Filmgesellschaft are the five biggest companies in Germany and have increased their production volume and scope in recent years by taking over or taking shares in smaller competitors (Pätzold and Röper 1999).

This section has focused mainly on the history, the regulation and the present structure of the German television, and to a lesser extent, the radio broadcasting industry. What is still missing in this account is specific information on the economic importance of the media production industry, data on employees and on firms, and also information specifically focusing on production instead of on broadcasting patterns in Germany. Before attempting to provide this kind of information, however, I will first discuss the UK's broadcasting industry in terms of history, regulation and present structure.

## THE UNITED KINGDOM

The broadcasting system of the United Kingdom has evolved more steadily than the German one throughout the century. In 1927, the British Broadcasting Corporation started to operate as the publicly instituted successor of the privately run British Broadcasting Company which itself had been founded in 1922.<sup>11</sup> Since then, the BBC and the concept of public service broadcasting have been the focal points of the British broadcasting system and continue to constitute the framework for any debate on broadcasting in the UK. The following discussion will thus revolve around these two themes, the BBC and public service broadcasting, in addressing the historical evolution of the regulatory framework and its subjects, the broadcasters, in the UK.

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<sup>11</sup> For an account of the history of the British Broadcasting Company, cf. Burns 1977: 1-11

### ***The Sykes and Crawford Committees***

The foundation and evolution of the BBC as a public corporation in particular and British broadcasting in general was guided by a succession of committee reports that set out the principles and boundaries of public service broadcasting which the BBC, and later the other broadcasters, had to respect.<sup>12</sup> The committees convoked by the respective governments of the day issued recommendations which then led to distinct government policies towards the broadcasters.

Broadcasting was organised as a monopoly, even in times of the BBC's company status, because transmission frequencies were scarce. The Sykes Committee (1923) judged this monopoly as being in need of government regulation. The Crawford Committee (1926) refined this judgement by arguing that although the monopoly must be regulated, the regulation must not be exercised directly by the government. Consequently, any regulation had to be autonomous and independent (Seymour-Ure 1996: 60-61). In its report on the management, control and finance of the British Broadcasting Company, the committee recommended that broadcasting "should be conducted by a public corporation acting as a trustee for the national interest" (Report of the Broadcasting Committee 1926, quoted in MacDonald 1993: 3). As a result, what was formerly a company became the British Broadcasting Corporation, based on a Royal Charter which defined its *raison d'être* as being an institution of public service (Humphreys 1998: 348). The BBC's organisation reflects an arm's length approach to regulation: The government conveys the Royal Charter and the accompanying licence to the BBC, sets the licence fee and appoints, through the Queen in Council, the BBC's Board of Governors. Although this implies considerable formal powers for the government, for example in the form of the theoretically possible withdrawal of the licence, the actual political practice remains well within these outer limits of government control. The Board of Governors, which legally forms the corporation, plays a crucial role in conserving a high degree of autonomy from influences outside the organisation. The twelve Governors are appointed according to their proven independence, competence and qualification in dealing with public matters and serve for a period of five years (*ibid.*: 348). In its interpretation of the national interest, the Board performs a controlling as well as a protecting role towards the organisation. On the one hand, the Board reviews the programme and is responsible for nominating the executive posts of the organisation, most importantly that of the director-general, i.e. the chief-executive, of the BBC. On the other hand, it protects

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<sup>12</sup> The Committees named after their respective chairmen were: Sykes (1923), Crawford (1926), Ullswater (1936), Beveridge (1951), Pilkington (1962), Annan (1977), Peacock (1986).

the corporation from outside pressures by explaining and justifying its work. Negrine (1985) argues that because of the government's nomination of the Board, it can be seen "[...] either as a buffer between the state and the broadcasters or as an indirect mechanism by which the state can exert control over broadcasting" (ibid.: 17-18). Seymour-Ure (1996), however, asserts that the Governors' role as intermediaries "[...] meant protecting the broadcasters from politicians and pressure groups more than the other way round" (ibid.: 62).

The public service idea extends to programming. The BBC's charter stated the requirement that public service broadcasting should "inform, educate and entertain". This was open to interpretation by every director-general. John Reith, BBC's first director-general, set out the basic principles: "[The BBC is] dedicated to the maintenance of high standards, the provision of the best and the rejection of the hurtful. It is occasionally indicated to us that we are apparently setting out to give the public what we think they need - and not what they want - but few know what they want and very few what they need" (John Reith, quoted in Burns 1977: 36). Although this paternalistic view of public service has not remained unchallenged throughout the BBC's history<sup>13</sup>, it was the first manifestation of a lasting commitment to high quality programming. In 1985, in a report entitled "The Public Service Idea in British Broadcasting" and submitted to the Peacock Committee, the Broadcasting Research Unit recommended that "[...] broadcasting should be structured so as to encourage competition in good programming rather than for audience numbers" (BRU 1985, quoted in Seymour-Ure 1996: 68). In practice, this meant, on the one hand, strong news services and documentaries which report independently and impartially (Seymour-Ure 1996: 65). On the other hand, it meant comprehensive funding via licence fees in order to protect the BBC from commercial pressures of diluting the programme standards in favour of more popular programmes (Negrine 1985: 18).

### ***The Beveridge Committee***

In the 1950s, the BBC's monopoly was challenged by the introduction of Independent Television. The Beveridge Committee, which published its report on the regulation of television broadcasting in the UK in 1951, reiterated the commitment to the BBC's monopoly

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<sup>13</sup> The report of the Annan Committee (1977) points at the problems which the erosion of social cohesion and unity and the growth of divisions within society produce for a notion of public service that has a cemented and normative image of Britain and what it stands for: "The questions which the public were now asking about broadcasting were [...] more critical, more hostile and more political" (Lord Annan 1977: 8, quoted in Negrine 1985: 21). The report thus "[...]rejected the notion that a consensus of 'social and moral objectives could be formulated, agreed, and then imposed upon the broadcasters'" (Lord Annan 1977, quoted in Gibbons 1998: 59, cf. also ibid.: 58-64; Burns 1977: 42, for the Reithian ideal of public broadcasting). See also further down the section on the debate around Channel Four.

status and its funding through licence fees. Any alternative solution, according to the Committee, "[...] would bring about a degrading battle for audiences" (MacDonald 1993: 9). At the same time, however, the report included a minority opinion that challenged the BBC's monopoly and argued for the introduction of a commercial television service (ibid.). In subsequent years, the conservative Churchill government adapted the arguments of the sponsors of commercial television and issued two White Papers which developed a broadcasting system that would allow private enterprise broadcasting, yet only under the supervision of a public control organ (ibid.: 10). The Television Act 1954 gave birth to Independent Television (ITV) which started to broadcast in 1955. In contrast to the BBC, it was to be financed solely through advertisement revenues. The Independent Television Authority (ITA), which was renamed the Independent Broadcasting Authority (IBA) in 1972 and which eventually merged into the Independent Television Commission (ITC) in 1990, was created as the public broadcaster that owned the transmitters, appointed the programme companies and issued binding guidelines for programmes and advertising. The ITA split the UK into regional areas and advertised a 10 year franchise for each to individual companies so that one company would hold the ITA franchise for one area. By 1962, all of the UK was covered by ITV, and fifteen companies provided fourteen franchise areas with commercial television. The ITV companies divided their programme time between regional programmes for the individual areas and common programmes that were broadcast across the whole ITV network during peak hours. The ITA had to control that the companies' programmes fulfilled the standards of public service which the Broadcasting Act 1954 had prescribed. ITV also had to "inform, educate and entertain" according to the established standards of "impartiality, high quality, good taste and decency" (Seymour-Ure 1996: 66). The ITA followed the BBC in being a public corporation, led by twelve appointed Board members, which supervised the commercial companies that operated in the franchise areas (Humphreys 1998: 349). Consequently, the BBC and ITV became known as a publicly regulated duopoly, and as part of one public service system (Seymour-Ure 1996: 67-68). Since the competition between them was only for the audience but not for finance, the introduction of competition was regarded not as a threat to programme quality but as a way to ensure "[...] a proper sensitivity to audience needs" (Seymour-Ure 1996: 67).

### ***The Pilkington and Annan Committees***

The Pilkington Report of 1962 initiated a further increase in the number of channels. The committee critically revised the developments of British broadcasting after the introduction of

ITV and recommend the setting up of a second BBC channel. BBC 2, conceptualised as a high-quality niche programme and as a counterbalance to the more "downmarket BBC 1 and ITV" (Negrine 1985: 20), started in 1964. Discussions in favour of a second commercial television channel also began. However, it was only in 1974, when the Annan Committee started its deliberations, that the actual form of such a fourth channel started to take on shape. The recommendations of the Annan Committee reflected a period of profound debate about the purpose and the legitimisation of the broadcasting system in the UK. The main criticism of the traditional duopoly was its lack of openness for and reflection of the more diverse and ever widening range of social and political views in British society. The Annan Committee thus recommended that the fourth channel should accommodate this diversity by allowing for new ideas and experimental programming (ibid.: 25). The Broadcasting Act 1980 of the newly elected conservative government finally set out the details of Channel Four's organisation: It was to be allocated to the IBA, the former ITA, which had to ensure its existence as a minority service with respect to both programme content and financial security. In order to guarantee that Channel Four's programme would, in the words of the Broadcast Act, "[...] appeal to tastes and interests not generally catered for by Service 1 (i.e. ITV 1)" (Bill 139, February 4, 1980, clause 3), it was designed as a so-called publisher broadcaster which would not engage in producing programmes itself but in commissioning programmes from outside. Up to 35 percent was to come from independent producers, the rest was to be commissioned from ITV companies and foreign sources. For realising Channel Four's envisioned minority programmes, reliance on advertisement revenues seemed to be unsuited. Instead, Channel Four was paid by ITV franchise holders who, in exchange, sold Channel Four's advertisement time. The government provided a guaranteed funding of last-resort (Negrine 1985: 26). In late 1982, it started to broadcast.

### ***The Peacock Committee***

The Broadcasting Acts of 1990 and 1996 altered the broadcasting system once again. They were largely influenced by the findings of another Royal Committee, named after its chairman Sir Alan Peacock. In an attempt to address perceived inefficiencies and financial problems of the broadcasters, the Committee's report in 1986 recommended, inter alia, to reform the ITV system by auctioning off the franchises to the highest bidders instead of awarding them according to certain quality benchmarks. In addition, it advised the government to increase the share of independent productions, i.e. productions from outside the broadcasters' own production facilities. With the Broadcasting Act 1990, the government introduced the

auctioning principle for ITV franchises and set a 25 percent minimum share for independent productions to be shown on each of the broadcasters' four channels, the latter to be enforced from 1993 onwards. Additional measures of the Act, also aimed at introducing competition to the broadcasting system, were the announcement of a fifth channel, which started broadcasting as Channel Five in 1997, and the replacement of Channel Four's funding system with one where ITV companies and Channel Four would compete directly for advertisement revenues (Tunstall 1997: 251).

Despite the introduction of these competitive policies, important aspects of public service broadcasting continued to govern the system, however. Channel Four's funding, for example, continued to be backed by the safety net of a guaranteed minimum income. More importantly yet, the newly created Independent Television Commission (ITC), the successor of the IBA, interpreted its regulatory role very much in line with the traditional public service principles. The conservative government had initially planned for the ITC to give up its interventionary powers completely with respect to the ITV companies' programme contents and restrict itself to licensing and ex-post control of the licence agreements (Humphreys 1998: 355). After the Act had gone through Parliament, however, it included provisions that allowed the ITC to subject the contenders for ITV franchises to a quality test that had priority to their money offers (*ibid.*). In the 1991 auctioning of the ITV franchises, the ITC used this power to award eight of the 16 franchises (15 regional ones and one for breakfast television) to bidders which had not offered the highest sum but, according to ITC's judgement, the best programme for the franchise (*ibid.*: 110-111). Apart from the continuity in terms of members and personnel, the ITC thus retained control over the quality and plurality of programmes. In addition to the licensing procedure where specific conditions on programme qualities and schedules are contractually fixed for the ITV programmes, Channel Four and Channel Five<sup>14</sup>, the ITC's powers of control also comprise Codes of Standards and Practice for programme content, advertising, sponsoring and technical requirements. These Codes apply for all programmes that are transmitted in the UK, i.e. in addition to the terrestrial ones also for cable and satellite programmes. If the individual programme conditions or the Codes of Practice are breached,

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<sup>14</sup> In our context, it is important to note that these conditions, for the ITV franchise holders, comprise the following requirements: 65 percent of the programme must consist of newly produced material; more than half of the programme must consist of European productions; a minimum of 25 percent of the programmes has to be commissioned from independent producers; and an appropriate share of programmes has to meet standards of high quality and creativity (Steemers 1998: 290). For Channel Four, the present requirements are the following: 60 percent of the programme must consist of newly produced material and, from 2002 onwards, 30 percent of all commissioned programmes must come from outside London. For Channel Five, the requirements demand that more than half the programme consists of newly produced material (Steemers 1998: 293).

the ITC can impose a number of sanctions such as on-screen apologies, penalties, or even the shortening or the revocation of the licence agreement (MacDonald 1993: 90).

The Broadcasting Act 1996 introduced further changes to the British broadcasting system. One important aspect was the liberalisation of ownership rules for ITV companies and for cross-media ownership holdings. The Act also set the scene for the introduction of digital terrestrial broadcasting which started in late 1998. Six so-called "multiplex" channels were provided for in the law, each with the technical capacity to transmit three or four separate programmes simultaneously. Of these six multiplex channels, the BBC and ITV use one each, and the ITV companies and Channel Four jointly use another one. After competitive bidding, the ITC allocated the other three multiplexes to British Digital Broadcasting, a consortium of the two largest ITV companies and the satellite broadcasting monopolist BSkyB (which had to withdraw from BDB on request of the ITC later on) (Gibbons 1998: 173; Zimmer 2000: 441).

The Broadcasting Act 1996 also provided the BBC with the renewal of its Royal Charter and Licence until the year 2006. With it came the confirmation of the continuation of the licence fee as a funding source for the BBC. Predating the Act, however, the BBC itself, encouraged by various government White and Green Papers<sup>15</sup>, had already enacted reforms, designed to improve the BBC's competitiveness, which proved to be instrumental for the Parliament's extension of the Licence in 1996 (Humphreys 1998: 360). Under the director-generals Michael Checkland (1987-1992) and, most of all, John Birt (1992 - 2000) the BBC was reorganised internally and supplemented externally by commercial activities. In 1993, the BBC introduced a policy entitled "Producer Choice", which allowed the BBC's programme producers to contract out their productions to external production companies and service providers and, by doing so, submitted the internal BBC departments to cost competition. This policy was claimed to save considerable amounts which could be fed back into programmes (Seymour-Ure 1996: 72). In a second step, in 1996, the BBC reorganised its internal structure along six autonomous business units which sell their services to each other within the corporation. The efficiencies of the two policies became manifest in a considerable reduction of the BBC's workforce. While the effect of "Producer Choice" is estimated at 5000 jobs lost (Seymour-Ure 1996: 72), the reorganisation of 1996 is considered to have cost 1000 employees their jobs (Humphrey 1998: 361). The only area where the BBC has potentially created new jobs is in the field of its supplementary and recently introduced commercial



activities like *BBC worldwide* and *BBC Online*. According to the BBC's new Charter, commercial activities are compatible with the BBC's public service goals in so far as they are not financed by the licence fee. Any accruing profits from the commercial activities, however, must be fed back to supplement the revenues from the licence fee and thus contribute to the overall funding of the corporation (Steemers 1998: 294). In summary, the BBC of the late 1990s that was awarded a new Royal Charter in 1996 is very different in its organisation and its self-perception to the monolithic, steadfast and uncompromising BBC of earlier times. The pledge to continuity and tradition, informed by politico-cultural and educational values, has given way to the promise of "extending choice"<sup>16</sup> and the striving for competitiveness in a broadcasting system that has increasingly turned to the economic framework of supply and demand.

### **Ownership**

This section will be concluded with a simple picture of the present structure of the broadcasting industry in the UK. The BBC remains the strongest player in British broadcasting. Its two terrestrial programmes, BBC 1 and BBC 2, had a combined audience rating of 42 percent of all terrestrial programmes in 1997. In the yearly hitlist of the Broadcast top-50 series, BBC 1 alone had 26 entries (Steemers 1998: 295). Its five nation-wide radio stations are successful and have "the cream of the national FM output" (Tunstall 1997: 254).<sup>17</sup> The ITV network presents a mixed picture. On the one hand, its popularity with the audience is decreasing. ITV's rating decreased from 38 percent in 1993 to 31 percent in 1997 (Steemers 1998: 295). On the other hand, the constituting ITV companies have consolidated their businesses and diversified into branches that are not directly connected to the ITV network. With the liberation of the ownership rules for ITV companies in the run-up to the Broadcasting Act 1996, three dominant companies emerged through various mergers: Carlton (Carlton and Central franchise companies), Granada (Granada and LWT) and United News and Media (Meridia and Anglia). These three companies account for roughly three-quarters of ITV advertising revenue and constitute the controlling core of the ITV network centre which produces the nationally scheduled programmes. These three companies are also heavily

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<sup>15</sup> The Green Paper of 1992 endorsed the licence fee. The White Paper of 1994 announced the renewal of the Royal Charter and Licence from 1996 onwards and encouraged the BBC to engage in commercial activities to supplement the revenues from the licence fee.

<sup>16</sup> Cf. the BBC's 1992 discussion document entitled "Extending Choice" and its 1996 document "Extending Choice in the Digital Age".

<sup>17</sup> Apart from the BBC's stations, there are three nation-wide private radio stations and around 200 local private radio stations (Tunstall 1997: 254).

engaged in other areas that help them to achieve economies of scale. United News and Media is engaged in Channel Five and also in the newspaper market, Carlton has stakes in two cable networks and Granada has a 11 percent share in BSkyB and has set up a new satellite service in a joint-venture with BSkyB in 1996 (Tunstall 1997: 252-253; Steemers 1998: 290-291).

Channel Four was transformed into a non-profit organisation in 1993 and has performed well both in terms of advertisement revenues and in terms of programme success. The income from advertisement has been so plentiful that the financial safety net has never been needed. Its rating has remained at a constant 10 to 11 percent over the years. It has been criticised by the ITC of losing innovative power, however (Humphreys 1998: 355; Steemers 1998: 293).

Channel Five has been moderately successful since its launch in early 1997. After competitive bidding, the ITC awarded the licence to a consortium made up of United News and Media, Pearson Television, CLT UK Television (part of the German Bertelsmann group) and Warburg Pincus Ventures. Its programme is mainly based on bought-in drama and fiction productions. Its rating reached 4 percent by early 1998 which is generally judged to be a success (Steemers 1998: 294). Nevertheless, the ITC has recently criticised Channel Five's programme standards for the practice of showing improper films at unsuited hours.

The introduction of satellite and terrestrial digital television in 1998 changed the dominant position of these five terrestrial programmes somewhat. Until 1998, analogue satellite and cable television only accounted for 12 percent of total television consumption in that year (Steemers 1998: 295). By mid-2000, analogue terrestrial broadcasting had lost considerably to combined digital, cable and satellite television and had dropped to 62 percent of television reception (Zimmer 2000: 439). Both ONdigital, the terrestrial digital television, and Sky Digital, BSkyB's digital satellite service together have gained large popularity and, by mid-2000, provided a fifth of all television consumers with digital services (*ibid.*: 438). While Sky Digital provides pay-TV only, ONdigital in its free-TV segment broadcasts the above five channels along with new BBC and ITV channels like, for example, BBC News 24, BBC Knowledge or ITV 2. In its pay-TV segment it offers additional channels, many produced by ITV companies, along with MTV, British Eurosport etc. and interactive services. According to government plans, digital terrestrial broadcasting will have substituted analogue broadcasting completely sometime between 2006 and 2010.

## **CONCLUSION**

The German and British media systems are different in many respects, but also share some basic ideas about media regulation. The German media system is characterised by the federal

political system of Germany. The *Länder* have the competencies for cultural affairs to which the media system belongs. The federal state is only responsible for the technical aspects of broadcasting. As a result and in contrast to the UK, media policy is organised decentrally by the *Länder* governments and their co-operative institutions. Binding guidelines for the regulation of the media were issued by the Federal Constitutional Court throughout the post-war history of Germany. In the UK, the impetus for government policies on the media came from Royal Commissions which took on an advisory role to the government. In both cases, guidelines for the media's regulation have emerged that balance the media's independence from and its supervision through the government. In the case of the UK, a consensus has proved stable that has given control over the terrestrial broadcasters to supervisory agencies, made up of selected and distinguished public servants, who occupy the role of the trustees for the national interest. In the case of the BBC, this is the Board of Governors. For all other programmes, it is the ITC. In Germany, several rulings of the Federal Constitutional Court have established the principle of representative control agencies for the broadcasters, which are made up of delegates of various organised groups in society. In the case of the public broadcasters, these are internal pluralistic councils based within the corporations. In the case of private broadcasters, they are external councils, the state media authorities, which are organised along the territorial and administrative lines of the *Länder*. In the next chapter we will see that the federal structure has also influenced the economic development of the media in Germany, and that despite all differences in regulatory frameworks and policies, the production models of the industry are alike in Germany and the UK.

## **EMPLOYMENT AND PRODUCTION STRUCTURES IN THE UK AND GERMAN MEDIA PRODUCTION INDUSTRY**

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This chapter will provide data on the economic development and importance of the media production industry in the UK and Germany and discuss the particularities of its production regime. In a first section, I will introduce the empirical labour market data which was collected for this study. Statistical information on employment and geographical dispersion will follow. Then, the extent of collective organisation of the industries' workers and employers and the spread of collective agreements will be examined. Finally, an account of the production patterns of the industry, based on the collected empirical data, will be given. In particular, the relationship between broadcasters and production companies and the dominant pattern of freelance employment and project production will be discussed.

### **INTERVIEW AND SURVEY DATA**

The data on which the labour market analysis of this study is based consists of interviews with a sample of companies in both countries (Baumann 2000a) and with industry experts, and a survey on camera and set co-ordination professionals in the German media production industry (Baumann 2000b). The latter is matched by a survey conducted by the British Film Institute on freelancers and employees working in UK media production (Dex et al. 1999).

#### ***Interviews among media production companies and industry experts***

In each country, about 60 companies were approached, deemed representative for the overall industry in terms of activity, size and location, with the aim of arriving at a sample of 20 companies. The final composition of the two samples is displayed in table 2.1. It is a result of the respective willingness of each of the initial 60 companies to be interviewed.

The British sample consists exclusively of companies based in London. In Germany, the four traditional media locations of Munich, Berlin, Hamburg and Cologne are present. Due to resource limitations, no comprehensive company interviews were made in Berlin, and only one Berlin-based private broadcaster was included in the sample. In terms of size and activity, both the German and the British sample cover a wide variety and include very small companies with only one to five employees as well the large broadcasters; companies specialised in talk shows are included as well as those engaged in documentaries, fiction

production or feature films. The sample's ratio of broadcasters to production companies is not entirely representative for their equal importance in the overall population as providers of employment (see below tables 2.3 and 2.4), which means that employment practices of production companies are over-represented in this sample. In order to control this bias, broadcasters and production companies will be looked at separately with respect to employment and production practices in the remainder of this study.

	ID no.	Type of company  (production company; public broadcaster; private broadcaster; other)	Type of activity  (series; documentary; news/ current affairs; fiction/ drama; talk/ game shows; production-all; production services; broadcasting/ production; other)	Permanent employees  (grouped in intervals)	Freelance employees  (grouped in intervals)	Location
Germany	D01	Production Company	Production-all	20-30	no information	Cologne
	D02	Production Company	Documentary	6-10	20-30	Cologne
	D03	Production Company	Documentary	11-20	20-30	Hamburg
	D04	Production Company	Fiction/ Drama	6-10	50-100	Munich
	D05	Production Company	Fiction/ Drama	6-10	30-50	Cologne
	D06	Production Company	Fiction/ Drama	1-5	no information	Munich
	D07	Production Company	Production-all	6-10	30-50	Cologne
	D08	Production Company	Production services	1000-2000	100-500	Munich
	D09	Production Company	Production-all	500-1000	1000-2000	Hamburg
	D10	Production Company	Production-all	30-50	500-1000	Munich
	D11	Production Company	Production-all	1-5	50-100	Munich
	D12	Production Company	Fiction/ Drama	6-10	30-50	Munich
	D13	Production Company	Production Services	100-500	100-500	Cologne
	D14	Production Company	News/ Current affairs	no information	no information	Munich
	D15	Production Company	Production-all	100-500	2000-3000	Munich
	D16	Private broadcaster	Broadcasting/ Production	500-1000	50-100	Berlin
	D17	Private broadcaster	Broadcasting/ Production	500-1000	500-1000	Cologne
	D18	Public broadcaster	Broadcasting/ Production	3000+	1000-2000	Munich
	D19	Public broadcaster	Broadcasting/ Production	3000+	3000+	Cologne
	D20	Public broadcaster	Broadcasting/ Production	3000+	3000+	Hamburg
Great Britain	GB01	Production Company	Other	1-5	20-30	London
	GB02	Production Company	Documentary	6-10	11-20	London
	GB03	Production Company	Production-all	11-20	100-500	London
	GB04	Production Company	Fiction/ Drama	1-5	30-50	London
	GB05	Production Company	Documentary	1-5	11-20	London
	GB06	Production Company	Production-all	30-50	50-100	London
	GB07	Production Company	Other	1-5	1-5	London
	GB08	Production Company	Production-all	1-5	no information	London
	GB09	Production Company	Documentary	6-10	50-100	London
	GB10	Production Company	Fiction/ Drama	1-5	50-100	London
	GB11	Production Company	Fiction/Drama	1-5	30-50	London
	GB12	Production Company	Talk/ Game shows	6-10	30-50	London
	GB13	Production Company	Documentary	6-10	no information	London
	GB14	Production Company	Production-all	6-10	11-20	London
	GB15	Production Company	Talk/ Game shows	11-20	30-50	London
	GB16	Production Company	Production-all	11-20	no information	London
	GB17	Production Company	Fiction/ Drama	6-10	50-100	London
	GB18	Production Company	Fiction/ Drama	6-10	no information	London
	GB19	Private broadcaster	Broadcasting/ Production	500-1000	500-1000	London
	GB20	Public broadcaster	Broadcasting/ Production	3000+	3000+	London

Table 2.1: Characteristics of interviewed companies (type, activity, size, location)

Interviews with companies were structured and conducted personally. They lasted on average 45 minutes and were either with the owner, the production manager or the head of the personnel department. They took place in the period July to November 1999 and contained questions pertaining to four areas: The characteristics of companies (employment, age of company, production profile), the organisation of production, training activities, and labour market transactions. Emphasis was on the latter two. Additional 17 interviews with experts (four in the UK, 13 in Germany) focused on training schemes in the media production industry (cf. Appendix A). They comprised representatives of trade unions, producers' associations, government agencies and regional chambers of industry and trade. Interviews varied in length and consisted of questions specifically compiled to address the interviewee in her or his role in the industry. The variation in number of experts between Germany and the UK results from the multitude of training initiatives, media industry locations, and participating actors in Germany, and the relative smaller number of involved actors in one centralised location, i.e. London, in the UK.

### ***Surveys on individuals working in the media production industry***

The survey on German camera- and set co-ordination professionals was designed to collect information in four areas: The general social characteristics of respondents, their occupational training, their career paths, and their assessment of the labour market in the industry. The questionnaire (cf. Appendix B) was addressed to freelance workers by mail individually. Their names and addresses were taken out of the most widely used guidebook in the industry, the so-called "Der Produktionskay", where freelance workers register their names and addresses in professional categories such as camera and set co-ordination. In random fashion, every third address in the camera section and every second in the set co-ordination section was included. This resulted in 180 addresses for the camera profession and 84 for the set co-ordination profession. For permanent employees, I contacted two public broadcasters (3000+ perm. employees each), one private broadcaster (500-1000 perm. employees) and one large private production company (500-1000 perm. employees) and asked them to distribute my questionnaire among their workers. This resulted in the distribution of another 90 questionnaires. Overall, the questionnaire was handed out to 354 professionals, of which 264 went to freelance workers and 90 went to permanent employees. Of these 354 questionnaires 132 were returned to the author, which results in a response rate of 37.3 percent. The 132 returned questionnaires were divided into 93 responses from camera professionals and 34 from set co-ordination professionals, with five responses not belonging into either category,

two of these being producers, one a director, one with another media profession and one who had forgotten to enter his profession. Of the 93 camera professionals, 69 had freelance and 23 had employee status. Of the 34 set co-ordination professionals, 28 had freelance and 5 employee status (one respondent with no entry respectively, cf. table 2.2). The survey was conducted in the period December 1999 to April 2000.

The British Film Institute Television Industry Tracking Study (Dex et al. 1999) is a longitudinal survey designed to examine the effects of changes in the British media production industry on the careers of individual production workers. The sample consisted of 436 respondents who, from 1994 through 1998, reported half-yearly in work diaries about their working life and responded to postal questionnaires. Questionnaires cover topics as diverse as respondents' education, training, career history, employment and job searching. Respondents comprise all production grades, including managerial and executive posts, producers and directors, researchers and production support, writers, journalists, designers, camera, lighting, sound and post production workers. Survey data was obtained from The Data Archive at the University of Essex (study number 4015). In order to make the results comparable, a sub-sample of camera, light and sound professionals and production co-ordination professionals, as found in professional categories "Production Support" and "Managerial/ Executive Producer", was taken from the BFI study. The two samples' features with respect to professional group and employment status are displayed in table 2.2. The samples are somewhat complementary. In the German sample, camera and freelance professionals dominate, while in the UK sample production co-ordination and employed professionals dominate. In the comparison of the survey results, these differences between samples will have to be kept in mind.

	Employment status	Camera / light / sound professionals	Set / production co-ordination	Others	Total
<b>D</b>	employee	23	5	0	28
	freelance	69	28	5	102
	no entry	1	1	0	2
	<b>Total</b>	93	34	5	132
<b>UK</b>	employee	13	54	--	67
	freelance	12	23	--	35
	<b>Total</b>	25	77	--	102

Table 2.2: Features of German and UK samples of individual workers

Source: Baumann 2000b, Dex et al. 1999

## ECONOMIC AND LABOUR MARKET DATA

The media production industry in the UK and Germany is responsible for only a minor share of the countries' respective GDPs. In the UK, the contribution of the industry according to Skillset's definition is estimated at £ 3 billion, or 0.5 percent, in 1993 (Caple and Melbourne 1997: 4). In Germany, the DIW estimates the broadcasting industry's contribution to German GDP at DM 5,5 billion, or 0.15 percent, in 1996 (DIW et al. 1998: 18). With respect to the media production industry as it is defined for this research, the corresponding number for the UK would have to be lowered in order to account for the exclusion of the multimedia branch. The number for Germany would have to be put considerably higher in order to account for the inclusion of the film and video production branch. Correspondingly, Böckelmann estimates the gross productive value of the broadcasting and allied activities industry, the definition closest to the media production industry as adopted here, at DM 20,1 billion, or 0.6 percent of GDP, in 1993 (Böckelmann 1995: 28). Thus, in both countries the media production industry is of similar size, yet of little overall importance in economic terms. Nevertheless, it constitutes an economic activity that has been growing considerably in the last two decades. According to the European Commission, the audio-visual sector's revenues in the EU member states grew by 93 percent in real terms between 1985 and 1995 (European Commission 1998: 2). A number of key indicators for the broadcasting industry, for example the number of available channels and the hours broadcast, also show a significant growth in all EU member states during that period (European Commission 1998: 74).

### *Employment*

Available employment data in single years and for various sub- or supra-branches of the media production industry will give an approximation of how much employment accrues to the broadcasting as opposed to the film and video production industry, the public as opposed to private broadcasters, and to permanent employment as opposed to temporary or freelance work. For Germany, there is comprehensive data for two years, 1994 and 1997. Böckelmann depicts a picture for the industry in 1994 which is displayed in table 2.3. The DIW has supplied numbers for 1997, given in table 2.4. Both the Böckelmann and DIW numbers for public and private broadcasters comprise the entire population and are therefore accurate presentations of the employment situation in these branches.<sup>18</sup> The numbers for the production

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<sup>18</sup> The exception are the numbers on freelance employees. These are estimates derived from samples in both cases. Although Böckelmann's number seems exaggerated, the DIW numbers are not necessarily more correct. Indeed, they appear to be too low. According to interview data of the author, the WDR alone, the biggest of the



branch are extrapolated from representative samples which cover slightly different populations. In 1994, the number of people permanently employed in the public broadcasting corporations was three and a half times as big as that of private broadcasters and independent production firms combined. Also, there is an extraordinarily high number of temporary and freelance employees in the public broadcasters. This may be an over-estimation, however, due to multiple counting of the same temporary and freelance employees (Böckelmann 1995: 20).

	Public broadcasters	Private broadcasters	Film/video/radio production	Total
Permanent staff	30,674	6,362	2,158	39,194
Trainees/ Interns	1,364	932	383	2,679
Temporary staff/ Freelance	115,578	6,690	25,024	147,292
Total	147,616	13,984	27,565	189,165

Table 2.3: Employment in the German broadcasting and allied activities industry in 1994  
Source: Böckelmann 1995: 21

This becomes obvious if we compare these numbers to those of 1997. Apart from the downward correction of freelance employees, we can observe some interesting changes in employment numbers in the two years.

	Public broadcasters (1)	Private broadcasters (1)	Film/video/TV production (2)	Total
Permanent staff	29,049	9,995	21,600	60,644
Trainees/ Interns	737	n/a	2,300	3,037
Temporary staff/ Freelance	12,988	6,273	18,500	37,761
Total	42,774	16,268	42,400	101,442

Table 2.4: Employment in the German broadcasting and allied activities industry in 1997  
Sources: (1) DIW 1998: 21-23, 77; (2) DIW 1999: 8

With almost 43,000 employees overall, public broadcasters were still the largest employer in the industry in 1997, but only just. The production branch, employing only slightly fewer people, had become equally important as an employer. Private broadcasting, in contrast, provided considerably less employment with only just over 16,000 employees. Compared to 1994, there was a considerable increase in overall employment in both private broadcasting

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10 ARD public broadcasters, employs approximately 22,000 individuals as freelance employees every year (D 19).

and the production branch, however. In the latter, there was also a marked increase of permanent employment which is probably due to an increase in the number of companies. Public broadcasting still provided three times as many permanent jobs as private broadcasting and one and a half times as much as the production branch, despite a slight decrease in comparison to 1994. The numbers on trainees and interns comprise primarily trainees in the case of public broadcasters and interns in the case of production. With all caution due to the measurement variation for freelance employees, the ratio between permanent and freelance employees seems to be roughly 2:1 across the entire industry. This marks an extraordinarily high share of freelance employees compared to traditional industries like engineering, for example, where freelance employment is statistically non-existent. There is considerable variation between branches, however. In public broadcasting, the ratio is 3:1, in private broadcasting it is 3:2, while in production it is almost 1:1. DIW (1999) reports that there is significant variation within the production branch. Television production resembles the overall 1:1 ratio, while the ratio for movie production is 1:5, but only 1:0.2 for affiliated technical services. Of the freelance personnel, around 30 percent are creative artists and 70 percent are technical professions (*ibid.*: 8).

For the UK, the available numbers are more recent. Skillset (2001) has conducted an employment census in the broadcasting, film and video sector of the UK that reports the relevant data for May 2000. The data does not distinguish between employment in the BBC and employment in ITV companies, Channels Four and Five. It is also not possible to establish a separate category for trainees/ interns with the data. The reported pattern of employment was the following:

	Terrestrial broadcasters	Cable/ Satellite broadcasters	Film/video/TV production	Total
Permanent staff	37,742	4,983	18,162	60,887
Temporary staff/ Freelance	9,259	1,094	24,563	34,916
Total	47,001	6,077	42,725	95,803

Table 2.5: Employment in the UK broadcasting, film and video sector (excluding multi-media) in May 2000

Source: Skillset 2001

Overall employment in the sector is in the same range as in Germany, albeit slightly lower (96,000 in the UK compared to 101,000 in Germany). With 47,000 jobs, terrestrial broadcasters are the most important source of employment in Britain. Among these, the BBC is the single biggest employer with approximately 22,000 employees, of which 14,000 are

permanently employed and 8,000 have a short-term or freelance contract (GB 20). With almost 43,000 employees, the production branch provides almost as many jobs as the terrestrial broadcasters, while cable and satellite broadcasters are trailing a long way behind with just 6,000 jobs. The overall ratio between permanent and freelance employment in the UK is 2:1, as in Germany. Cable and satellite broadcasters have the lowest share of freelance employees with a ratio of approximately 5:1. Terrestrial broadcasters have a ratio of 4:1. In the production branch, the ratio is 3:4 with freelance employment dominating overall. Here, as in Germany, there are differences within production, however: Independent TV and movie production, and affiliated technical services, have a ratio of 1:1, while the commercials producing branch has a ratio of 1:4. The numbers on freelance employees are an estimation, however, and, as in Germany, subject to measurement variation. Skillset points out that there may be as many as 20,000 more freelances working in the sector who were economically inactive while conducting the census.

### ***Geographical Concentration of the Media Industries***

In Germany, the media production industry has four traditional centres where clusters of broadcasters and production companies form local economies. These are Munich, Hamburg, Berlin/ Potsdam and Cologne. With the WDR, the NDR and the BR, Cologne, Hamburg and Munich respectively host the biggest three public broadcasters of the ARD. Cologne is home of the RTL-Group, while SAT.1 is located in Berlin, and the rest of the Kirch conglomerate resides in Munich. In terms of employment, Cologne had 8,600 permanent employees in broadcasting in 1997, Hamburg had 4,900, Munich 4,500 and Berlin 3,600 (IW 1997). From an estimated total of 4,220 production companies in Germany in 1997<sup>19</sup>, around 60 percent are located in one of these four clusters. Berlin leads the other clusters with 770 companies, then comes Munich with 700, Cologne with 590 and Hamburg with 500 (DIW 1999: 8, 20). In terms of permanent employment in production companies, Munich hosts 1,595, Hamburg comes second with 1,475, then Cologne with 1,450 and finally Berlin with 1,110 (ibid.: 21). In terms of output produced, the four production clusters display some variation. In Cologne, the majority of comedy-, game- and talk-shows are produced, which may be a reflection of its growth with the emergence of private broadcasting. In contrast, Munich has the highest output in movies and TV-dramas, closely followed by Hamburg. In Berlin, the most series are produced (Pätzold and Röper 1999).

In the UK, London is the centre of the industry. The BBC, Channels 4 and 5 and important parts of the ITV network (Carlton, ITN, GMTV, LWT) have their offices in London. The majority of the 3,000 to 4,000 production companies in the UK are also located in London.<sup>20</sup> Of all employees working in the industry, 54 percent work in London, and another 10 percent in South East England. The rest is fairly evenly distributed among the rest of the UK, ranging from 2 percent in Northern Ireland to 6 percent in South West England (Skillset 2001).

## COLLECTIVE ORGANISATION AND BARGAINING IN THE MEDIA INDUSTRY

### *Germany*

Institutionalised industrial relations in the German media production industry are largely confined to the broadcasters. The 13 public broadcasters have individual pay and working time agreements with trade union *Ver.di*<sup>21</sup> which cover permanent and freelance employees alike. Private broadcasters have a collective agreement with the trade union which covers only permanent employees, however, and which, according to the head of the media section of *Ver.di*, comprises considerably lower conditions than the agreements of public broadcasters. Negotiations between *Ver.di* and public broadcasters have traditionally been consensual and co-operative due to the affluence of broadcasters during their monopoly, a tradition which is still largely intact. With private broadcasters, in contrast, negotiations are non-controversial because the union, according to its own assessment, lacks the organisational strength in order to credibly threaten with industrial action and is confined to accept whatever the broadcasters negotiate between themselves (D 26). Within the production branch, i.e. for the majority of freelancers working for independent production companies and affiliated services, there is a collective agreement in existence that sets out minimum standards for pay which have to be paid as soon as freelancers have participated in four or more productions. As a rule, however, the agreement is dominated by individually negotiated agreements between company and freelancer that go beyond the minimum standard after the fourth production and lie considerably below before that. In terms of working-time and overtime supplements, the

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<sup>19</sup> For 1994, Böckelmann (1995) estimated the number of production companies to be between 2,000 and 3,000 (ibid.: 4). Taking this as a realistic estimation, there was a considerable growth in numbers of companies over a very short period of time.

<sup>20</sup> This estimate is based on entries in industry database 'productionbase' where companies can register as potential employers. At the beginning of 2002, 3,306 companies had registered there (<http://www.productionbase.co.uk/index.php>). For 1994, Caple and Melbourne (1997) estimated the number of independent production companies to be over 2,000 (ibid.: 4).

agreement is the standard on which the industry operates. Industrial democracy structures are negligible in the production branch. According to a trade union study conducted in 1996, only about 40 of a recorded total of 1,499 production companies had a work council (Völker 1997).

The degree of collective organisation in relation to the industry population is low in the German industry, both for employers and for workers. For employers, the low overall membership is scattered over a number of producers' and broadcasters' associations. Private broadcasters are comprehensively organised for collective bargaining in *Verband Privater Rundfunk und Telekommunikation* (VPRT). Production companies display a very low degree of organisation with approximately 500 members distributed among three national and several regional associations representing a total population of 4,220 companies (resulting in an organisational degree of 11 percent). The three national associations are the *Bundesverband Deutscher Fernsehproduzenten*, which is made up of four regional branches covering Hamburg, Cologne, Berlin and Munich respectively; the *Arbeitsgemeinschaft Neuer Deutscher Spielfilmproduzenten* and the *Verband Deutscher Spielfilmproduzenten*. These three co-operate and jointly articulate the employers' interest in bargaining the collective agreement for the production branch with trade union *Ver.di*, but are otherwise autonomous organisations which compete for the same potential membership. Next to these, there are regional associations in all four media locations. In Hamburg, for example, there is the *Norddeutscher Filmhersteller Verband*; in Cologne, there are two associations, *Spielfilm NRW – Verband der nordrheinwestfälischen Spielfilmproduzenten* and the *Verband der Fernseh-, Film- und Videowirtschaft NRW* (VFFV). These do not engage in collective bargaining but represent their members as business associations who engage in lobbying and provide information for policy making on the regional level.

Collective organisation of workers is scattered among the trade union *Ver.di*, the rival public broadcasters' union *VRFF-Vereinigung der Rundfunk-, Film- und Fernsehschaffenden*, and a number of professional organisations or guilds. *Ver.di*'s broadcast, film and audio-visual media branch has approximately 22,000 members. It comprises employees and freelance workers in public and private broadcasters, in the production branch and in movie theatres. In the public broadcasters, union membership is split between *VRFF* and *Ver.di*. According to *Ver.di*, its organisational degree is at around 30 percent. In private broadcasters, it is only at approximately five percent and is not expected to grow. This expectation is confirmed by

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<sup>21</sup> *Ver.di* (*Vereinte Dienstleistungsgewerkschaft*) resulted from a merger of *Deutsche Angestelltengewerkschaft* (DAG), representing media professions among others, with a number of DGB unions, inter alia IG Medien,

findings of the survey on German camera and set co-ordination professionals. Of 127 participants, overall trade union membership was 34 percent; membership in a professional guild was 37 percent (16 percent held dual membership). There was a decreasing propensity to organise among the younger respondents. Only 19 (24) percent of the 25 to 42 year olds are members of the union (a professional guild), while 45 (48) percent of those older than 42 years are members. At the same time, a tendency of the relatively newer profession of set co-ordinators to organise, if at all, in guilds instead of the union was found (26 percent guild membership vs 6 percent union membership) (Baumann 2001b). Guilds organise along occupational lines, and membership is primarily a proof of professional expertise. Before membership is granted, a certain number of years of practice in the respective profession must be documented. Guilds engage in collective bargaining only indirectly through their affiliation with *Ver.di* or as invited participants to negotiations. Their strong presence is specific to the media production industry and is found elsewhere only in the case of free professions such as lawyers, architects or pharmacists. The largest guilds in media production are the *Bundesverband Filmschnitt*, which is associated with *Ver.di* and represents film editors, and the *Bundesverband Kamera*, representing camera professionals. Other guilds represent production managers and set co-ordinators (*Bundesverband Produktion*), lighting and dolly grip technicians (*Berufsverband Beleuchtung und Kamerabühne*) or sound engineers (*Verband Deutscher Tonmeister*).

Industrial relations in the media industry therefore do not resemble traditional German patterns. Even the structures which do represent genuine industrial relations, like broadcasters' internal wage bargaining rounds, do not correspond to the traditional German model, where the company level works council and the industry level wage bargaining regularly combine to give industry unions strong influence.

### **Great Britain**

In the UK, the industry is marked by comprehensive organisations for both employers and workers. Collective bargaining is mainly focused on the terrestrial broadcasters, although agreements also exist for independent production. *BECTU*, resulting from a merger of three formerly separate and competing unions in 1991, is the industry trade union and represents around 30,000 members, or, according to *BECTU*, approximately 50 percent of both the industry's permanent employees and its freelance workers. Membership comprises virtually all media professions except performing artists and journalists, and also includes movie

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which also represented media professions, in 2001.

theatres. Professional guilds exist, among others, for television cameramen (GTC), cinematographers (BSC), sound engineers (AMPS), camera technicians (GBCT) and film editors (GBFE). They do not engage in collective bargaining at all and, as in Germany, serve mainly the purpose of creating communities of experienced professionals in their respective occupation.

In contrast to Germany, production companies are well organised in the UK. The *Producers' Alliance for Cinema and Television* (PACT) has approximately 1,100 production companies as members, and another 400 distribution, facilities and other affiliated member companies. Based on an estimated total number of production companies of 3,500, this results in an organisational degree of 31 percent (or 48 percent if the affiliated companies are included). PACT is the result of a merger in 1993 of IPPA, the *Independent Programme Producers' Association*, and BFTPA, the *British Film and Television Producers' Association*. One reason for PACT's high membership density is predecessor IPPA's history as the organisation that represented independent production companies towards Channel 4. It was founded in 1981 in the campaign to establish Channel 4 as an independent channel. The broadcaster subsequently promoted IPPA membership in order to have a single voice representing independent producers which can be addressed in matters of commissioning and production guidelines. According to a senior producer, Channel 4 used the commissioning of individual programmes to encourage production companies to become members of IPPA; it deducted a percentage of the commissioned programme's budget and handed it on to IPPA as a supplement to normal membership fees by companies. PACT continues to be funded through this dual structure of a levy on individual programme budgets and membership fees, although the levy is no longer collected directly by the broadcasters.

Next to its operations as a business association, PACT, through its subsidiary PIRS (Producers Industrial Relations Service), also engages in collective bargaining with BECTU. The resulting agreement covers pay and working time issues for freelance workers engaged in production. As in Germany, the agreement is a minimum terms agreement that establishes a safety net for the otherwise dominant individual agreements between worker and company. Regularly, individual pay negotiations exceed the rates set out in the agreement. With respect to working time regulations, in contrast, the agreement's standards are frequently violated in productions. According to BECTU, the EU working time regulation has provided helpful leverage against the breach of overtime regulations since its transposition into national law in 1998. Concerning the broadcasting branch, BECTU negotiates a national agreement with the BBC for its permanent employees which provides separate conditions for the various BBC

directorates. For ITV, BECTU negotiates company-by-company agreements with each ITV company individually. They cover permanent employees only.

In comparison to Germany, collective organisation in the British media production industry is considerably more comprehensive and concentrated. With PACT and BECTU, there are two organisations organising between a third and one half of all companies and workers of the industry respectively.

## **PRODUCTION STRUCTURES OF THE MEDIA PRODUCTION INDUSTRY**

With the emergence of private and commercial broadcasters, the broadcasting industry has changed its face in terms of organisational and production patterns. In the following, I will describe the duality of broadcasters and production companies on the industry's product market and the actual production process. Interview and survey data will be used together with existing literature in order to identify production patterns, company structures and inter-firm relations in the industry.

The relation between broadcasting and production can be conceptualised in terms of vertical integration. Tunstall has proposed classifying the production systems in the media production industry according to the extent of their vertical integration into three categories: The vertically integrated broadcaster, the publisher-broadcaster and the packager (Tunstall 1993: 6-7). The broadcaster performs all functions of the value chain of producing and broadcasting programmes. Accordingly, the production studios and support facilities are located in-house, and the management has control over programme scheduling, production and transmission at the same time. The publisher-broadcaster, in contrast, is only responsible for publishing, i.e. assembling and transmitting, a programme that was commissioned and acquired from outside producers. Here the broadcaster has control over the kind of programmes that are produced, but does not engage in the production itself. One step further, the packager acquires only pre-produced programmes for transmission and does not engage in programme making at all. By buying in rights to movie archives or sports events, packagers provide mostly broadcasting services that follow specific themes such as movies and sports. Following the history of the broadcasting services in the UK and Germany, these three patterns emerge chronologically with the increase in channels and broadcasters. In this historical sequence, the second model, the publishing-broadcaster, emerges either as a way to achieve economic efficiencies or as a way to achieve a greater variety and spectrum of contents.



### ***The Broadcaster Model***

The BBC and ITV companies as well as the German public broadcasting corporations have traditionally followed the broadcaster model. Until the 1980s or even the early 1990s, these corporations were vertically integrated and produced the large majority of their programmes in their own production facilities. This "integrated factory approach" (Tunstall 1993: 4) created an internal labour market that combined job security with a job ladder along which the employees would advance and build a career. For the BBC and the ITV companies, he identifies three main occupational categories within the monolithic bureaucracies: The management, made up mostly of former or current programme producers; a large middle category of TV skills and crafts who were responsible for the actual production of the programmes; and a third group of clerical and lower service functions (ibid.). Burns (1977) describes the situation in the BBC in the 1960s and 1970s in more detail. The BBC's staff association ABS (Association of Broadcasting Staff), the ACTT (Association of Cinematograph Television and Allied Technicians), the National Union of Journalists, the Electrical Trades Union and NATTKE (National Association of Theatrical, Television and Kine Employees),<sup>22</sup> governed the internal labour market together with the management. The management's grading system was designed as a tool for segmenting the internal labour market along seniority and responsibility criteria which went along with ascending pay (Burns 1977: 88). At the same time, however, the grading structure was used by the trade unions to enforce restrictive work practices and to establish craft boundaries (ibid.: 97). Both together led to an autonomous internal labour market which had a very high percentage of permanent staff. Tunstall reckons that 70 percent or more of the BBC and ITV employees were in permanent employment in the 1970s and freelancing was one's own choice rather than a fate that is dictated by the labour market situation (Tunstall 1993: 4). This estimate is even surpassed by the Institute of Manpower Studies' finding that of all employees of the BBC and ITV in 1989, 90 percent were permanent employees (Varlaam et al. 1990: 12). The IMS study found that the interfirm mobility of the BBC and ITV staff was relatively low at that time, and that the ITV companies relied heavily on internal promotions and skill restructuring of their workforce (ibid.: 12, 90). Thus, the broadcaster model has been connected to in-house production facilities and to internal labour markets and high job security.

German public corporations were also characterised by the broadcaster model before the break-up of the public monopoly, albeit to a lesser degree. The ARD corporations maintained

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<sup>22</sup> Except for the National Union of Journalists and the Electrical Trades Union, these separate unions merged consecutively into industry trade union BECTU (Campling and Michelson 1997).

comprehensive production departments of their own. The ZDF, however, relied to a considerable extent on outside commissioning from its start in the early 1960s onwards (Kammann 1998: 22). This is especially true for the production of fiction and the hiring of affiliated technical facilities, where the ZDF, in contrast to ARD corporations, never built up own resources (Stolte 1999: 10). This situation has remained by and large unchanged into the present time. Today, the ZDF spends only 20 percent of its programme budget for programming of its own making (ibid.); the BR, in contrast, an exemplary ARD corporation, spends 70 percent on in-house productions and only the remaining 30 percent for commissioned programmes – and has reportedly remained true to this distribution since the late 1960s (Lowag 1999: 37). Likewise, internal labour markets of public broadcasters have probably never been so comprehensive as in the case of the BBC and ITV companies. For the ARD companies, reports from trade union officials confirm that a large segment of their employment has traditionally been freelance, even before the start of private broadcasting (D26).

### ***The Publisher-Broadcaster Model***

The publisher-broadcaster model has emerged in the UK with the creation of Channel Four in 1982. Established as a channel to appeal to tastes not "generally catered for by ITV", its purpose was to encourage experimentation and innovation with respect to programme content. Channel Four employed commissioning editors who gave programme orders to outside producers and production companies according to these criteria of experimentation and innovation. These commissions often involved development grants and other forms of financial support. They were successful in two ways: The early programmes attracted audiences that were too small to register on the ratings (Seymour-Ure 1996: 108), and the branch of independent production companies grew dramatically with Channel Four's start. The number of companies supplying Channel Four rose from 280 in 1984 to 660 in 1991 (Sparks 1994: 145). This emphasis on experimental minority services shifted to a wider political and economic reasoning when the Thatcher government announced the implementation of minimum shares of independent productions for all terrestrial programmes in 1988. First recommended by the Peacock Committee, these aimed at enhancing not so much quality competition but cost competition between the independent sector and the broadcasters, and also promised to break the trade unions' power within the industry (Peacock Committee 1987: 142, quoted in Sparks 1994: 140-141). Later analyses of the production patterns of the British media production industry have confirmed the eventual realisation of

these predictions. As a result, "TV production is increasingly being carried out by networks of agents (creative artists and technicians under contract to a producer or TV company), and not, as in the past, by rigid, bureaucratic corporates sourcing programmes almost exclusively from internal facilities" (Barnatt and Starkey 1994: 253). The success of this production pattern can be attributed to the fact that programming can be achieved relatively more cheaply in small companies and networks of freelance agents where there are no fixed costs of large permanent staffs and in-house technical facilities (Tempest et al. 1997: 49). The down-side, however, is that the workforce which is engaged in the independent production branch is often working on a casual basis and is employed only from project to project (Barnatt and Starkey 1994: 254). In contrast to creative artists, who are traditionally engaged for specific and therefore short-term projects, the technicians, operators and staff production personnel used to belong to the broadcasters' permanent staff and are gradually slipping into temporary employment only since the emergence of the independent production sector (Robins and Conford 1992: 194; Tunstall 1993: 12).

In Germany, the publisher-broadcaster model was never attached to politico-cultural considerations about creating minority programmes. It was a result of the emergence of private broadcasters which tried to compete with the public broadcasters not only in terms of programming but also with respect to leaner and more efficient organisation and a reduction in fixed costs for programming. This is illustrated by a comparison of the outlays for personnel in the private and public broadcasters. The latter's payroll accounts for 42 percent of all expenditures, while the private broadcasters' payroll is a mere 12 percent of all expenditures (DIW et al. 1998: 79). The private broadcasters also spend less on producing their own programmes and a considerable share of their non-personnel budget (23 percent) is devoted to commissioned programmes (DIW et al. 1998: 26).<sup>23</sup> In the wake of emerging cost competition from private broadcasters, ARD corporations have also started to employ management consultancies in order to arrive at outsourcing strategies for reducing wage and personnel costs. Only in the case of the MDR, however, has an ARD corporation formed new external private companies in order to produce programme content (Reiter 1999:5). Otherwise, outsourcing has been either marginal or limited to maintenance operations, as in the case of the WDR. In all cases, however, circumvention of collective wage agreements in existence between Ver.di and the corporations were an important motivation (Seidel 1999: 16). The ZDF has implemented flat hierarchies, internal profit and cost centres, and connected

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<sup>23</sup> An even higher share of their non-personnel budget (52%) is spend on licences and programme rights, however. This means that the German private broadcasters are to a large extent just packagers.

the pricing of internal services to comparable services from outside the corporation in recent years. This has made 520 jobs redundant and is supposed to save DM 2.4 billion (Boldt 1998: 81, 84).

### ***Origin of Programmes and Domestic Production***

Programme volume in both countries has grown continuously over the last two decades as a result of both the increase in channels and of daily hours broadcast by each channel. There are principally three sources for programmes: Either broadcasters produce them by themselves or they buy programmes. If the latter is the case, they can either buy them from domestic producers or from abroad. The volume of domestically commissioned and produced material as opposed to the buy-in of licences for predominantly US productions has steadily increased during the last years. One indicator is the share of imported US fiction broadcast on television. In tables 2.6 and 2.7, we can see the change for major UK and German broadcasters from 1995 to 1999. In both countries, the US is by far the most important source of imported programmes with a share of 74 (77.4) percent in German imports and a share of 85 (81,3) percent in UK imports in 1999 (1995). For the UK, the number of hours of US programmes has increased on all channels except ITV, but the respective shares of total hours broadcast have fallen on all channels in the four-year period (except for Sky). This is due to both an overall increase in hours broadcast and a relatively stronger growth of domestically produced content compared to imports. For German public broadcasters, the hours of broadcast US fiction have increased slightly and the share in the overall programme has dropped slightly. This hints at comparable developments to those in the UK, albeit on a scale of lesser significance. For German private broadcasters, there has been a marked drop in hours of broadcast US fiction and a dramatic decrease of its shares in the overall programme. This marks a reversal of programme policies in all three major private broadcasters. It constitutes both a reaction to audience preferences and a change in business strategies. After relying on relatively cheaper and audience-tested US imports during their start-up phases, German private broadcasters have increasingly commissioned domestic programmes in recent years in an attempt to increase their ratings. Accordingly, there is a rise in the volume of national fiction production. In Germany, the volume of domestically produced fiction amounted to 1828 hours in 1999, compared to 1690 hours in 1996, a rise of 8 percent. For the UK, the domestically produced fiction amounted to 1324 hours in 1999, compared to 1058 hours in 1996. This is a rise of 25 percent (European Audiovisual Observatory 2000: 2).

		UK					
		BBC1	BBC2	ITV	Channel 4	Channel 5	Sky(aver.) <sup>24</sup>
hours of US fiction programmes	1995	1158.1	938.8	1494.6	2185.7	--	4146.6
	1999	1221.7	1086.9	1272	2270.6	2637.5	4975.7
percent of total hours broadcast	1995	16.4 %	13.3 %	17.1 %	28.5 %	--	53.7 %
	1999	13.9 %	12.4 %	14.5 %	25.9 %	30.1 %	58.4 %

Table 2.6: US fiction programmes on selected UK broadcasters in 1995 and 1999

Source: Europäische Audiovisuelle Informationsstelle 1997: 159; European Audiovisual Observatory 2001: 149

		D				
		ARD	ZDF	SAT1	RTL	ProSieben
hours of US fiction programme	1995	854.5	518.8	3993.0	3734.3	6160.8
	1999	912.7	537.3	2714.3	2508.0	4588.3
percent of total hours broadcast	1995	10.8 %	7.0 %	45.6 %	42.6 %	70.3 %
	1999	10.4 %	6.1 %	31.0 %	28.6 %	52.4 %

Table 2.7: US fiction programmes on selected German broadcasters in 1995 and 1999

Source: Europäische Audiovisuelle Informationsstelle 1997: 157; European Audiovisual Observatory 2001: 147

In addition to the increase in domestic fiction production, there has also been an overall shift in the composition of programme schedules which promotes domestic production rather than imports. In table 2.8, relative shares of programme categories are listed for the years 1995 and 1999. Across all channels (except Channel 4), there is a decline in broadcast fiction in this four-year period, in some cases quite a dramatic one. Paralleling this decline, there is a general trend across almost all channels to increase the share of light entertainment as well as informational and related programmes. Especially in German private broadcasters, the category of light entertainment has grown considerably. It comprises, for example, daily soap operas, sitcoms, talk and game shows. Due to their local focus and content, these are likely to be of predominantly domestic production. The same is true for informational programmes, which are usually tailored to the interests of the audience and more often than not are made by broadcasters' in-house editorial and production departments or domestic production companies.

<sup>24</sup> Average of Sky Movies Plus, Movies Gold and Sky One (1995)/ Sky Cinema, Sky Movie Max and Sky One (1999)

		UK					D <sup>25</sup>				
		BBC1	BBC2	ITV <sup>26</sup>	Ch 4	Ch 5	ARD	ZDF	SAT1	RTL	Pro7
Fiction	1995	28.6	30.4	28.9	--	32.1	32.3	51.3	34.3	54.0	
	1999	18.8	30.8	26.2	39.2	27.3	27.1	35.6	27.6	43.5 <sup>27</sup>	
Light entertainment	1995	6.1	21.3	20.9	--	9.3	3.7	5.4	17.4	6.5	
	1999	12.8	11.3	21.0	9.8	8.6	7.9	19.3	21.5	15.3	
Sports	1995	11.5	5.2	9.2	--	3.8	3.3	3.2	7.8	0.0	
	1999	9.1	9.3	10.1	14.6	4.9	6.0	2.8	1.9	0.0	
News	1995	14.0	14.2	3.5	--	9.1	8.2	2.4	5.0	2.6	
	1999	16.7	8.7	3.4	6.5	10.7	9.1	2.7	7.0	1.4	
Informational programmes/ Arts/ Culture/ Science	1995	17.7	21.3	11.7	--	30.4	35.4	11.5	8.6	7.0	
	1999	24.7	26.6	18.6	15.7	33.8	36.6	16.5	16.2	12.0	
Advertising	1995	0.0	2.5	0.7	--	1.5	1.6	18.8	14.4	13.0	
	1999	0.0	n/a	n/a	n/a	1.6	1.8	15.9	15.3	15.8	
Others	1995	22.1	5.1	25.1	--	13.8	15.5	7.4	12.5	16.9	
	1999	17.9	13.3	20.7	14.2	13.1	11.5	7.2	10.5	12	

Table 2.8: Programme categories in % of broadcasting time in 1995 and 1999

Source: Europäische Audiovisuelle Informationsstelle 1996: 197-199, 226-227; European Audiovisual Observatory 2001: 210-214, 273-276

Domestic production can either stem from broadcasters' production departments or from independent production companies. Following the publisher-broadcaster model, broadcasters commission an increasing share of their programme to independently operating production companies. Table 2.9 displays the 1999 market shares in national TV fiction of broadcaster production versus independent production. The category of broadcaster production comprises in-house production, for example by the BBC's and ARD corporations' production departments, as well as by companies controlled by broadcasters but otherwise operating independently in the market, like, for example Bavaria Studios in Germany. Independent

<sup>25</sup> For German broadcasters, percentages refer to daily output; for UK broadcasters, percentages refer to yearly output.

<sup>26</sup> For 1999, numbers refer to non-regional output only.

<sup>27</sup> It is surprising that the overall share of fiction of ProSieben is lower than its share of imported US fiction given in table 2.6. One explanation could lie in the fact that ProSieben's category "others" in table 2.7 is exclusively made up of children's programmes. These may also be of US origin and be counted as fiction in table 2.6.

production, in contrast, includes all the production stemming from companies without an equity link with a broadcaster (European Audiovisual Observatory 2000: 8-9).

	UK	D
<b>Broadcaster production</b>	62.1 %	53.5 %
<b>Independent production</b>	37.9 %	46.5 %
<b>Total</b>	100 %	100 %

Table 2.9: Market shares in domestically produced TV fiction in 1999

Source: European Audiovisual Observatory 2000: 9

In contrast to common expectations, the share of independent productions is higher in Germany than in the UK. In the UK, almost two thirds of fiction stem from broadcaster production, despite the advanced and politically enforced move towards the publisher-broadcaster model in the 1980s. In Germany, the market is almost evenly shared between independent and broadcaster production.

## PRODUCTION PATTERNS

The difficulty of planning the success of movies, series, game shows and other formats characterises media production. As a result of the principally unknown appeal of a programme to the audience, producing television programmes, and even more so producing cinema movies, is a risky process of innovation. Shapiro et al. note, "[...] what is called production in the culture [that is media, A.B.] industries is much closer to what is called research & development in other industries" (Shapiro et al. 1992: 189). Research on the US media production industry, the Hollywood feature film industry in particular, has described the star system (i.e. using well-known actors and presenters for new programmes) and pilot films as ways of reducing the uncertainty of success (Faulkner and Anderson 1987; Storper 1989). The reliance on a multitude of production companies for creative potential and the outsourcing of technical staff are another way of reducing the risks associated with media production (DeFillippi and Arthur 1998; Sydow and Wirth 2000). Broadcasters profit from a large number of production companies who feed them with programme ideas and carry the responsibility for carrying out the actual production. Production companies, in turn, depend on broadcasters for the major part of their funding.

Broadcasters have control over the kind of programmes that are produced and develop the programme schedules that the production companies fill. To the extent that a broadcasting

channel has established a reputation for a certain kind of programme, this programme profile provides the continuity and predictability on which the productive branch of the industry is dependent. It has been argued that broadcasters have managed to sell channels as a brand, which allows them to present new programmes as parts of a familiar programme profile in order to fulfil the audience's demand for new material while, at the same time, creating stability in the market (Shapiro et al. 1992: 189-190). This "simulated innovation" (ibid.) of the broadcasters minimises the risk of potential failure of new productions which is caused by their unknown popularity with the audience.

For production companies, this has three implications. Firstly, media products, especially fiction and entertainment, resemble a fashion item more than a technical product and are in constant demand for innovation with respect to content and format, depending on the current trends set by the broadcasters and, indirectly, by the response of the audience. Secondly, every product for broadcasting is produced only once and can then be reproduced at will and without the physical effort of going through the initial production process again. This means thirdly that, in contrast to other industries, such as automobiles or engineering, where the reproduction technology is mostly as capital intensive as the initial development of the product and usually far more employment intensive, in the media production industry the initial development and, most of all, its one-off production is the main source of capital investment and employment. This dominance of creation as opposed to continuous reproduction has two consequences for the production branch of the industry: A strong dependence on current tastes and trends on the one hand; and, on the other hand, short spans of labour-intensive production and relatively long periods of creative planning. Companies are dependent on commissions from broadcasters and may even go into hibernation during periods where these do not materialise seamlessly. Production focuses on single projects and limits the commitment of technical equipment and manpower to the duration of these projects.

### ***Contracting***

The initial development of a production is normally launched within production companies which submit programme proposals to the broadcasters. Before the production can start, there is a period of mutual adjustments to the initial project between broadcaster and production company. Negotiations cover modifications to the programme idea as much as funding.

*They [the broadcasters, A.B.] will see the idea, then you do the budget, and when you have negotiated the budget, they commission it. It used to be*



*'See the idea, commission it – then the budget!' Now it's the other way round. It's all very much dependent on the budget negotiations. But once it is commissioned, you get off and do it. They will have discussions with us at different points, but that depends on who the broadcasters are.*

(GB 9)

Broadcasters usually keep the transmission rights to the programme in exchange for granting the commission. The production company receives only the income from the one-off sale of the programme to the broadcaster.<sup>28</sup>

*You cannot fund production on your own and then have it refinanced via sales of the programme. Funding must be secured beforehand. It does not necessarily have to be a 100 percent funding, but you need the major part of it. This, in turn, means that you have partners who own rights – be it the broadcasters or others, like film funds. Only if you have the funding do you start actual production. (D2, my translation, A.B.)*

The sales price is fixed before production starts and broadcasters usually refrain from taking over any risks that appear unexpectedly in the various pre-production and production stages. Co-productions with other broadcasters or companies abroad are a way to reduce the dependence on one broadcaster alone and to widen the financial base of a production.

*Co-production is enormously important to us. We frequently do co-productions and have co-producers all over the place, NHK in Japan, PBS in the US, WDR in Germany. As I say, you never get Channel 4 to invest 500,000 pounds in a single one-hour [documentary, A.B.]. But if it's*

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<sup>28</sup> In both the UK and Germany, there has been hard lobbying by producers recently to change this regime. In the UK, the producers' association PACT has implemented an agreement with the main terrestrial broadcasters to leave rights with companies, apparently with mixed success. In Germany, various producers' associations have lobbied the government to include their interests in the reform of the copyright law passed by the Bundestag at the beginning of 2002. From my interviews, I came to the conclusion that, at the time of the interviews, in both countries the distribution of rights was essentially a matter of the companies' individual bargaining position vis-a-vis the broadcasters. In another development, the copyrights issue promotes horizontal concentration and the formation of cross-ownership across the broadcasting and production branch. Whenever successful production companies have managed to keep their copyrights as assets in recent years, they have become the object of investors' interest (institutional investors, media distribution companies, private broadcasters) who value the revenue potential of the copyrights' marketing in multiple markets. Bob Geldof's sale of Planet24 to Carlton is a prominent example from the UK, EM.TV and the Kirch conglomerate have been promoting these developments in Germany.

*important and if it needs to be made, you will get three or four international sources to contribute. In such a case, it varies who keeps the rights to the programme. We increasingly try to make broadcasters get a licence for the right to UK transmissions, but it just depends on the proportion of the budget they're putting in as to whether they do a licence deal or a co-production. (GB 13)*

As there are no invitations for tender, this process of submission and development of ideas for programmes relies heavily on the relationship between the editors of the broadcasters, who are responsible for giving out commissions, and the submitting production companies. For the UK, the link appears to be more often than not an open competition of ideas, with subsequent pressure on reducing production costs after having given out the commission.

*We feed them [the broadcasters, A.B.] ideas regularly and hope for a commission basically. Most of our programmes are commissioned as a result of us going to them with our ideas. (GB 15)*

*There might be one three-hour slot on ITV that's about to be commissioned and there are maybe fifteen producers, plus broadcasters, who are submitting material for that slot, so you know, it is "is ours judged better than yours"? The first decision is whether the broadcaster wants the programme and only then is there a negotiation about costs. It isn't really so much that there are fifteen of us submitting a programme for this slot and the broadcaster chooses the cheapest! The broadcaster doesn't really think about costs until he has decided which one he wants. (GB 18)*

In Germany, the procedure follows basically the same principles, although broadcasters seem to take the initiative more often than in the UK and frustrate open competition by pre-selecting producers.

*It all depends on the producer and his personal links to certain editors. The editors say, "I want this guy to do that for me!"; they don't say "Please, you make a proposal, you make a proposal and you make a proposal!" That's never the case. There is no competition on price or*

*quality between companies. It's the editor who says, "Here, you do that!"*

(D12, my translation, A.B.)

In the UK as in Germany, the competition between production companies is usually not directed at the marketing of a finished product, as is the case in traditional industries, but at the attention of editors for programme proposals. Production companies have to find out about preferences and tastes of editors in order to be successful with their proposals. Editors, in turn, search for the right mix between innovation and continuity. They pass on the risk of unpopular programmes to the production companies by relying on their creative potential while keeping financial risks to a minimum. Funding is fixed to specific projects and thus lacks the continuity of permanent sales as in other industries. The only exception that would provide the potential for a continuous flow of revenues are copyrights on programmes. The regular transfer of transmission rights to the broadcaster and fixed sales prices, however, produce an asymmetrical relationship between broadcaster and production companies that subjects the latter to vertical dependency much more than to direct horizontal competition with other production companies.

### ***Project Production***

Volatility and uncertainty about kind and type of future demand have repercussions on employment and company structures. In contrast to continuous production and a regular staff in traditional industries like automobiles, production companies tend to work in a project-like pattern (Sydow and Wirth 2000). They eschew long-term commitments in terms of capital-investment and permanent staff and instead rely on specialised firms and freelance staff for the needed technical and human resources in times of production. A production company oscillates in an ever-repeating cycle between a slimmed-down status where the core staff, usually a three to ten person team of creative producers and calculating accountants, develops programme ideas, and an expanded status where 30 or more people, depending on the kind of programme, work for the company in order to actually produce the programme in a project. The extent to which demand uncertainty impinges on the organisation of production varies, inter alia, with the type of programme (Lutz et al. 2001: 3). While long-running series or established talk shows allow for planning into the medium- to long-term future, a one-off drama for cinema release is a solitary project that clearly defines the commitment of resources. Consequently, production companies that specialise in the former may employ more people permanently while companies that mainly engage in cinema production rely

exclusively on technical resources and freelance employees contracted for the purpose and period of the project. As was seen with the freelance ratios discussed earlier for various sub-industries, there is a continuum of different ratios between permanent and freelance staff and in-house and externally hired technical resources. The following describes the situation in a British company producing documentaries and the occasional feature film:

*We have six to seven permanent staff. Myself who works on development and research, the managing director, a finance director, a separate accountant, an assistant, and two who work in distribution. When we are in production, when we've got a series of six half-hour shows, then my team includes directors, production managers etc. It usually goes up by about 15. (GB 14)*

Other companies that produce mainly game and talk shows have a relatively larger permanent staff of around 18 to 20 people. These are still mostly occupied with development and administration, however, while the majority of technical staff is hired on short-term contracts for production sessions and doubles the number of people employed for that period of time (GB 15, 16). A large German company that specialises in providing technical facilities and crew predominantly for studio productions employs a technical personnel of 130 on a permanent basis, and another 200 on a freelance basis (D 13). Another German company that produces exclusively fictional drama for television and cinema release is an example for the dramatic expansion of employment in movie production:

*We are two producers, two assistants, an intern, two people in accounting and myself, the production manager. But then, myself and the main guy in accounting are only sometimes employed, sometimes we are freelance. So, it's six to eight, depending on whether we count as permanent staff. Expansion during production is variable: There are cases where we have two productions going at the same time, then we have easily 100 or more employees. If we do one film, it's about 50 or 60 employees. These are all short-term contracts which are limited to the time of production. (D 4, my translation, A.B.)*

The duration of production projects vary according to the complexity and duration of the project. They may last days, weeks or months. Participating employees enter the project at various stages in the production and post-production process and split up again after the project's completion. If the team worked together well, the various actors may meet again in the same or similar constellation for a new project. Often production companies staff their production in a tree-like manner and rely on a cascade of groups of individuals (cf. also Blair 2001: 161-163).

*I always get the important people first, cameramen, costumes, all the heads of departments. The heads of departments then suggest their people and we talk about who they want as an assistant, whether that person is okay etc. And if there is somebody I do not want to have in my production, then the head of department has to look for somebody else. (D 5, my translation, A.B.)*

*Often, whole groups travel from one job to the next. If one gets a job, then he'll bring in one, two or three others. This creates a tight group that meets again and again around certain productions and travels across Germany. (D 14, my translation, A.B.)*

In opposition to careers in permanent jobs within the organisational boundaries of a firm, careers in media production have been described as boundaryless (Jones 1996; Jones and Walsh 1997) and as harbinger of the new world of work (Haak and Schmid 1999; Gottschall and Betzelt 2001). Similarly, production companies have been labelled project-based enterprises for their lack of permanency in production and employment (DeFillippi and Arthur 1998). Both phenomena describe a loose and latent organisational structure on which individuals and companies rely for their activities. For the staffing of their productions, companies rely on a cascade of freelancers who recruit their respective co-workers and subordinates themselves. This eases the contracting for the company and ensures a well coordinated team. For the individual freelancer, being part of such a network is the basis for making a career as it provides her with employment opportunities and is the vehicle for upward moves in the career. This form of organisation has been described as project networks or, more generally, network governance (Lutz et al. 2001: 2; Jones et al. 1997). In contrast to a vertical integration, network governance provides production companies with the flexibility to react to changing trends and to travel light in the face of uncertain demand. At the same

time, however, Jones et al. (1997) argue that the necessity to have co-ordinated teams in such a complex venture as media production keeps the network from disintegrating into pure market relations where actors interact on the basis of spot contracts and without prior knowledge about each other (ibid.: 920).

For training workers, network governance poses two challenges compared to traditional industrial organisation. The temporal limitation of projects and the organisational limitation of freelance employment make organised training of industry entrants a challenging problem for labour market policy. The described emergence of the publisher broadcaster model and the increasing demand for programme volume has led to a considerable overall growth of the production branch and created a demand for policy intervention. Relatively early, the growth in productive capacities led outside observers to wonder how the labour market would supply the needed workforce for this expansion. Colin Sparks, for example, has seen the drying up of the pool of skilled labour as inevitable in the face of an increasing labour demand and constant or even decreasing supply (Sparks 1989: 36-37). Varlaam et al. (1990) have produced a comprehensive study for the situation in the UK at the end of the 1980s, and diagnosed a dramatic shortage of skilled employees for the industry in the 1990s. Thomaß (1993) has given anecdotal evidence of the informally acquired skills of the workforce that was employed in Germany's private broadcasters at the beginning of the 1990s, and the lack of programmes for training them. Michel and Schenk (1994) have conducted research on the media industry in the German regional state of NRW at the beginning of the 1990s and diagnosed a boom of the industry but a lack of skilled labour and, most of all, a lack of programmes that would allow the acquisition of the required skills.

## CONCLUSION

This chapter established the characteristics of the media production industries in the UK and Germany. Although the German industry had a more mixed history throughout the century, the resulting structures are similar in the two countries. Public broadcasters are still the most important employers of the industry. Since the deregulation of the broadcasting industry, however, a large area of new employment has emerged in the form of independent production companies, which is now as important as public broadcasting as a source of employment. Between a third and a half of all workers in both countries engage in atypical temporary and freelance employment. In the UK, this workforce is organised more comprehensively than in Germany, which is also true for production companies.

Production is marked by an uncertain demand of programmes and their unknown success with the audience. In both countries, this has led to the prominence of project rather than continuous production. In projects, technical and professional resources are pooled only for the duration of the project. Organisational affiliation is temporarily limited and attached to accomplishing certain tasks rather than achieving a career. Together with the overall increase in labour demand in the industry since deregulation, this poses a dual challenge for labour market policy which needs to increase the supply of a skilled workforce and, at the same time, organise training in the atypical environment of network projects.

## **TRAINING, LABOUR MARKETS AND COLLECTIVE ACTION**

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This chapter will discuss definitions and dimensions of training, its relevance for the organisation of the labour market and the political economy of its supply. In order to be able to discuss the formation of respective institutions in the media production industry in Germany and the UK, an analytical framework is necessary. I want to propose a framework that consists of two dimensions for analysis, the public good character of training, on the one hand, and its attachment to various ways of organising work and the labour market, on the other. The first dimension concerns questions of collectively funding and conducting training in the labour market, the second relates to the difference in organising work through operative tasks or through production functions. With these two dimensions it will also be possible to identify differences in the training systems of Germany and the UK.

I will start with a clarification of the term training and how it will be used throughout the study. I will then go on to present the view of human capital theory on training as a private good before I go on to discuss the circumstances in which training in fact becomes a public good, which threatens its provision by free-riding agents in the labour market. Institutional labour market theory provides descriptions of types of institutional labour markets that manage to internalise this free-riding problematique. In a final discussion, I will discriminate between job titles and joint supply as two different but interdependent institutional mechanisms required for a functioning institutional labour market, and discuss their respective forms.

### **TRAINING TYPES**

Training for skills is subject to several different classifications, typologies and explanatory approaches. These reflect the multiple dimensions that skill training displays and the various theoretical perspectives on skill provision. In a first step I want to distinguish between training's incidence in an employee's working life and the possible routes to training. The following overview will briefly explain each of these dimensions before going on to discuss the actors and the public good character of training.



### ***Training's incidence in working life***

Training for workplace skills is commonly referred to as vocational education and training (VET) and can be divided into initial training and further training. The former takes place at the initial stage of the working life or employment, and normally constitutes the transition from school to work. The latter takes place at any time during working life after the first employment. It usually serves the updating of skills in order to allow employees to work with new technology in their company. Alternatively, it conveys new skills in spells of unemployment in order to open up new employment opportunities.

### ***Routes to Training***

Empirically informed typologies based on different routes to training focus mostly on initial training. Gospel distinguishes between three routes to initial training: a market-based route, an intra-organisational route and a state-based route (Gospel 1998: 436). Alternatively, Soskice identifies a company-based route and a route that relies on mass higher education (Soskice 1993: 101). In yet another typology, Blossfeld makes out five routes: comprehensive schools, vocational schools, inter-firm training institutions, the German "dual system", and on-the-job-training within a firm (Blossfeld 1992: 50). Borrowing from Max Weber, Greinert distinguishes three basic types of initial training: One governed by tradition, one based on market forces, and one administered by bureaucratic principles. The latter two, in turn, make up three mixed types which combine bureaucratic and market elements to different degrees: The model of alternating periods of schooling and work, Germany's dual model which is based on the simultaneous organisation of school and work, and the model of national vocational services (Greinert 1998: 19-24). These typologies are informed by comparative and empirically grounded perspectives.

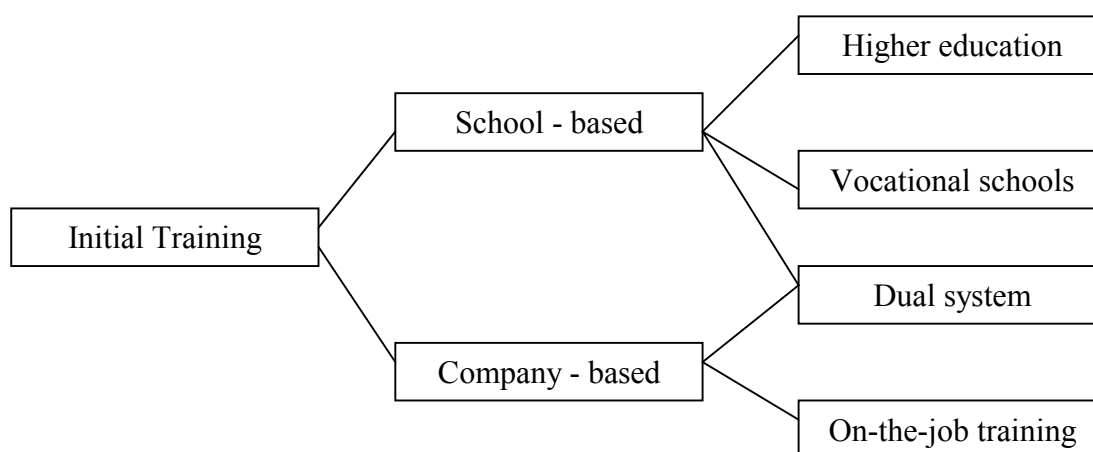


Figure 3.1: Typology of initial training routes

As a common denominator, the typology in figure 3.1 may be suggested as capturing the most commonly found routes to initial training. The route of mass higher education can most pronouncedly be found in the United States where high school is virtually comprehensive and 55 percent of high school graduates engage in another two to four years of higher education in college (Soskice 1993: 106). Initial training is mainly conveyed through vocational schools in countries such as Sweden, the Netherlands and France (Blossfeld 1992: 50; Greinert 1998: 21). The dual system of simultaneously working in a company and attending vocational school is the dominant pattern of initial training in Germany, Austria and Switzerland (Greinert 1998: 22). On-the-job-training can be found in all countries but is probably most common in the United Kingdom and, again, in the United States (*ibid.*: 20).

The route to training also affects the formality with which training is organised. Training can be entirely separated from the productive work process and organised in separate programmes that are specifically designed for the training purpose. Consequently, whether training is organised formally or informally is often considered as being dependent on its connection to the work process. Non-formalised on-the-job training would occupy one end of such a formality continuum while vocational schools would be located at the other end (Oatey 1970: 5). The dual system with its relatively formalised workplace training modules shows, however, that the correlation between formality and workplace training is not necessarily a negative one but can also be positively combined. Connected to the formality dimension is the question of whether training is certified or not. Usually, certification results only from formalised training as it requires that training contents and achieved skill levels be defined and documented.

Further VET in most countries is the responsibility of private companies (*cf.* Auer 1994). It either takes place as on-the-job training or as coursework that is organised by the company itself or by private course providers. According to which alternative is chosen, it will be more or less formal and hence certifiable. Further VET is provided publicly, in contrast, as a way to reintegrate unemployed into the regular labour market (for Germany *cf.* Streeck et al. 1987).

### **ACTORS AND GOALS IN TRAINING POLICIES**

In the following, I will introduce the three actors playing a role in training policies and describe their broad interests in training policies. In the subsequent chapter, a more detailed account of the actors' roles in the training systems of the UK and Germany will be given. I will start with the state and then go on to trade unions and employers.

### ***The State***

Governments have a vital interest in economic growth and international competitiveness of their economies. Especially in the last two decades, international organisations and governments have identified skills and human capital as crucial factors for achieving modernisation and economic success in post-industrial economies (OECD 1994; Keep and Mayhew 1988, 1999). Consequently, skill provision has become part of the political agenda of all European governments and the European Union (see for the EU, for example, Jackman 1998; Padoan 2001). Training policies constitute a possibility to influence both national labour market performance and, in the case of initial training, the school-to-work transfer of young people. Apart from providing institutions of general and higher education, governments regularly also engage in VET and further training. Its role in training is either as a direct provider or in assisting and regulating skill provision to individuals and firms through financial and/ or legal support. With respect to direct provision, public institutions have typical limitations, however. Limited funds, outdated knowledge and equipment, and inefficient bureaucracies are examples (Finegold and Crouch 1994: 251; Crouch et al. 1999: 27). An additional obstacle to state-provided VET lies in the apparent incompatibility of government programmes for the unemployed at the bottom of the skill spectrum, on the one hand, and government initiatives for higher skill formation and upskilling, on the other hand. Because the government's main activity must be focused on helping unemployed and socially vulnerable participants in the labour market to improve their situation, any claim to deliver advanced and highly marketable skills at the same time suffers from credibility problems (Crouch 1997: 377; Crouch et al 1999: 133). In their regulating role, governments can use a variety of instruments to influence kind and volume of initial and further VET in their populations. Among them are the setting of skill standards, regulating private training providers, giving fiscal and monetary incentives to corporations and individuals for their engagement in training, or imposing training levies on companies.

### ***Trade Unions***

Traditionally, trade unions influence training policies either on the company level or on the policy formation level. Increasingly, they also counsel their members individually on qualification and skill development and career possibilities. Trade unions' position on training depends on the scope of their membership vis-a-vis the greater labour market, their industry affiliation and their influence in policy formation. If membership is encompassing and policy influence high, as is the case with trade unions taking part in neocorporatist or social pact

settings (cf. Crouch 1993; Schmitter and Grote 1997; Ebbinghaus and Hassel 2000), unions will try to ensure the comprehensive participation of the workforce in formalised VET and its provision with broad and high skills. As a case in point, the German trade union federation regularly uses its influence in macro-level labour market policy to press employers for more apprenticeship places. It is also involved in the design and reform of apprenticeship schemes, ensuring their broad scope and representing employees' interests for comprehensive qualifications as opposed to narrow and employer-defined training (Culpepper 1999: 5). This is especially true for training in traditional industries like car-manufacturing and engineering, where trade unions have their long-established and highly skilled membership. If trade unions are represented only within companies and not on the policy formation level, their interest will be narrower and focused on the training and upskilling of existing employees. Trade union policy will be geared at ensuring employment security of their specific industry or company membership. This leads to a potential conflict between those who are "in" and part of the respective core workforce, consolidating their position through access to training, and those who are "out" and likely to remain outside because of lack of qualification chances (Crouch et al. 1999: 18). British and American trade unions in the traditional manufacturing industries are an example of these clientelistic training policies. Increasingly, unions try to incorporate increased flexibility in the employment relationship into their training policies and focus on the employability of individual members. The term employability refers to an individual's capacity to attain, keep and especially find anew employment on the basis of its occupational as well as personal and self-marketing skills (Tamkin and Hillage 1999; Blancke et al. 2000: 9). In contrast to concepts of industrial citizenship or the "Berufsprinzip", i.e. the structuring of the labour market according to occupational categories (cf. Baethge 1996), employability shifts the responsibility for achieving life-time employment security completely to the individual. Trade unions assist their members in attaining employability, among other things, by offering individual career counselling, giving advice on training courses by independent training providers, arranging training seminars, or keeping job data bases. Especially in the service industries, where labour markets have traditionally been more flexible (Crouch 1999: 79), trade unions have shifted their focus in training policies towards assistance of the individual member.

### ***Employers***

Employers' interest in VET is twofold: They want an adequate supply of skilled labour from which they can recruit their employees, and they want their employees to be equipped with

the right kind of skills to carry out their production strategies. The first goal requires a high volume of VET so that skilled labour is both available and affordable. The latter goal requires workplace training so that employees are trained on state-of-the-art equipment and acquire necessary, albeit often tacit, knowledge about production processes (Streeck 1989). The two goals regularly collide. If employers do engage in workplace training, cost minimisation and short-term orientation typically lead to a low training volume and narrow and low rather than broad and high skills. This limits companies in their product market strategies in the long run (Finegold and Soskice 1988). In contrast, demands by employers for government supplied VET and a shift of the training burden into the public sphere have their limits in general budget constraints and the lagging behind of government provided training relative to the skill requirements of the industry (Culpepper 1999: 4; Crouch et al. 1999: 27). Successful training regimes hence require workplace training that goes beyond the limited and short-term oriented on-the-job training level and that allows a sufficient number of employees to participate at the same time. Firms' product market and production strategy and their organisation in associations and business communities also play a role. Firms with flexibly specialised production operating on the quality end of the product market (cf. Piore and Sabel 1984; Hollingsworth and Boyer 1997) require a highly skilled and operationally flexible workforce while for firms operating in fordist mass production a less skilled and flexible workforce with general training will suffice. The mutual relationship between production strategy and skill level of the workforce has been described both ways. Backes-Gellner shows in a comparison between sectors and countries how firms adapt their personnel strategies according to the requirements of the product market (Backes-Gellner 1996). In a number of cross-country studies, the NIESR describes how firms are limited in their production strategies according to the skills available on the labour market (Steedman and Wagner 1987, 1989). The organisation of employers in associations and business communities helps to control inter-firm competition that produces cost pressures within firms and negatively affects their training propensity (Streeck 1991: 42-43). The relationship between VET provision and both product market characteristics and extent of competition points to the ambiguous character of skills which are valued by employers but are at the same time the object of limited investments.

### **TRAINING: PRIVATE OR PUBLIC GOOD?**

The question whether vocational education and training must be seen as a matter of market allocation or, in various forms, as a matter of public interest has long been debated in the literature (e.g. Stern and Ritzen 1991; Crouch 1992; Soskice 1994). The following will present human capital theory in order to first explain the market view which treats training as a private good, and then the circumstances in which training must be considered a public good. In contrast to a private good, a pure public good is marked by two properties: Its use is non-exclusive because it is impossible to restrict it through a price mechanism (usually for technical reasons); in addition, its consumption is non-rival because an infinite number of users can engage in its consumption without affecting each other's benefit from it. The standard example for a pure public good is air as its use cannot (yet) be taxed and there is no, or at least not yet, a crowding out effect, or a rivalry, in its consumption. An impure public good lacks one of the two properties, i.e. it combines either non-excludability and rival consumption (e.g. inner-city streets) or excludability and non-rival consumption (e.g. pay television). Pure public goods cannot be provided through the market as they lack the necessary incentive structure for the price mechanism to work (i.e., to continue with the above example, the commercial production of air is unlikely because of the lack of exclusion devices). Impure public goods produce externalities that affect others in addition to the producer or consumer of the good and are not accounted for in the price calculations of these two exchange partners. The market mechanism works only insufficiently.

#### ***Training as a private good: Human Capital Theory***

In economic theory the basic unit of analysis is the individual who is modelled as a *homo oeconomicus*, whose actions are guided by the principle of self-interested maximisation of utility (Frey 1992: 5-9). Accordingly, human capital theory, the strand of economic theory that deals with issues of education and training, sees the decision to engage in training as an individual's attempt to "[...] maximise the present value of [his] lifetime earnings" (McNabb and Whitfield 1994: 3). Training is an investment in *human capital*, which is the stock of expertise accumulated by a worker and which receives value from its income-earning potential in the future (Mincer 1962: 51; Begg, Fischer and Dornbusch 1994: 175). Thus, human capital theory is occupied with explaining the supply side of the market for skilled workers. The demand side is explained by marginal productivity theory where firms will employ skilled workers up to the point where the added productivity equals the additional wage costs. Gary S. Becker's seminal work on "Human Capital" (1993), first published in

1964, is the cornerstone of human capital theory. In the following, I will outline his basic logic and the assumptions that go with it.

Becker distinguishes between general and specific training. Training is completely general if it increases the trainee's productivity by the same amount in many firms. Training is specific when it increases productivity more in the training than in other firms, and it is completely specific if it increases the trainee's productivity in the firm providing the training, but has no effect on his productivity in any other firm (Becker 1993: 40). Becker's argument is that the costs of training should be distributed between the trainee and the employer in line with the benefits that accrue from training, in other words the benefits from training can be internalised completely between the two. In order to identify the party who benefits from training, two things that are closely interwoven in Becker's analysis have to be taken into consideration: The kind of training, i.e. whether it is general or specific training, and the labour market situation. By defining general training as leading to skills which can be used in many firms, a competitive labour market is a necessary precondition, for otherwise there would not be many other firms that are interested in those skills. In other words, general training is not only defined by a content that makes it equally useful in other than the training firm, but also by competitive labour markets, i.e. the existence of many other firms.

If training is general in content and labour markets are competitive, then Becker's conclusion is as follows: Trainees will pay for their general training because they will be the ones who reap the benefits later on by extracting a post-training wage rate that equals marginal productivity, regardless of the firm they are working for (Becker 1993: 34). In other words, a training firm would not be able to capture any return from its general training and therefore not invest in general training. To secure returns from training, a firm would have to be able to pay a post-training wage that is below the skilled worker's marginal productivity so as to recoup investments in the training period. As soon as it attempted to do so in a competitive labour market, however, the skilled worker would go to a rival firm that paid him the proper marginal productivity-wage. Consequently, it is the trainee who pays for general training by accepting a training wage that is below his productivity in the training period. This discount on his wage has to account for the opportunity costs, i.e. the costs that result from time spent on training instead of producing output, and the direct training costs such as the provision of training facilities and the time spent by foremen or senior colleagues to instruct the trainee (Becker 1993: 35). It can be hypothesised that this discount can - in the extreme - take on the

form of a negative wage so that trainees actually pay a fee to their employer to receive general training (Marsden 1990: 426, fn. 7; Acemoglu and Pischke 1996: 33).<sup>29</sup>

If training is specific, on the other hand, the resulting skills will only be useful in the training firm. That, according to Becker, will enable the firm to secure most if not all of the returns from the training investment. Consequently, it is the firm that will pay for the investment. This is explained by the difference between wage and productivity: The wage a worker could obtain outside the firm providing the specific training remains unaltered by that training because it does not affect his productivity in those outside firms. As a result, the training firm can reap the difference between the going wage-rate and the actual marginal productivity, which is higher due to the specific training. This difference, then, is the firm's future return on its investment in specific training today (Becker 1993: 42). This result rests on two assumptions: The first assumption is that there is a competitive labour market, outside the firm and indifferent to its specific training, that determines the going wage-rate. The other assumption is that the worker who receives specific training does not quit the training firm in order to engage in that outside labour market, because this would lead to the loss of the firm's training investment. A worker may well do that, however, since he does not have to face any material loss - he will receive just the same wage in the training firm as outside it. As a solution to this dilemma, Becker supposes that the training firm and the trainee will share the costs and returns of the training investment. By offering the trained worker a wage that is above the going rate but below the worker's productivity, the firm will give an incentive to stay while at the same time still profiting from the training investment. In order to detract possible over-supply in trainees as a result of this wage bonus, the firm will then also share the costs of the specific training so as to bring supply in line with demand (Becker 1993: 45). Presumably, the worker will accept this up to the point where his share of the costs exceeds his share of the returns from the investment.

Becker considers any kind of training as being either purely general or purely specific or a combination of the two. Accordingly, it is possible to break down the costs of training and assign the trainee and the employer their respective shares according to the benefits they gain. Likewise, any combination of general and specific training contents would result in a cost-sharing arrangement, depending on the respective weight of the two contents (Becker 1993: 44). Following this logic, training is a private good that can be provided by the market. There are two equilibriae where the training investment will take place at an optimum level. One

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<sup>29</sup> In the traditional craft apprenticeship of the German guilds until the middle of the 19<sup>th</sup> century, apprentices had to pay "Lehrgeld", an apprentice fee, to their guild masters (Greinert 1998: 18).



equilibrium results from specific training. Specific training can be generated by a specific training content that restricts the resulting skills to the training firm. In this case, the firm and the worker will come to a cost-and-return-sharing arrangement that leaves both of them better off than they would be without the training investment. The other equilibrium results from general training. General training results in skills that improve the trainee's productivity in many firms. In a perfectly competitive labour market, trained workers can extract a wage that equals their marginal productivity in all these firms, including the firm where they have undertaken their training. As this enables the workers to receive all the returns from training, they will also be willing to shoulder all the costs of training. In both of these equilibrium situations every rational decision on investment in training will take account of the training's potential returns and, by bringing costs and returns into equilibrium, avoid incurring unprofitable net costs (Becker 1993: 42). Following Becker's logic, it can thus be concluded that the aggregated individual decisions to invest in training will equal the social optimum for training. His analysis provides only insight for labour markets which are perfectly competitive or purely monopsonistic, however. In the next section, I will demonstrate what happens if these strict assumptions are dropped. There is a wide range of situations where Becker's logic fails to deliver unambiguous results.

### ***Training as a public good I: Imperfect labour market competition***

Becker's analysis provides us with a clear solution for the distribution of costs and benefits of training if the labour market is in either one of two polar states, either perfectly competitive or monopsonistic. The in-between states of labour market competition where neither monopsony nor perfect competition reign produce results that are less well-defined in terms of cost-benefit distribution and which Becker has failed to address explicitly.<sup>30</sup> These in-between states are more realistic than the polar extremes and are crucial for the character of training. Upon closer consideration, the interplay of training content and degree of labour market competition provides for two kinds of specific training: Either as a result of a monopsonistic labour market or as a result of its content. This leads to a situation where it becomes possible that a certain kind of training is both general and specific, depending on the situation in the labour market.

Figure 3.2 illustrates the different kinds of training according to the degree of labour market competition. I will assume that the distribution of labour market states on the x-axis is

continuous and gradually moves from monopsonistic to competitive. The y-axis displays the training content, also on a continuous scale, from specific to general. The line running parallel to the x-axis at the bottom, ST, displays the kind of training that is always specific due to its content, even in a competitive labour market. The upper parallel line starting from B, GT, displays general training. It becomes visible that for general training, the generality of the training content is only a necessary, but not a sufficient condition. A competitive labour market, starting at point B, is also needed. For specific training, in contrast, the specificity of its content is a necessary and sufficient condition.

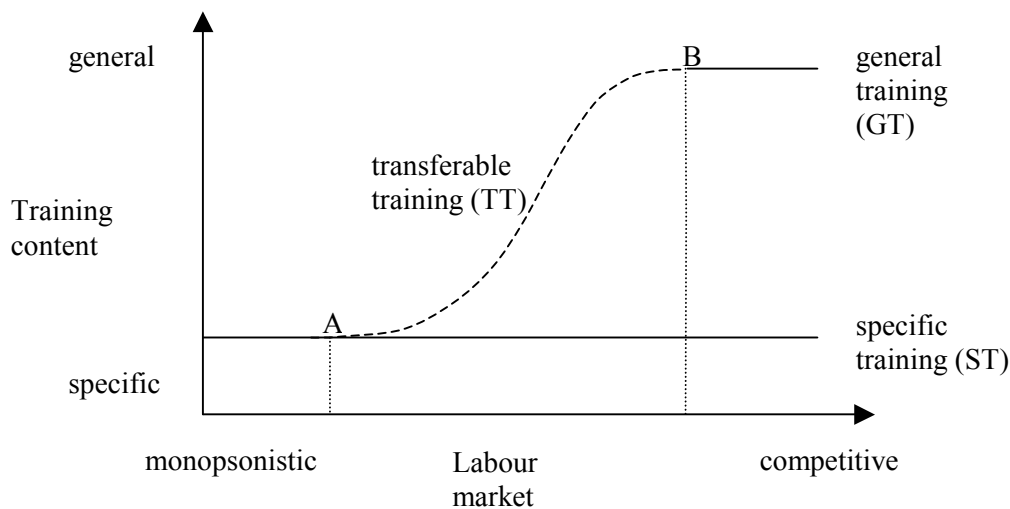


Figure 3.2: Training and labour market competition

The line parting company with ST at A and merging with GT at B, TT, is the training that is only specific in a monopsonistic labour market but becomes general in a competitive labour market. In line with Margaret Stevens' terminology, I want to call this market-defined area transferable training (TT).<sup>31</sup> From the y-axis to point A, TT displays general training in content kept specific by a monopsonistic labour market. Between points A and B, its general content becomes increasingly visible by an increase in labour market competition, before, from point B onwards, turning into perfectly general training.

<sup>30</sup> Becker was probably aware of some difficulty since he writes at one point: "The effect on training of less extreme monopsony positions is more difficult to assess" (Becker 1993: 50). He did not elaborate on this point, however.

<sup>31</sup> Transferable training is intermediate between general and specific training. It is defined as training for skills which are of potential value to at least one other firm in addition to the training firm in a situation with less than perfect labour market competition, i.e. there is competition between firms to employ the skilled worker but it is

It becomes clear that the section of TT between points A and B is not as well-defined in terms of its general or specific character as lines ST and GT. The in-between state of labour market competition causes ambiguity with respect to the distribution of costs and benefits of transferable training. Margaret Stevens' (1994, 1996) analysis of transferable training is helpful for understanding this ambiguity. Her analysis takes the state of labour market competition as exogenously given in a state of imperfection.<sup>32</sup> This assumption is closer to real life situations than either perfect competition or pure monopsony (Oatey 1970; Chapman 1991: 493). Reasons for imperfect competition may be low labour mobility, differentiation of skill requirements or imperfect information (Stevens 1996: 28). The effect of imperfect competition is a wage that is below the marginal productivity of workers. In figure 3.3 it is illustrated how a situation of imperfect labour market competition affects the propensity of firm and worker to engage in training. On the x-axis, labour market competition is shown. The y-axis displays wage  $w$  and training costs  $C(t)$ .

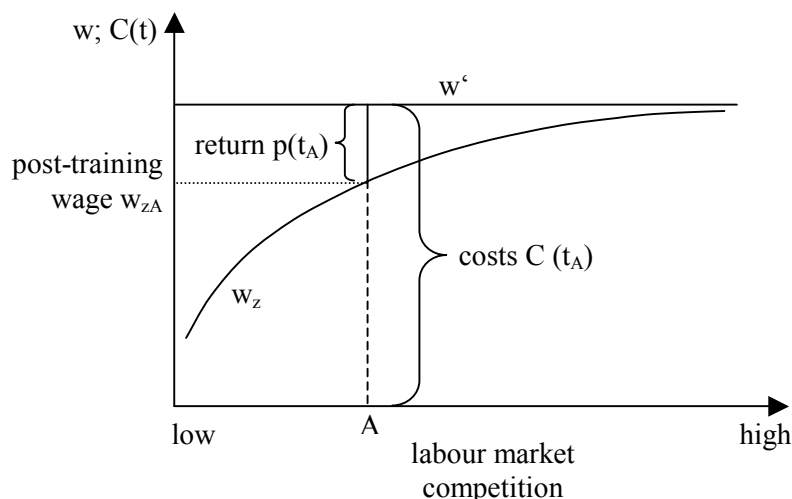


Figure 3.3: Training in an imperfectly competitive labour market

Let us assume that the costs of training amount to the marginal product of the trained worker (and hence ignore any additional costs of training) and are represented by  $C(t_A)$ . We also assume that the degree of labour market imperfection remains unchanged at point A.<sup>33</sup> The

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not fierce enough to drive the wage up to the marginal productivity (Stevens 1996: 26-27; Stevens 1999: 19). Stevens' definition thus corresponds to the area of market-defined training in fig. 3.2.

<sup>32</sup> Perfect competition is defined by four properties that lead to an equilibrium where the marginal wage corresponds to marginal productivity: (1) many employers and workers so that each one constitutes a negligible portion of the whole and that its decisions are not affecting the wage; (2) the skills offered by one worker must be identical to that supplied by any other worker; (3) the market participants must be completely mobile; and (4) all market participants must possess perfect knowledge about all relevant data (Baumol and Blinder 1997: 211).

<sup>33</sup> In a situation of perfect labour market competition, firm B would offer a wage that is higher than  $w_{zA}$ . Wage offers would bid each other up and instantly reach  $w'$ . Training would then bear the marks of general training.

imperfect competition on the labour market allows the training firm to pay the worker  $Z$  a post-training wage,  $w_{ZA}$ , that is less than his marginal productivity which is represented by  $w'$ , the wage level that corresponds to  $Z$ 's marginal productivity after training. The gap between  $w_{ZA}$  and  $w'$  marks the training firm's return on investing in  $Z$ 's training,  $p(t_A)$ . This return gives the training firm an incentive to carry  $C(t_A)$  and engage in transferable training in the first place.<sup>34</sup> At the same time, however, the content generality of training conveys what Stevens calls a positive externality  $x$ , which equals  $p(t_A)$ , to those non-training firms that can employ the skills resulting from transferable training (Stevens 1996: 27-28; Dearden et al. 1997: 8). According to the assumption of imperfect labour market competition, these firms can offer the worker the same wage,  $w_{ZA}$ , as the training firm while saving on the training investment. For non-training firms it is thus very profitable to lure away the trained workers from the training firm and free-ride on the latter's training investments. Consequently, the externality  $x$  works as a deterrent for a firm considering investing in training. As a result, there is ambiguity with respect to the evaluation of the gap between  $w_{ZA}$  and  $w'$  as  $p(t_A)$  or  $x$  respectively. If firm  $A$  takes over all costs of training in the training period and worker  $Z$  remains with the firm after training, firm  $A$  will pocket the profit  $p(t_A)$  in all post-training periods and the decision to train will be a profitable one in the long run. If, however, firm  $A$  takes over  $C(t_A)$  completely but  $Z$  is hired by firm  $B$  after training and employs her skills,  $A$  will lose all or part of its investment.<sup>35</sup>

The externality from transferable training is latently and not, as in the case of other externalities or public goods like clean air, manifestly present. The reason is that  $B$  can indeed make use of  $Z$ 's skills, but only if and when  $A$  does not. Worker  $Z$  can be physically present either in firm  $A$  or in firm  $B$ , but impossibly in both at the same time. This means that transferable training is non-excludable in character, but that its actual use is rival. For that reason, Colin Crouch (1995) identifies transferable training, in contrast to Stevens' classification, as an impure public good which is non-excludable but rival (ibid.: 289-290). Crouch's classification, which describes Stevens' transferable training in different terms, highlights the extent to which the presence of the externality is connected to the trait of non-excludability of skills from competitors. Non-excludability has a spatial and a temporal dimension. Whether firm  $A$  invests in training today depends crucially on its estimate of

<sup>34</sup> Acemoglu and Pischke (1999) suggest that an additional necessary condition for investment by the firm is that the gap between productivity and wage becomes bigger at greater levels of skills, i.e. there must be a post-training productivity increase that is bigger than any post-training wage increase (ibid.: F120-121).

<sup>35</sup> The amount of investment loss will depend on the number of post-training periods after which  $Z$  goes to firm  $B$ . The sooner  $Z$  is hired by  $B$  the higher the loss for  $A$  (see for this argument for example Bosworth, Wilson and Assefa 1994: 84; Lincoln and Kalleberg 1990: 179).

present labour market competition (spatial dimension), but also on what its management thinks will happen tomorrow (temporal dimension). If imperfect competition is caused by long-term structural constraints on labour mobility, the chances for firm B to hire Z are small – in the present and in the future. Exclusion is possible and the externality thus largely latent and not very likely to affect the calculation of firm A. Knowing about the low mobility of Z, A will decide to invest in her transferable training and carry  $C(t_A)$  completely. If, on the other hand, imperfect competition is caused by sticky wages at level  $w_{ZA}$  while, at the same time, labour mobility is not affected and remains high, transferable skills are in fact non-excludable and the externality is manifestly present. With worker Z being mobile, firm B has relatively easy access to them. In this case, the probability that firm A will lose its training investment is high. As a consequence, it may not be willing to invest in training in the first place and will try to avoid the investment loss.

Present chances for exclusion are important but the typical time span between the investment in training and the occurrence of returns, produced by the duration of training and the ratio between wage rate and productivity after training, makes the temporal exclusion the crucial factor for a firm's investment decision. It also introduces uncertainty, however. While the present state of labour market competition and its characteristics, such as, for example, degree of mobility and stickiness of wages, may be collected and computed reliably, future events cannot be foreseen. In contrast to standard capital investment decisions, the firm has to act in an uncertain, as opposed to risky<sup>36</sup>, environment in deciding on whether or not it will invest in training. A calculation of the probability for a trained worker to leave the firm, or new firms emerging, will inevitably be provisional in face of the independence and contingency of the actions of workers and other firms in relation to the firm's strategies. It may extrapolate from present to future states of competition in the labour market, but such an extrapolation may not be accurate in all cases. Such is the case, for instance, if the demand for transferable training expands suddenly and unexpectedly by an increase in demand on the product market or new employers entering the labour market. Thus, although an investment may seem profitable in light of present labour market competition, it may get lost in future periods due to unexpected events. In the end, whether the firm acts according to the incentive of possible return  $p(t_A)$  or according to the disincentive of externality  $x$  constitutes an empirical question. It will depend on the firm's subjective assessment of its workers' mobility and the possible number and strategies of competitor firms in future periods.

Alternatively, according to Becker's logic for general training, the training investment may be carried by the workers. In a state of imperfect labour market competition, as depicted in figure 3.3, this also results in a sub-optimal situation, however. If at point A worker Z takes over C( $t_A$ ) completely, she will not be able to gain the returns on her investment in the form of a wage  $w'$  that corresponds to her marginal productivity after having undertaken training. She would face a loss of the magnitude  $p(t_A)$ . This part of her investment will go to the firm that employs her. At point A, a training investment for Z would only be economically rational if her pre-training wage was below  $w_{ZA}$ . Any investment would thus have to correspond to the difference between this lower pre-training wage and  $w_{ZA}$ .

The discussion has identified a wide area of labour market conditions where an equilibrium in the distribution of costs and benefits of training is not induced by market forces, as is assumed in human capital literature. This area is marked by the characteristics of transferable training. Transferable training is different from Becker's concepts of specific and general training in that it is based on a general content which is dependent on varying degrees of competition on the labour market for its generality. Market-induced specificity can thus turn into content generality. In a situation where labour market competition reaches neither the state of monopsony nor the state of perfect competition, investment in training will create externalities, i.e. benefits to third parties who do not participate in the investment. An investment by a firm will be threatened by a worker's option to leave and work for a competitor firm, and an investment by the worker will fall victim to the labour market power of firms. Uncertainty about the returns on investment in training produces allocational inefficiency, either in the form of individual welfare losses on the side of the firm or on the side of the worker, or on the aggregate level as a undersupply of training as a result of attempts to avoid these individual welfare losses (Acemoglu and Pischke 1999: F127-128). As imperfect competition empirically dominates states of perfect competition or monopsony, the occurrence of transferable training as a rival but non-excludable public good must be seen as the standard case rather than the exception. Employers' investment in general training and the resulting externality are thus important aspects of training and personnel policies. In the next section, capital market constraints for individuals willing to invest in their training will be discussed. They constitute a market failure which accentuates the public good aspect of training even further.

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<sup>36</sup> In a risky situation each state has a known probability of occurring, based on known frequencies over many repetitions (flip of a coin), whereas in an uncertain situation the states' probabilities are unknown or, at best,

***Training as public good II: Capital market imperfection***

An additional public good aspect results from capital market imperfections and risk aversion even if a perfectly competitive labour market and general training content are assumed. In the case of Becker's general training, the employee will carry the costs of training. In a perfectly competitive labour market, the return to this investment will accrue in the form of a post-training wage according to marginal productivity. The future earning potential is thus the theoretical collateral for investment in training today.

The costs of training, in the form of a low wage or training fees, accrue at the very beginning of an individual's career, however, when typically the personal resources to cover these costs are limited. Consequently, if only limited private savings are available trainees are dependent on taking out loans on the credit market at market rates of interest for covering the training costs. According to the logic of a stable market equilibrium, the optimal amount of investment in human capital would be the point where the return from investments in human capital is equal to the interest rate on the capital market (Schmid 1990: 139). Below this point, the ratio of interest rate on the capital market to return on human capital should provide an incentive for individuals to further invest in training, and markets should supply the necessary funds. Above this point, the reverse is true and further investments should be discouraged. There are two problems with the application of this logic, however: Firstly, the return on human capital investment is fundamentally uncertain because of individual differences in aptitude and because of fluctuating demand of skills (Stevens 1999: 20). Secondly, credit markets will not treat investment in human capital as an investment like any other because there is no collateral other than the future, but uncertain, increase in income for securing the loan. When starting with a training course an individual cannot be certain that he will succeed in achieving his goal in the end. And even if he does, the trained-for skills might not be needed anymore, or only in a modified manner after necessary organisational restructuring or technological innovations. This uncertainty produces an obstacle for the investment in training for individuals as much as for markets, the latter being only used to deal with speculative risk (Crouch et al. 1999: 26). Schmid (1990) argues that markets, after careful consideration, will abstain completely from giving loans for human capital investment, and only private savings or insurance schemes will provide the required funds (ibid.: 142). Stevens suggests that the effect of uncertainty on capital markets will be loans with higher than market rate interest rates (Stevens 1999: 20). The result will be under-investment in human capital either because of general lack of granted loans or, if loans are granted at all,

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based on subjective estimates (football match) (cf. Morrow 1994: 28-29).

because of higher than market interest rates for these high-risk loans (see also Soskice 1994: 29). Training thus becomes, albeit a private good in its Beckerian general form, burdened with the uncertainty of returns on investment in the future.

In the public finance literature, the failure of capital markets to provide adequate funding for human capital investments calls for government intervention. Because of its importance for economic performance and the distorted incentive structure, training has also been labelled a merit good, a good that is normatively declared desirable and in need of government intervention for sufficient levels of supply (Musgrave and Musgrave 1976: 65; Frick and Huth 2000: 5). In order to cure capital market failure, government action would have to aim, for example, at supplying loans in the form of public investment grants, or at stimulating private savings with income tax refunds or other subsidies earmarked for training purposes (Schmid 1990: 142). Subsidising training through a tax on skilled wages would achieve the same result (Stevens 1999: 23). Alternatively, indicators like skill certificates and occupational status which signal the trainee's future employment security and earning potential can help to overcome risk aversion by individuals and markets (Crouch et al. 1999: 20).

### **INSTITUTIONAL LABOUR MARKET THEORY**

The sociological literature on labour markets describes institutional arrangements that cope with the uncertainties mentioned in the previous sections. Starting with Kerr's analysis (1954), this literature explores the governance of labour markets and the ways to provide training and its funding. Kerr distinguishes broadly between structureless markets and structured markets, the latter of which he calls institutional markets (Kerr 1954: 93). Institutional markets in Kerr's terms are all markets which do not correspond to the atomized image of the structureless market where there is no bond between the worker and the employer except the wage (ibid.: 101). Althausser and Kalleberg (1981) lay out a typology of labour markets in which they build on Kerr's concept as well as on the concept of internal labour markets as developed by Doeringer and Piore (1971). They distinguish between internal labour markets, occupational labour markets and secondary labour markets. The latter corresponds to what Kerr has described as a structureless market and is a residual category for all those labour markets which are neither internal nor occupational labour markets.



### ***Internal labour markets***

Internal labour markets are defined as “[...] any cluster of jobs that have three basic structural features: (a) a job ladder, with (b) entry point only at the bottom and (c) movement up this ladder which is associated with a progressive development of knowledge or skill” (Althauser and Kalleberg 1981: 130). Internal labour markets provide a solution to protecting training investments by firms by binding the workforce to the employing firm. They can be seen as attempts to decrease the mobility of employees in order to protect human capital investments. A job ladder with entry points only at the bottom makes any exit by employees costly as it generates incentives to stay in the firm and achieve an internal career (Kalleberg et al. 1996: 90). The transaction costs for employees’ mobility between firms rise through the creation and existence of an internal hierarchy of skills and wages that is connected to the job ladder. Thus, employers increase the tenure of their employees by establishing internal career ladders and by rewarding seniority which makes any exit from the firm costly for the employee (Doeringer and Piore 1971; Williamson 1981; Osterman 1984). Investments in skills by employers are not lost this way. Alternatively, employers may devise strategies which make general training effectively specific, either by increasing the firm specific part of the training (Stevens 1996: 37) or by obfuscating the general content of their training (Katz and Ziderman 1990). As employers using these personnel policies shield their work force from the external labour market and erect barriers against competing employers, these alternatives result in internal labour markets as well.

Taking recourse to internal labour markets requires a certain size and a certain share of the product market, however. Designing job ladders that guide workers in an upward movement through their working life is only possible for firms which are large enough to have a continuous and reliable core of production that can provide members of an ILM with work over a long period of time. It is assumed that this is only possible if the firm has managed to capture a stable and large part of the product market (Osterman 1984: 12). If employers do not have the means to create an internal labour market, they may train only in such a manner as to accommodate minimum skill requirements in production while limiting the investments in training. This regularly results in a short-term orientation in designing training programmes and has been identified as cause for low-skill production strategies of firms (Finegold and Soskice 1988: 40).

### ***Occupational labour markets***

Occupational labour markets (OLMs) are an alternative solution to the problem of providing transferable skills in a situation of less than perfect competition and the absence of a pure monopsony on the labour market. They preserve the mobility of workers between firms while at the same time allowing for their general training. In Althausser and Kalleberg's typology of labour markets, occupational labour markets are defined by the properties of 'individual investment in specialised skills'<sup>37</sup>, 'movement between jobs' and 'certification of skills'. Their central property is the transferability of the skills the market participants possess or seek and a common effort of all employers to engage in skill training (Marsden 1986: 233). In order to achieve transferability, occupational labour markets are defined by three elements: There are certain established standards for skills and levels of attainment, training is standardised, and job slots or job descriptions are standardised across firms (*ibid.*: 234; Lutz 1987: 43). For the common provision of training, OLMs require efficient control of the poaching problem by guaranteeing that all employers are equally affected by training investments. OLMs are more precarious compared to ILMs and indeed may collapse into ILMs or secondary labour markets if not sustained by a monitoring regime. If one firm starts to set up a training programme that conveys general skills, it will soon encounter the problem of keeping other firms from poaching its trained workers. If equipped with the required size and product market, the training firm may resort to an individual strategy by creating an internal labour market in order to protect its investment, or else a low-skill secondary labour market will ensue. Sengenberger cites four traditional examples of occupational labour markets where skills are transferable and training investments are protected by a monitoring regime: the medieval guild system, the modern German system of crafts with the accompanying chambers of crafts, the English system of craft unions, and the professions with their self-governing institutions (Sengenberger 1987: 132-141).

### **JOB TITLES AND JOINT SUPPLY IN THE LABOUR MARKET**

In contrast to occupational labour markets, internal labour markets rely on a firm internal hierarchy in order to protect skill investments. They constitute individual strategies of firms for organising the labour market and depend on the availability of the necessary organisational resources. If these are given, the organisation can decouple itself from the

general labour market and introduce its own training and job structure. However, as a result of a secular trend towards increased numerical flexibility of the workforce and the shift towards a post-fordist economy (Lane 1989; Standing 1990; Crouch 1999: chs. 3 and 4), internal labour markets have increasingly fallen victim to downsizing and branching-off of business services by management (e.g. Rubery at al. 2000). Due to this organisational restructuring, internal labour markets are less and less a viable venue for skill development and training. As we have seen in the previous chapter, this is particularly true for the media industries of the UK and Germany since the break-up of the public broadcasting monopoly. Companies and employees have to increasingly rely on external modes of training provision. The institutional characteristics of occupational labour markets thus come to the forefront of discussion. Occupational labour markets depend on the standardisation of training and job classifications and on the monitoring of training efforts of firms. These two different aspects of occupational labour markets perform functions that are separate but interdependent. Standardisation coordinates exchanges on the labour market, while joint supply of skills governs the co-operation of employers in training matters.

### ***Joint Supply***

Occupational labour markets are characterised by joint supply of training in order to avoid the externality described by Stevens. Poaching constitutes an instance of free-riding where individual rationality induces employers to refrain from contributing to a collective training effort, although successful co-operation would produce benefits that make all employers as a group better off and would put them into a pareto-superior position (Olson 1965; Johansen 2000). In order to achieve this position, individual employers must be induced to contribute to the costs and not just reap the benefits of transferable training. This requires an agreement between all employers to contribute to a certain level of training by conducting training in their companies. Alternatively, if there is an agreed-on separation into training and non-training employers, an agreement on the distribution of costs among all employers is needed (cf. Hardin 1982: 91; Marsden 1990: 426-427). Employers may, for example, contribute in equal shares to the costs, either according to some notion of capability or according to the benefits they receive. Consequently, employers need to find an enforcement mechanism to ensure the factual or pecuniary participation of all employers in skill creation. Because enforcement usually requires additional organisational resources, the participation in the

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<sup>37</sup> 'Specialised skills' in Althausser and Kalleberg's definition are not meant to refer to firm-specific skills as described by Becker, but are skills that are specialised in the sense of being required for doing craftman's work

enforcement regime is itself often a collective action problem and constitutes the so-called second-order free-rider problem (Coleman 1990: 270). The costs of enforcement may comprise the setting up and running of an organisational structure which, in the case of training, must define required training patterns and enforce the respective training volume and cost participation (Milgrom and Roberts 1992: 29). For joint supply, both the first-order problem, i.e. poaching, and the second-order problem, i.e. contributing to enforcement, need to be solved.

In the industrial relations and governance literature, three modes of enforcing training activity are described. These are enforcement by the government, the trade union or through employer associations. The former two are exogenous enforcement modes where employers are coerced into the provision of training by one of the two other industrial relations actors. This is connected to an externalisation of the costs of enforcement if the enforcement organisation is funded either by the government or, somewhat less likely, by the trade union. With its potential to use legitimate force, the government "[...] is the ultimate enforcer of rules [...] that sanctions and regulates the various non-state [governance] mechanisms [...]" (Hollingsworth and Boyer 1997: 13). Short of engaging in skill provision itself, the government can take unilateral action in order to provide a legal framework for enforcing training activity. Examples are legally imposed training levies, the legal obligation for firms to take on apprentices or mandatory membership in self-governing organisations. It may also provide and fund monitoring agencies itself. Alternatively, government action may be limited to asserting regulative intervention if private actors fail to provide an endogenous solution. By so doing, it makes such a solution more likely in the first place (Scharpf 1997: 200). Whether and to what extent government regulation continues to be a feasible mode of governance in times when globalisation allows companies to escape their national home bases is discussed controversially (e.g. Lash and Urry 1987; Evans 1997; Held and MacGrew 2000). If companies require a skilled workforce, however, they will be less prone to escape government regulation. Skills cannot be built up spontaneously in a new location, and taking existing skilled staff along is not likely to be an option because of low labour mobility (Soskice 1997). Trade unions can enforce joint supply through their control of the workforce or through collective bargaining. If employers have access to skilled labour only through the trade union, the union has the necessary monopoly power to impose training standards and enforce training activity within companies. This requires a craft union organisation as was traditionally the case in the British craft system (Sengenberger 1987: 136). Craft unions

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(Althausser and Kalleberg 1981: 134).

govern the entrance of young school-leavers into the labour market by setting the amount of new trainees and monitoring their workplace training. Allocation of the workforce is also regulated by the union so that employers hire workers directly from the trade union rather than through the labour market. A less restrictive way of trade union enforcement of joint supply is through collective bargaining vis-a-vis the employers, where standards and participation rates can be formally fixed (Mahnkopf 1992: 71). In both cases trade union enforcement is dependent on the union's power, either as a monopoly provider of skilled labour or in collective bargaining. As the rate of union organisation continually drops across European countries (cf. Ebbinghaus and Visser 2000), this requirement is less and less given. The third mode of enforcing joint supply is endogenous enforcement by employers. Following Olson's analysis, an endogenous solution of the collective action problem is only possible for small groups or groups whose members have a heterogeneous interest in the collective good. The heterogeneity in the interest allows for a collective good to be provided where a few members of the group have such a strong interest in the good that they provide it single-handedly, even if they have to carry all the costs of its provision (Olson 1965: 34). However, as the other group members consume the collective good without contributing to its production, the supply will be sub-optimal (ibid.: 35). The smaller the respective group the better can this sub-optimality be controlled through a cost-sharing arrangement (ibid.: 46-47; Johansen 2000: ch. 3). Other than through small numbers and heterogeneity of interest, employers can organise enforcement through selective incentives offered by a monitoring organisation, usually an employers' association. Such incentives are private or club goods<sup>38</sup> that employers can only access through membership (Crouch 1995: 291). In order to internalise the externality of transferable training, membership of the association has to be comprehensive or near comprehensive relative to the industry or regional labour market in which members operate.

### ***Job Titles***

Job titles are nominal standards that structure the labour market in the form of skill standards, job descriptions and job classifications. They transcend single companies and form the basis of an occupational labour market and its training regime. As a link between the organisation of work within individual companies and the wider labour market, they co-ordinate exchanges

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<sup>38</sup> In contrast to pure public goods, club goods are impure public goods which are characterised by excludability of benefits and non-rivalry of consumption (for a detailed discussion see Cornes and Sandler 1996).

between these two spheres. Likewise, they manage the school-to-work transfer by synchronising vocational training schemes with actual jobs in companies.

### *Labour Market Exchanges*

In governing labour market exchanges, job titles reduce transaction costs of workers who want to change jobs and of companies that want to recruit new employees.<sup>39</sup> Transaction costs result from uncertainties about required qualifications for executing a job and, conversely, about those held by a worker. In a labour market without job titles, a worker offering her skills has difficulty identifying the kind of skills an employer needs and whether her skills fit the requirements. Equally, an employer does not know whether a worker possesses the required skills for the job. In addition to this nominal uncertainty (“what kind of skills are needed?”), there is an ordinal uncertainty with regard to the level and quality of skills held and required (“what level of skills are needed?”). Therefore, both parties face information constraints. These may also allow for opportunism, i.e. the intended incomplete or distorted disclosure of information by a worker on her skill level and by a company on its qualification requirements (Williamson 1985: 47). Job titles safeguard against such malevolent misleading if they effectively document actual qualifications. Above all, they reduce nominal and ordinal uncertainties between labour market parties and commit worker and employer to use standardised titles when looking for or offering employment. When either one deviates from these standards, the matching process will be more difficult and demand more transaction costs (Soskice and Hancké 1996: 7). Finding a job as a baker, for example, is considerably easier if both the prospective employer and the prospective employee use the same term, baker, instead of using different terms - flour expert and early bird, for example. The prospective employee may want to proudly call himself a flour expert rather than a simple baker, but in order to find a job he will instead vote for the baker option. The same is true for the employer who may particularly value the early bird quality in his baker employees but will still advertise the respective job openings as baker instead of early bird jobs. This goes to say that established job titles will limit the choice of labour market participants to brand their held or required skills. By so doing, they increase the informational value of these job titles.

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<sup>39</sup> Transaction costs result from the need to “[...] discover who it is that one wishes to deal with, to inform people that one wishes to deal and on what terms, to conduct negotiations leading up to a bargain, to draw up the contract, to undertake the inspection needed to make sure that the terms of the contract are being observed, and so on.” (Coase 1960: 15).

The more standardised job titles are, the less nominal and ordinal uncertainty and ambiguity they generate.<sup>40</sup>

### *Vocational Education and Training*

Vocational education and training synchronise job titles with qualifications. In an effective VET regime, training schemes prepare young labour market entrants to take up employment in the wider labour market. Hence, training certificates have to match the job titles used in the labour market in order to allow for trainees' smooth transfer into regular employment. At the same time, VET establishes the occupational base on which job titles rest. In its empirical manifestations, an occupational labour market is frequently marked by a strong occupational identity among workers which has its foundations in training. Subsequently, it helps to define and preserve job title boundaries. If job titles are closely connected to certified training and levels of achievement, ordinal uncertainty about the level and kind of held qualifications is also reduced, and opportunism restricted. To take the example of the baker above, a standardised baker traineeship will set the level of qualification that is generally expected by both applicants and companies who want to apply for or, respectively, fill a baker vacancy.

### *The Employment Relationship*

Within the individual company, job titles govern the relationship between employer and employee. They define the scope of the former's discretionary power and the latter's responsibilities by setting out the duties contained in a job. These duties can be divided into two principle categories, being either defined according to production functions or according to tasks (Marsden 1999: 37-38). "The task can be understood as relating to the physical and mental actions to be carried out by the employee, the function relates to the employee's output or contribution to the collective effort of production or service provision" (ibid.: 37). In the above example of the baker, the task principle would split up the overall process of producing bread into several jobs, like dough stirring, loaf forming and loaf baking. The function principle, in contrast, would comprise the whole process from mixing together the ingredients to the final delivery of the bread and define this as one job. Both can alternatively be used in order to organise a job and define it. The task principle is more detailed as it describes a job's responsibilities in terms of concrete tasks that have to be fulfilled. The function principle, in contrast, is more extensive in its scope and describes a job's organisational functions. It

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<sup>40</sup> Standardised job titles become increasingly useless for recruitment the more jobs are idiosyncratic in their profile, like many management and executive positions. Such jobs constitute an altogether different labour

allows for more flexibility but is also more ambiguous than the task principle. The latter relies on narrow and often self-evident tasks. These can be ascribed individually or as a bundle to an individual worker who is then responsible for their execution. An example are tools of the trade rules which were traditionally used by British craft unions in order to organise occupational labour markets. Here, jobs are defined and demarcated according to typical tools used in exercising the respective tasks (ibid.: 42). Functions, in contrast, require further criteria in order to define responsibilities among employees. With a varying and more abstract bundle of different tasks within the production process, functional responsibilities can become ambiguous at times. As a result, complementary criteria like seniority or skill status are frequently used in order to ascribe responsibility for a function to an employee. An example are the functional flexible occupational labour markets in Germany where job responsibilities are distributed according to occupational status (Marsden 1999: 118, 221; Sengenberger 1987: 132-141).

The task and function principles are used in order to define the boundaries between jobs. These boundaries serve both employer and employee in order to enforce the employment relationship. Without boundaries, management would be able to use its power to dispose of the employee in an unrestricted manner, and the employee would not know what his responsibilities were (Marsden 1999: 12). Tasks and functions offer transparent criteria in order to construct these boundaries.

Job titles have a threefold role: They govern the employment relationship within an individual company, they constitute a point of reference for vocational training schemes and they manage labour market exchanges. In managing labour market exchanges, they perform a matching role. As a point of reference for training schemes, they interact with joint supply in order to form an occupational labour market. In governing the employment relationship, they result from the organisation of work according the task- and the function-principle.

## CONCLUSION

This chapter has established the theoretical basis for analysing labour market institutions. It started with an introduction to the terminology of training and the various ways of delivering training. It went on to illustrate the human capital view on training and its funding. Introducing imperfect competition into the human capital model renders it considerably more

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market, however.



realistic, but also alters the good character of training from private to public. As a result of its public good character, the provision of training requires an institutional foundation either in the form of an internal labour market or in the form of an occupational labour market. Occupational labour markets standardise training and monitor free-riding of employers. These two functions have been discussed as joint supply and job titles.

The next chapter will discuss the training systems and the dominant work organisation on the national level in the UK and Germany in order to elucidate the interplay between joint supply and job titles on the national levels. As a result, it will be possible to analyse institutional formation in the media production industries in the industry's specific work organisation and the national systems of vocational education and training.

## NATIONAL TRAINING FRAMEWORKS OF THE UK AND GERMANY

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The national training systems of the UK and Germany are the focus of this chapter. I will start with a brief historical account of the two systems, and then discuss the role of the government, the trade unions and the employers with respect to joint supply. I will then identify the job title regimes by looking at vertical and horizontal segmentation of work roles in work organisation and VET schemes in the two countries. Joint supply and job title norms thus provide the analytical framework for discussing the national training systems and allow us to classify them in a systematic, if somewhat stylized way.

### HISTORICAL ROOTS

#### *Germany*

The roots of the German dual system of initial VET go back to the practice of medieval guilds. From the 12<sup>th</sup> century onwards, guilds performed the task of recruiting and training new members as much as a way of providing them with handicraft skills as to socialise them within their class. The families of apprentices had to pay an apprentice fee to the respective master which was fixed in an apprentice contract. Apprenticeships took a certain number of years (anything from four to seven years) after which the apprentice became a journeyman. In contrast to today's system, social and formal criteria played a much larger role during the apprenticeship than regulations on training content and skill provision. Only the final master craftsman certificate, with which the journeyman, after practising his trade for a number of years, became a full member of the guild, was regarded as a proper proof of craft skills (Greinert 1998: 34). This informal, learning-by-doing model continued to govern the training in the craft sector until the guilds lost their influence due to industrialisation and internal decay in the 18<sup>th</sup> century (Kieser 1989: 555-557). At the beginning of the 19<sup>th</sup> century, the introduction of the free right of setting up business, i.e. without obligatory membership in a guild, marked the administrative manifestation of their declining influence and signalled the end of the medieval guilds.

The crafts sector, the so-called *Mittelstand*, took on a new life at the end of the 19<sup>th</sup> century due to its importance as a political block in the young nation-state. The *Handwerkerschutzgesetz*, the law protecting craftsmen, of 1897, re-established compulsory membership for chambers of crafts, which became the successors of the medieval guilds. The

exclusive status of craftsmen as apprentice masters (the so-called *Kleiner Befähigungsnachweis*) was legally established in the *Novelle der Reichsgewerbeordnung*, the reform of the craft laws, of 1908. Both laws in conjunction are seen as the beginning of the dual training system of today. They marked the change from a socialising process into a skill-oriented qualification process (Greinert 1998: 35). Trade and industry started to copy the apprenticeship system of the crafts sector for their purposes. As industrial production steadily grew, the large companies in particular sought a way of equipping their workforce efficiently with the required skills. After the first world war, local industrial employers' associations, most pronouncedly in the industrial districts of Berlin, together with the respective chambers, started to introduce external exams for their trainees. Industry also introduced so-called *Lehrwerkstätten*, training workshops, in which trainees were taught separately from actual production. This marked an important step in transforming apprenticeships from learning-by-doing to comprehensive and theoretically backed vocational training (Backes-Gellner 1996: 148). From 1925 onwards, the so-called *Arbeitsausschuß für Berufsbildung* (AfB), the working committee for vocational training, started to define a horizontal and vertical system of jobs that structured the industrial labour market (Greinert 1998: 63). During National Socialism, a uniform classification of trades and apprenticeship schemes comprising crafts, industry and trade was introduced. In 1938, mandatory vocational schooling was established for all trainees up until the age of 18, a legal obligation which continues to exist today (Backes-Gellner 1996: 148).

In 1969, the *Berufsbildungsgesetz* (BBiG), the law on vocational training, was passed by the *Bundestag*. This law marked the end of a long political struggle in the new Federal Republic. The central fault line was the employers' demand for autonomy in conducting training and the trade unions' request for perceiving vocational training as part of a wider industrial citizenship concept. The latter demanded not only technical but also general educational and socio-participative components. The trade unions' demand had its origins in their first attempts at influencing vocational training in 1919, when they issued a draft law demanding the active participation of the government in vocational training in order to make trainee education a public responsibility (Greinert 1998: 85-86).

The 1969 law established the present dual system that consists of public vocational schooling, on the one hand, and legally regulated, but company governed, workplace training, on the other hand. The vocational schools for public schooling are within the constitutional responsibilities of the German federal states, the *Länder*, whereas the regulation of workplace training is the responsibility of the federal government, the *Bund*. The *Bundesinstitut für*

*Berufsbildung* (BIBB), the Federal Institute for Vocational Training, designs, evaluates and conducts research on apprenticeship schemes and also prepares the training regulations that are formally issued by the *Bundesministerium für Wirtschaft*, the Federal Ministry of Economic Affairs. The third institutional pillar of the dual system, besides the *Land* and *Bund* institutions, is the regional *Handwerks-* or *Industrie- und Handelskammern* (IHK), the chambers of craft or industry and trade respectively, in which company membership is mandatory. They are responsible for implementing the federal training regulations and for conducting the final exams of trainees.

### ***United Kingdom***

The origins of vocational training in the United Kingdom are, as in Germany, the guild system of the Middle Ages. From the 12<sup>th</sup> century onwards, the guilds administered and organised apprenticeship schemes that regulated the entrance into their trades. During the industrial revolution the guild system lost in influence due to the increase in industrial employment. In line with the tradition of voluntarism in industrial relations, British governments traditionally regarded vocational training and education as the sole responsibility of employers and saw no need for regulatory action (Twining 1994: 22). During the 18<sup>th</sup> century, an increasing number of private organisations emerged which organised exams in order to document workers' qualifications (Backes-Gellner 1996: 100). In 1754, today's *Royal Society for the Encouragement of Arts, Manufactures and Commerce* (RSA) was founded. It amalgamated regional award institutions and, from 1856 onwards, offered vocational examinations, especially in industry and trade. Today, it operates under the name *RSA Examinations Board*. In the crafts sector, the guilds tradition facilitated the foundation of the *City and Guilds of London Institute for Advancement of Technical Education* in 1878, which offers and administers vocational examination and certification in the technical and crafts trades until today (ibid.). Also in the second half of the 18<sup>th</sup> century, private professional societies were formed in order to help equip their members with the increasing technical and scientific knowledge of the time. Membership in these societies soon became the equivalent of today's university degrees as they signalled professional competence in a particular field, for example in engineering (Twining 1993: 25). From 1889 onwards, technical schools were founded across the country which offered vocational courses for the working population. They were financed by a levy raised by *Local Education Authorities* (LEAs) and worked closely together with local companies in order to ensure the course contents' relevance for the needs in the production plants (Twining 1993: 24).

After World War II, the government of the time took a more interventionist position in training matters and set up a *Joint Consultative Committee* with representatives of employers and trade unions. This committee recommended nation-wide, sectorally organised *Apprenticeships and Training Councils*. In 1964, the government passed the *Industrial Training Act*, which established sectoral statutory *Industry Training Boards* (ITBs). These were made up of employer, trade union and educational interest representatives and had the power to impose industry levies and to award training grants (Twining 1993: 26). By 1969, 27 ITBs were in existence, imposing a levy of between 0.5% to 2.5% of member companies' wage bills, depending on the industry. They covered around 15.5 million out of a total of 25 million employees. As a result, the number of apprentices in industry rose sharply and, in the early 1970s, reached a high-point (ibid.). In 1973, the newly elected conservative government passed the *Employment and Training Act*, which established the *Manpower Services Commission* (MSC) as a centralised tripartite institution for all matters related to vocational education and training. Due to the economic recession of the second half of the 1970s, and criticism of companies in the high pay and rigid workplace demarcation connected to craft apprenticeships, recruitment of apprentices dropped sharply in the 1970s. By 1980 youth unemployment had become a major political issue. Accordingly, the government's focus increasingly shifted towards remedying youth unemployment. In 1983, the MSC proposed the introduction of the so-called *Youth Training Scheme* (YTS) as a way of reducing youth unemployment. Initially, this was designed as a one-year, school-based programme. In 1986, it was replaced by a two-year programme, renamed *Youth Training*. *Youth Training* was available to young school-leavers and marked a change from the traditional company-based apprenticeship-type VET towards a school-based, publicly organised VET. This also had repercussions on the institutions responsible for apprenticeship training. The MSC was abolished in 1988, the last ITB - save for the construction industry - vanished in 1991. Their successors were the *Training and Enterprise Councils* (TECs), which operate on a local level, and the voluntary *Industry Training Organisations* (ITOs) (from 1996 onwards relabelled *National Training Organisations*, NTOs). Both have, in contrast to earlier tripartite arrangements, only employers and business executives as members (Crouch 1995: 299; Gospel 1998: 439).

In the second half of the 1980s, concerns about the level of competence of the workforce and Britain's economic performance led to the creation of the *National Council for Vocational Qualifications* (NCVQ). Its purpose was to increase access to training and education and to rationalise the system of providing vocational qualifications through a new system of

qualifications that could be assessed in the workplace (Robinson 1996: 2). The resulting *National Vocational Qualifications* (NVQs) describe certain competencies that are assessed in the workplace; each NVQ comprises five levels of ability, so that NVQs can delineate competencies horizontally and vertically. Existing vocational qualifications like apprenticeships and Youth Training were incorporated into the NVQ system. In 1991, *General National Vocational Qualifications* (GNVQs) were added which provided a school-based way to attain the same qualifications as the workplace-based NVQs. Employer-led *Lead Bodies* were set up in each industry; these were responsible for developing and awarding NVQs for the relevant occupations of their industry (now absorbed into *National Training Organisations*).

In 1993, the conservative government, revising its earlier opposition to apprenticeship training, and acting on favourable assessments of the German system of apprenticeships, aimed at further improving VET by introducing the so-called *Modern Apprenticeships* (Gospel 1998: 441-442). These were designed according to the German model as a workplace training with off-the-job training elements intended to provide broad skills that are marketable on the labour market. The aim of the approximately three-year training was to deliver competencies on the third of the 5-level NVQ system. In an agreement between the employer and the apprentice, training contents, qualification levels, completion time and the apprentice wage are fixed in advance, subject to underwriting by the local TEC (Gospel 1998: 442). In 1997, *National Traineeships* were added, providing two-year work-based training on a lower level, usually NVQ-level 2, following the model of *Modern Apprenticeships* (Everett et al. 1999: 7). In the same year, the *New Deal* scheme was introduced as part of the new labour government's *Welfare to Work* programme that attempted to re-integrate unemployed into the labour market by providing them with short-term workplace training.

In 2000, the labour government passed the *Learning and Skills Act*. This act redefined the remit of the *Department of Education and Employment*<sup>41</sup> by splitting it into the *Department for Education and Skills* and the *Department for Work and Pensions*. It established a new terminology by renaming the *Modern* and *National Apprenticeships*, *Foundation* and *Advanced Modern Apprenticeships*. It also transformed the system of TECs by splitting them into so-called *Business Links*, responsible for small and start-up companies, and local *Learning and Skills Councils*, headed by a *National Learning and Skills Council* (LSC). The latter's responsibilities comprise all aspects of training, including distributing government

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<sup>41</sup> The Department of Education and Employment itself was formed in 1995 by merging the two formerly separate Departments of Employment and Education.

funding and administering the various programmes such as the NVQs, *Modern Apprenticeships*, and *New Deal*. Its board is made up of employer and education interest representatives but also includes one representative from the *British Trade Union Congress*. The local *Councils* have no trade union or other employee representatives on their boards. Besides the *Business Links* and LSCs, the 2000 Act established the *Adult Learning Inspectorate* (ALI) as an independent institution that supervises through workplace inspections the quality of training that is wholly or partly funded by the LSC or the *Employment Service*. Its objective is to raise the quality as much as the public awareness of the importance of vocational training. Whether and to what extent these latest modifications in government policy have an effect on training must, however, remain unexplored in this study.

## **JOINT SUPPLY**

Enforcement of joint supply takes different forms in the two training regimes. The sources of enforcement discussed in the previous chapter, i.e. government regulation, employers' collective action and trade union power, are present to different degrees and in different forms. The following discussion will focus on the importance of these enforcement agents for achieving employers' financial or substantial participation in training activity. It takes on a comparative perspective and identifies differences between the regimes.

### ***Government Regulation***

Government action for enforcing training participation falls into two broad categories. One is the provision of positive pecuniary incentives that induce employers to offer training places. The other is negative incentives in the form of legal sanctions to compel employers to participate in collective training activity.

#### ***United Kingdom***

In the UK, since the 1980s governments have relied mainly on providing positive incentives and have pursued an approach to training that largely follows a neo-liberal Beckerian, human capital view on training (Cruz Castro 1999: 9). The earlier corporatist policies of the *Industry Training Boards* were gradually abandoned by consecutive conservative governments and New Labour in favour of supply-side policies trying to induce individuals and companies to invest in training. These policies focus mainly on the market failure of financial markets in

providing funds for training, and on establishing transparency of qualifications. The enforcement of collective action of employers is not a primary policy goal. To the contrary, individual employers are regarded as customers of training policies, not as parts of a collective effort to provide training (Cruz Castro 1999: 36; Crouch et al. 1999: 131). According to this market approach, government policies take on three forms: Promoting training in general, assisting individuals in funding training, and establishing and regulating the market of training provision.

In response to the almost complete breakdown of corporatist and traditional training arrangements (MSC and ITBs, craft union apprenticeships) in the 1980s and critical commentaries that attested bleak economic perspectives to a low skill, low pay economy (e.g. Finegold and Soskice 1988), the conservative government of the time initiated programmes to heighten the awareness of employers to training matters. In line with the general policy of non-interference in company decisions, in 1990 the *Department of Employment* started the *Investors in People* (IiP) programme. Its aim is to reward good practice in training by awarding IiP certificates to companies that have fulfilled certain standards which relate to long-term investments in employee qualifications. The administration of the IiP programme is the responsibility of TECs that evaluate companies in their region and award the certificate. Government funds, also administered by TECs, subsidise assessments and consultation of companies. Access to further government funds for funding training are connected to possession of the IiP award. A large number of companies, according to the IiP's head office around 24,000, have taken up these incentives and qualified for the IiP award over the past ten years.

For individual investments in training, in 1988 the conservative government has introduced assistance for commercial bank loans. The *Career Development Loans* (CDL) programme allows individuals to apply for commercial bank loans in order to pay for vocational education and training. The *Department for Education and Skills* pays the interest for a duration of up to three years, and repayment is not due until after the end of the training period. Courses for which the loans can be used have to be vocational in nature and can be offered by both public and private providers. The so-called *Small Firms Training Loans* are designed according to the same principle and aim at small companies instead of individuals. In 2000, the Labour government started an additional, so-called *Individual Learning Account* (ILA) initiative intended to subsidise individuals' learning expenses through direct government payments. This initiative was intended especially to help labour market entrants and people re-entering the labour market. The programme was suspended in late 2001,



however, due to alleged fraud by course providers and is currently being overhauled. All three initiatives have been successful in attracting people into training courses. Since 1988, 149,829 CDLs have been taken out; and by October 2001 2.5 million members were registered as eligible for ILAs. As with IiP, the qualitative aspect of these skill initiatives remains largely unidentified, however. Especially the degree to which the initiatives have improved training which may have taken place in any case remains open due to the lack of comparative data.

The government influences training standards on the basis of the NVQ framework and the work of the TECs. The latter operate on a regional basis as private companies. They display a dual face as, on the one hand, they operate in a company-mode and offer services to local businesses. On the other hand, they take on the role of an agency and policy instrument of the government (Crouch et al. 1999: 189). TECs are responsible for administering the various government programmes for the unemployed such as *Youth Training* and for a large part also the *New Deal*, as well as the *Modern* and *National Apprenticeships*.<sup>42</sup> In applying the NVQ framework in the administration of these programmes, the standards are spread through the economy. By tying government subsidies for training to the application of the NVQ framework, TECs induce companies and training providers to reframe their training efforts, and possibly conduct altogether new training, adhering to the NVQ levels and certificates. As a result, companies and private training providers alike adopt the framework. The NVQ framework is adaptable with respect to training content and quality, however, and largely replicates practices within firms. The enforcement role of the TECs is hence limited to extending coverage and use of the framework across the economy, but does not necessarily affect the quantity and quality of training as such. Consequently, the enforcement of the NVQ framework serves the institutionalisation of job titles more than the provision of joint supply (cf. next section on job titles).

### *Germany*

In Germany, government regulation is primarily of legal nature. Enforcement of joint supply in initial, as opposed to further training, is assisted by the federal government through three crucial legal measures. These are compulsory vocational schooling until the age of 18, the principle of legally recognised, regulated occupations (the so-called *Berufsprinzip*) and compulsory membership of commercial companies in regional *IHKs*. The traditional and legally enshrined compulsory membership in the chambers (§2 Abs. 1 *IHKG - Gesetz zur*

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<sup>42</sup> With the 2000 Learning and Skills Act, the newly created LSCs, Business Links and jobcentres have taken over these responsibilities.

*vorläufigen Regelung des Rechts der Industrie und Handelskammern*, 1956) subjects companies to their regulatory leverage. Membership is connected to statutory membership fees that provide *IHKs* with the financial base to operate as a monopoly institution for monitoring training quantity and quality in their respective region.

Compulsory vocational schooling requires all employees under the age of 18 to attend vocational school, irrespective of their status as a regular employee or as a trainee. The result of this legal requirement, established in the respective laws on compulsory schooling of the federal states (*Schulpflichtgesetze*), is a general obligation to train all employees under the age of 18 in an apprenticeship scheme of the dual system. Since vocational schools' curricula cover only those topics that are part of apprenticeship frameworks, compulsory schooling induces companies to train their young employees in a formal apprenticeship. Despite a general trend towards longer secondary schooling in Germany, almost 43 per cent of those entering an apprenticeship were under 18 years old in the year 2000 (BiBB-Datenblatt 9960). For a large part of German labour market entrants, engaging in an apprenticeship is thus the only feasible option.

The *Berufsprinzip*, the legal recognition and regulation of occupations, has its basis in the way apprenticeship schemes are formally developed and adopted, and in their legal protection against incursion by training programmes that carry the same occupational name but differ in content and mode of training provision. The BIBB, as the responsible federal agency, drafts and defines the frameworks which set out the minimum standards for training at the workplace, the curriculum for the vocational school, the training period, the examination requirements and the occupational title (Streeck et al. 1987: 13-15; Backes-Gellner 1996: 153). Social partners of the industry to which the occupation belongs as well as the federal states are included in this process. Once a consensual decision has been reached within the committees of the BIBB, the Federal Ministry of Economic Affairs (*Bundesministerium für Wirtschaft - BMWi*), in consultation with the Federal Ministry of Education and Research (*Bundesministerium für Bildung und Forschung – BMBF*), issues a decree for the apprenticeship in question, the so-called *Ausbildungsverordnung*. The decreed title is henceforth legally protected and exclusively connected to the defined training curriculum. Through this legal protection of apprenticeships, choices of individuals and companies for initial training are channelled towards those which have been decreed, certainly so in traditional occupational fields. Of course, ubiquitous economic change during the last two decades continues to lead to new industries and new occupational fields. A standard criticism of the dual system has been the slowness, and possibly the inappropriateness of the system, in

tracing and incorporating these new occupational fields into its remit (e.g. Baethge 1996; Heidenreich 1998). Much of the remainder of this study will deal with a case that represents such a new occupational field. In the present context of enforcement of joint supply, however, it is important to identify the significance of the *Berufsprinzip* for the collective provision of VET. Like compulsory membership in the chambers and compulsory schooling, the *Berufsprinzip* forces those intending to engage in initial training to enter the dual system.

In addition to these legal measures, there are financial incentive programmes which encourage apprenticeship training. In order to increase the number of apprenticeship places offered by employers, the federal and the regional governments regularly issue programmes that offer subsidies to employers on a per apprenticeship basis. The current social democratic/ green government offers wage subsidies for employers taking on young unemployed (*Sofortprogramm/JUMP*) and, for employers in East Germany and in co-operation with East German regional states, covers wage costs of apprentices for the entire three years of apprenticeship (*Sonderprogramm zur Schaffung zusätzlicher Ausbildungsplätze in den neuen Ländern*). The regional government of NRW financially supports training co-operatives (*Ausbildungsverbände*) that help SMEs to take on apprentices despite their limitations in covering all required aspects of an apprenticeship scheme (*Förderung der betrieblichen Berufsausbildung im Verbund, NRW-Ministerium für Arbeit und Soziales, Qualifikation und Technologie*).

In tripartite talks between peak-level employers' and business associations BDA and BDI, trade union federation DGB and the federal government, the so-called Alliance for Jobs (*Bündnis für Arbeit*), both the Kohl and the current Schröder government have enforced apprenticeship training participation on a political level. By exercising informal but public pressure on employers, both governments have managed to receive commitments of employers to increase the number of apprenticeship places (Streeck 2001). This political enforcement complements the legal and financial enforcement.

### ***Employers' Collective Action***

#### *United Kingdom*

In the UK, employers' collective action does not play a prominent role in enforcing joint supply of training. After the general abolition of the ITBs and training levies in the 1980s, collective representation of employers in matters of training is confined to TECs and NTOs.<sup>43</sup>

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<sup>43</sup> The building industry is an exception where, as in Germany, a training levy administered by employers is in operation (Clarke and Wall 1996).

As already indicated, TECs have representatives of local businesses on their board who decide on the policies of their respective council. TECs' role in providing training beyond the already described administrative role in distributing funding consists, however, primarily in the identification of training needs of local companies and their communication to training providers like vocational schools or private institutions (Twining 1993: 36). In a local training market, they are supposed to identify demands of companies and place orders with providers (Crouch et al. 1999: 184-185). The organisation of collective action in the provision of training is not part of their responsibilities. NTOs are in charge of the development of NVQ standards for their industry. They are responsible for the accreditation of the awarding bodies which issue the NVQ certificates. They somewhat correspond to the German BiBB in terms of functions they perform, however with distinctively fewer resources at hand (Backes-Gellner 1996: 119). In the absence of anything corresponding to the *Berufsprinzip*, they lack the means to be enforcement agencies for joint supply.

### *Germany*

In Germany, the collective action of employers constitutes a crucial element in its joint supply regime. The *IHKs* constitute an effective monitoring agency but are also the focal point of a long tradition of employers' participation in apprenticeship training. Despite increasing opposition to compulsory membership, chambers continue to play a decisive role in encouraging, administrating and supervising training participation and quality of their members. Chambers' influence is partly informal, partly formal. Training consultants, for example, have an important informal influence by advising companies whether and what apprenticeship training is appropriate for them. They convince companies to take on apprentices and explain the requirements for company instructors and workplace training. At the formal end, chambers, equipped by the BBiG with the power to fine companies, decide on and supervise the suitability of instructors and firms to provide training; firms are obliged to provide respective information. Chambers also train and certify instructors and record all apprenticeship contracts in their district. If necessary, they arbitrate between apprentices and companies (Streeck et al 1987: 28, 31). Most important is their role as examination body for the final exams of apprentices. Examination boards are made up of representatives from vocational schools, on the one hand, and practitioners that are selected by the respective industry's employers' association and the trade union, on the other hand. Their composition is subject to approval by the respective chamber's permanent vocational training committee, in which employees, employers and vocational school teachers are represented on a parity basis.

The result of final examinations are published. Together with the firm-external examination itself, this creates transparency with respect to individual firms' involvement and commitment in apprenticeship training. As a result, non-training or under-performing firms can be submitted to peer pressure in order to increase training volume and quality.

### ***Trade Union Power***

#### *United Kingdom*

Trade unions can enforce training participation on different levels. Traditionally, British craft unions exercised considerable influence on the industry-level, but are now largely restricted to company-level bargaining. Craft unions in the UK used to monitor apprenticeship training and control its volume in order to regulate their labour markets. After government intervention in industrial relations and the weakening of the trade unions in the 1980s, this model vanished completely (Smith et al. 1993; Waddington 1995; Gallie et al. 1996). Since then, enforcement of training activity of employers has been a matter of company-level bargaining of trade unions.

#### *Germany*

German trade unions, as described above, participate in policy-making on the national and regional level (in the *IHKs*), but also exercise influence through works councils on the company level. According to the works constitution act (*Mitbestimmungsgesetz*) and the co-determination act (*Betriebsverfassungsgesetz*), works councils have statutory co-determination rights with respect to VET implementation. Especially in large companies where works councils are mandatory, these legal rights are used to negotiate training levels beyond the minimum standards set in the apprenticeship decrees (Streeck et al. 1987: 19). In smaller companies where works council are less powerful, the trade union members in the works councils often work as an important link to the chambers' vocational training committees and provide them with information on companies' training performance (Streeck et al. 1987: 32). In the predominantly small and medium-sized companies without works councils, however, the lacking monitoring regularly leads to below average training performance (Streeck et al. 1987: 29).

Another possibility for affecting employers' apprenticeship training participation is the trade unions' negotiation of apprentice wages in industry wage bargaining rounds. If apprentice wages are too high relative to productivity, as was the case for British craft unions from the 1960s onwards (Marsden and Ryan 1991: 254-255), the ratio of economic costs and benefits

from conducting training becomes disadvantageous. In contrast, if apprentice wages correspond to or are below productivity, the cost distribution follows the Beckerian human capital logic and does not burden the employers. Commentators have argued that apprentice wages in Germany are low in comparison to the UK and other countries and may therefore fulfil this criterion, i.e. be sufficiently low to make apprentice training an economically viable option for employers (Marsden and Ryan 1991: 260; Oulton and Steedman 1994: 67). Franz and Soskice (1995) show, based on calculations of the BiBB, that German employers do carry net costs of training, however. These are lower in the crafts sector than in industry and trade and depend in their magnitude on the calculation of apprentices' output, but are in any case positive (ibid.: 217-218). Nevertheless, German trade unions in their wage bargaining maintain a difference between apprentice wage and entrance wages for both trained and untrained workers, and by doing so make apprenticeship training attractive relative to entrance rates (Marsden and Ryan 1991: 258-259). Thus, although employers have to carry costs when engaging in training, the relative wage structure ensures that these costs remain at a very low level. Incentives for both employer and apprentice are such that apprenticeship training is valued more than employment of untrained workers (Franz and Soskice 1995: 233).

## **JOB TITLES**

In order to find out whether there is a general inclination towards the task- or the function-rule for defining jobs in either of the two countries, I will review the literature on industrial organisation and training patterns in Germany and the UK. Job titles constitute the link between the production process on the one hand and the wider labour market and VET structures on the other hand. For identifying the dominant job titles regime, we thus have to look for both the scope of job definition in the production process and the scope of vocational training structures.

### ***Organisation of Production Process***

In the production process, task and function orientation become manifest in the horizontal and vertical segmentation of work roles within the organisation of production. Cross-country differences in segmenting work roles have been analysed by a research tradition that examines national differences in organising production and factories. This string of research describes the functionally equivalent but effectively different ways of organising work, education,

training, remuneration and pay schemes, management, and industrial relations in the manufacturing sectors of different countries (e.g. Maurice et al. 1986; Sorge and Warner 1986; Whitley and Kristensen 1996). Known as “societal effect approach”, it has produced empirical evidence running contrary to contingency theories that explain organisational structures solely as a response to their size, technology or task environment (e.g. Woodward 1965; Child 1973), and to early predictions of international convergence in industrial and economic organisation due to technological progress (Kerr et al. 1962; Dunlop et al. 1975). In contrast to these latter theories, which explicitly or implicitly disregard organisations’ embeddedness in their societal context, the societal effect research has focused on identifying societal differences by conducting cross-national comparisons of matched samples of firms (size, industry, product market etc.).

The identification of national patterns in organising work according to either the function or the task principle has been done by looking at differences in functional flexibility and hierarchical segmentation. In a comparison of German and British manufacturing firms (mechanical engineering, chemistry, wheel manufacturing, tube manufacturing), Warner and Sorge (1986) find that in the UK there is a clearer divide between technical tasks and managerial work than in Germany. In Germany, supervision of work is integrated into production whereas this is not the case in the UK where “[...] technical tasks are more concentrated into specialised departments than in West Germany” (ibid.: 100). A stronger separation of managerial and production responsibilities indicates a more task-orientated definition of jobs. The more narrowly focused jobs are through horizontal segmentation of tasks the less understanding there can be of the overall production process. This, in turn, requires a stronger and more prominent co-ordination role of the management than would be the case for more functionally defined jobs (Marsden 1999: 131). With respect to functional flexibility, the authors observe: “Concerning the works, it emerges that there is some greater flexibility between jobs [...] in West Germany. Both the boundaries between fitters [...] and operators, and between operators [...] and maintenance craftsmen’s work [...] are more permeable in West Germany. Also, operators [...] are more flexible in the plant, and nowhere in the German factories would one find the differentiation between craftsmen and mates.” (ibid.: 101). Similarly, in a comparison of French, British and German manufacturing firms, Maurice et al. (1980) observe that “[...] in the works the flexibility and co-operation between different production jobs was greater in Germany than in the other countries; [...] the German factory had a policy of making operators flexible between all jobs in their plant, whereas in the French and British units, they would progress from one job to another as vacancies arose”

(ibid.: 70). In an assessment of the three countries, they notice the most finely structured division of labour within the production process in France, followed by the UK, and finally the least differentiation of organisation in Germany (ibid.: 80). These research results indicate a greater flexibility in the organisation of work, and correspondingly a lower work-role segmentation, in Germany than in the UK. Building on these studies, Marsden, in a classification of employment systems, groups the UK into those countries that share the task-centred approach, whereas Germany together with Japan follows the function-centred approach (Marsden 1999: 131).

Job classifications across an industry or across entire national economies also give an indication of national differences between work organisation. Inter-firm wage agreements or pay classifications compiled for statistical purposes will follow the job titles dominant in individual firms in order to allow for their application. If work organisation follows national patterns, then these patterns also have to show up in the job classifications used in the respective countries. Marsden examines national job classifications according to their task- and function orientation and cites a recent comparison based on ILO data (Marsden 1999: 103-105). It distinguishes between job classifications that are defined by the characteristics of the job and those that follow the characteristics of the individual who holds the job. The former are usually more task-centred, while the latter are more function-oriented. The job classifications connected to an individual's characteristics are found in Japan and Germany, while the job-oriented kind is found in the US and France (Marsden 1999: 95, 104). Britain has a somewhat in-between position as there are strong occupational traditions in the labour market, which are individual- and not job-centred. As Streeck (1996) notes: "An occupation is not a job. A job belongs to an employer, and an occupation belongs to an employee – or, better, employees belong to occupations. [...] Occupations are capacities of individuals that are socially standardized and certified [...]" (ibid.: 145). Nevertheless, British job classifications display a strict separation between production and supervision on all skill levels (Marsden 1999: 95; Rozenblatt 2000: 150). This strong hierarchical segmentation of tasks, which the studies on the organisation of work have also discovered, suggests that the British classifications are task-centred despite their occupational character. Otherwise, the coordinating role of supervision would not be so articulate and would be incorporated into comprehensive functional job definitions.

Since the quoted empirical research has been conducted, major changes have taken place that may have had an impact on the dominant organisation of work within manufacturing firms. Increased international competition has led manufacturing firms in the western industrialised



countries to introduce new concepts of production, such as lean production, team work and flat hierarchies. A number of authors argue that successful team work requires more functional and hierarchical flexibility than even the traditional German way of work organisation provides (Kern and Sabel 1994; Mueller 1994; Herrigel and Sabel 1999; Baethge 2000). In fact, lean production, as discussed by Womack et al. (1990), is inspired by Japanese-style work organisation which is different from both the German and British production regime.

For UK workplaces, lean production demands the abolition of vertical segmentation and a decentralisation of managerial responsibility to the shopfloor, and horizontal expansion of responsibilities so that workers can rotate within their team and perform a wide range of different tasks (*ibid.*: 99). Recent research shows that despite the pressures for increased competitiveness, work organisation continues to follow the traditional patterns outlined above. Lane (1995) has summarised survey and case study research and comes to the conclusion that “[...] the low incidence of measures to train workers and to create new forms of group work and participation makes it inadvisable to speak about clear and consistent moves in the direction of post-Fordist pattern” (Lane 1995: 154). She identifies a persistence of job demarcation patterns and a continually strong element of supervision of workers by management (*ibid.*: 153, 157). These results are confirmed by the latest Workplace Survey (WERS98), conducted in 1997-98. Cully et al. (1999) have assembled indicators across occupational groups in order to assess the extent to which new elements of work organisation are detectable in British industry. Although their data does not show changes over time, it demonstrates that traditional task-orientation is still dominant in organising British workplaces. Not even in manufacturing, which is supposed to be at the forefront of changing work organisation, is the extent of multi-tasking significantly higher than in other industries (*ibid.*: 39).<sup>44</sup> Strong vertical segmentation of responsibilities is also still widespread. In 84 per cent of all workplaces, supervision by management rather than self-government on the shopfloor is the dominant mode for conveying job responsibilities to employees. Formal documentation in the form of standard operating procedures or a staff manual is used in another 59 per cent of workplaces (*ibid.*).

For Germany, lean production seems far more compatible with traditional modes of production, which have been described as “diversified quality production” (Streeck 1991).

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<sup>44</sup> In manufacturing workplaces with predominantly craft and related occupations, the extent of multi-skilling does not differ in comparison with other industries. In manufacturing workplaces with predominantly operative and assembly workers the extent of multi-skilling is higher than in other industries, however (Cully et al. 1999: 39).

DQP relies on highly skilled workers and their execution of far-reaching technical responsibilities in the production process. Precisely the occupational profile and identity of German workers, however, is one of the main impediments for the introduction of the multi-functional work teams typical of lean production (Streeck 1996). In a comparison of German and US pump manufacturers, Finegold and Wagner (1999) observe an inverse correlation between the percentage of skilled workers, the level of skills, and the introduction of work teams into German plants (ibid.: 140). Although employers attempted to introduce work teams for higher skilled workers, they met resistance from the workforce that perceived them as de-skilling and an infringement of their occupational identity (ibid.: 141). In particular, the extension of duties into areas like managing supplier relations and communications, and not the working together in a team per se, was considered detrimental by skilled workers. Similar findings are reported from the German automobile industry (Jürgens 1997). Hence, the function-principle in Germany is strongly linked to the tradition of occupations. Contrary to Japanese-style work organisation, which comprises technical as much as organisational functions, the German variant is based on a technical understanding of production. It has its origins in occupational training rather than in company membership, as is the case in Japan. Despite competitive pressures, traditional patterns of work organisation are stable in the core manufacturing industries of both countries. This corroborates the analysis of Marsden who classifies the two countries in the task- and function-centred categories for enforcing employment rules respectively. The resistance of employees to alter traditional modes of work organisation underlines the importance of mutually agreed on and understood criteria in governing the relationship between management and employees. The unambiguous vertical and horizontal segmentation of jobs provides both sides with certainty about the scope and the boundaries of their responsibilities.

### ***The Design of Vocational Training Schemes***

In order to be an efficient vehicle for the school-to-work transfer, vocational training has to equip trainees with the necessary technical skills and the procedural knowledge to fit into real life work contexts. Consequently, the relationship between vocational training and the organisation of work should ideally display a perfect fit so that trainees become familiar with their respective work environment and the scope of their responsibilities. The task-orientation of British workplaces should translate into a task-centred design of training schemes, while the German function-orientation should be matched by a function-centred training system.

### *The VET Frameworks*

In the UK, the NVQs are designed to allow employees to certify the skills required and acquired at the workplace. Every NVQ covers an “area of competence” which is graded into five different levels. The *National Council for Vocational Qualifications* distinguishes between the levels in the following way:

- Level 1: Competence in the performance of a range of varied work activities, most of which may be routine and predictable.
- Level 2: Competence in a significant range of varied work activities, performed in a variety of contexts. Some of the activities are complex and non-routine, and there is some individual responsibility of autonomy. Collaboration with others, perhaps through membership of a work group or team, may often be a requirement.
- Level 3: Competence in a broad range of varied work activities performed in a wide variety of contexts and most of which are complex and non-routine. There is considerable responsibility and autonomy, and control or guidance of others is often required.
- Level 4: Competence in a broad range of complex, technical or professional work activities performed in a wide variety of contexts and with a substantial degree of personal responsibility and autonomy. Responsibility for the work of others and the allocation of resources is often present.
- Level 5: Competence which involves the application of a significant range of fundamental principles and complex techniques across a wide and often unpredictable variety of contexts. Very substantial personal autonomy and often significant responsibility for the work of others and for the allocation of substantial resources feature strongly, as do personal accountabilities for analysis and diagnosis, design, planning, execution and evaluation.” (Twining 1993: 44).

The grading is connected to levels of autonomy and scope of responsibilities. According to the Department for Education and Skills, level 1 covers foundation skills, level 2 provides operative or semi-skills, level 3 covers technician, craft, skilled and supervisory occupations, level 4 is for technical and junior management, and level 5 comprises chartered, professional and senior management occupations. Level 3 NVQs correspond to the second level of the

European vocational qualification classification, which, in turn, corresponds to the German vocational certificates of the Dual system (Backes-Gellner 1996: 111).

As can be seen in the bottom row of table 4.1, almost 60 per cent of awarded NVQ certificates are on level 2, with approximately 1.8 million delivered certificates by September 2000. Level 1 and level 3 certificates both number around 580,000 (18.7 per cent each). The number of level 4 certificates drops to 95,000, while the number of level 5 certificates amounts to 7,000 for the twelve years since their introduction in 1988. NVQs are divided into 11 broad framework areas, covering the economic sectors. Table 4.1 displays the cumulative number of awards in each of the framework areas as of September 2000. The highest number of NVQs are in the provision of business services (36 per cent) and in goods and services (27 per cent). Business services is the core area where level 4 and 5 certificates are awarded, mostly in management. In all other areas, the focus is clearly on the bottom three levels. Traditional industries like manufacturing, engineering and construction follow at some distance, none of them accounting for more than 10 per cent of all NVQs.

<b>Framework Area</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4</b>	<b>Level 5</b>	<b>Total (%)</b>
Tending Animals, Plants and Land	28,928	45,452	6,610	194	0	<b>81,184 (2.6)</b>
Extracting and Providing Natural Resources	501	11,794	0	0	0	<b>12,640 (0.4)</b>
Constructing	46,496	124,478	56,788	295	2	<b>228,059 (7.3)</b>
Engineering	26,123	192,697	99,390	4,388	0	<b>322,598 (10.4)</b>
Manufacturing	27,217	84,968	4,631	15	0	<b>116,831 (3.7)</b>
Transporting	10,513	41,984	2,225	55	0	<b>54,777 (1.7)</b>
Providing Goods and Services	196,313	572,792	77,321	906	0	<b>847,332 (27.4)</b>
Providing Health, Social and Protective Services	56,457	154,481	66,060	4,167	0	<b>281,165 (9.1)</b>
Providing Business Services	187,049	597,671	244,905	78,948	7,168	<b>1,115,741 (36.1)</b>
Communicating	0	1,402	1,081	1,151	0	<b>3,634 (0.1)</b>
Developing and Extending Knowledge and Skills	0	729	20,231	5,484	100	<b>26,544 (0.8)</b>
<b>Total (%)</b>	<b>579,597 (18.7)</b>	<b>1,828,448 (59.2)</b>	<b>579,587 (18.7)</b>	<b>95,603 (0.3)</b>	<b>7,270 (0.02)</b>	<b>3,090,505 (100)</b>

Table 4.1: NVQs according to levels and framework areas (1988 - 2000)

Source: QCA 2001: 79-80

NVQs are designed to measure and certify certain competencies which may have been acquired through work experience or by way of vocational schooling; they do not regulate the way towards these competencies. There is neither a prescribed way nor a prescribed duration for arriving at the competencies. This also applies for *Modern* and *National Apprenticeships*, which build on the NVQ scheme and do not lay down a defined time for the apprenticeships. The focus is on the end result, i.e. the competencies, irrespective of the way they are achieved. Each NVQ is a bundle of minute tasks which are aggregated via elements and units of competence into an overall area of competence. Each unit of competence has defined elements that can be measured and tested. In order to allow a multitude of routes, the elements of the NVQs can be accredited individually and in an accumulative manner by way of so-called "accreditation of prior learning" (Twining 1993: 44). NVQs are thus a modular and cumulative way of achieving accreditation of workplace skills. The individual modules of the NVQ are assessed on-the-job by senior colleagues who usually act as the supervisors of trainees. The object of assessment is normally "workplace evidence", for example, in the form of products of past work or letters of validation from clients (Backes-Gellner 1996: 112).

In Germany, VET in the dual system takes place within apprenticeship schemes. These are defined in terms of occupational scope, training curriculum and duration. In contrast to the NVQ system, there is no variation of levels of competency but only one level of qualification.<sup>45</sup> The regulation of training contents, provision and assessment is regulated in the *Berufsbildungsgesetz* (BBiG) and in the respective *Ausbildungsordnung*, the ministerial decree for each individual apprenticeship scheme. The latter must contain the name of the trade to which the apprenticeship is leading, its overall duration, the skills and knowledge that have to be provided within the scheme, a framework which sets down the topical and temporal structure for attaining the skills, the examination requirements, and all necessary training locations outside the training company (§25 BBiG). In particular, the training decree gives detailed instructions for the procedures and contents of the final practical exam, which is conducted by assessors from outside the training company at the respective *IHKs*. In contrast to NVQs and regular *Modern* and *National Apprenticeships*<sup>46</sup>, German apprenticeships comprise compulsory attendance of vocational schools where trainees are taught in general and vocational subjects in which they have to pass final exams. This overall

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<sup>45</sup> §§25-29 BBiG provide for a graded VET in certain exceptional cases.

<sup>46</sup> There are exceptions like, for example, the engineering *Modern Apprenticeships*, where apprentices spend their first year at vocational colleges.

regulative framework, in which duration, content and provision of VET is fixed in national legislation, puts training to a large extent beyond the control of the training company.

In table 4.2 the number of all final apprenticeship examinations for the years 1988 to 2000 is displayed, listed by broad occupational-economic areas. Although the areas are different from the British classification, some broad structural differences are discernible. While in the UK the service industries provide the bulk of all NVQs, in Germany the industry and trade area is by far the most important provider of apprenticeships with, across all years, an output of more than 50 per cent of all apprentices. With 30 per cent of all examinees, the crafts sector is also relatively more important for providing VET than comparable areas like constructing, engineering and manufacturing in the UK. In comparison to industry, trade and crafts, the other areas in Germany are only of marginal importance.

Year	Industry/ Trade	Crafts	Profes- sions	Public Service	Agricul- ture	Domestic Services	Sea Shipping	Total	<i>Passed (success rate, %)</i>
1988	398,766	221,485	36,500	29,352	22,361	10,710	339	719,513	643,098 (89.4)
1989	364,298	205,369	49,941	27,533	19,134	9,510	456	676,241	601,568 (89.0)
1990	322,702	190,439	43,812	20,965	16,895	7,701	316	602,830	531,647 (88.2)
1991	306,819	169,143	43,358	24,677	14,888	6,936	284	566,102	498,331 (88.0)
1992	333,459	147,369	47,013	23,566	17,261	6,040	641	575,349	503,574 (87.5)
1993	343,916	171,354	50,579	24,468	16,415	5,241	358	612,331	527,370 (86.1)
1994	346,532	180,526	56,465	28,930	14,659	9,820	175	637,107	544,560 (85.5)
1995	308,918	179,911	53,546	29,615	12,540	7,830	144	592,504	502,673 (84.8)
1996	280,013	192,810	55,164	27,390	13,295	7,805	222	576,699	488,243 (84.7)
1997	274,466	199,923	55,854	22,364	13,488	7,522	179	573,796	482,723 (84.1)
1998	273,302	209,265	54,147	18,140	14,382	8,196	152	577,584	487,179 (84.3)
1999	278,732	204,478	51,554	17,746	15,543	8,618	185	576,856	491,239 (85.2)
2000	294,087	202,849	49,602	17,521	16,564	7,831	150	588,604	502,668 (85.4)
<b>Total (%)</b>	4,126,010 (52.4)	2,474,921 (31.4)	647,535 (8.2)	312,267 (4.0)	207,425 (2.6)	103,760 (1.3)	3601 (0.05)	7,875,519 (100)	6,804,873 (86.4)

Table 4.2: Participation in Final Apprenticeship Examinations in Germany (1988 – 2000)

Source: Statistisches Bundesamt

In comparison, we can see that the total volume of passed apprenticeship examinations in Germany is more than twice as high as the number of awarded NVQs in the UK in the same period (6,804,873 in Germany versus 3,090,505 in the UK). Over the years, there is a decline of the overall numbers in Germany, albeit with two upturns in between, one in the years 1992 to 1994 and another one since 1998. The different occupational areas display slightly different performances over time. All areas except for the professions, however, have markedly fewer apprentice examinees in 2000 than they had in 1988. Overall, the number of apprentices has dropped by more than a fifth since 1988, despite reunification and the extension of the dual system to the former GDR.

### *Horizontal Segmentation*

In order to see whether the two training regimes can be classified according to the function versus task dichotomy, I will examine the scope and definition of individual training schemes. However, a first indicator of the different structure of the two regimes is the overall number of different schemes. Both regimes cover more or less all economic sectors. Thus, all other things being equal, the higher the number of different schemes the more segmented must be the division of work, i.e. the more the training regime follows the task-orientation. In Germany, there are approximately 350 different apprenticeship schemes in operation. In the UK, there are approximately 1,400 different NVQs in place on all five levels (QCA 2001).<sup>47</sup> According to the above logic, this difference hints at a more comprehensive job definition in Germany and a more segmented one in the UK. In order to see whether this rather crude indication holds true, I want to look at four representative occupational fields, representing popular training schemes in four different industries, and compare their degree of segmentation under the two regimes (table 4.3). The first is hairdressing, the most popular scheme in both countries, the second is cooking, the third is engineering construction, and the fourth is vehicle maintenance and repair. As the focus of interest here is the horizontal segmentation of work, I have also included NVQs on lower levels than level 3, albeit only to the extent that they define work areas that are separate from those on level 3, and are part of

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<sup>47</sup> The QCA listing comprises approximately 1,500 entries altogether. Some of the NVQs appear twice under the same or slightly different titles. This is due to the fact that NVQs are only valid for fixed periods. NVQs of consecutive periods are listed separately. I accounted for this by reducing the total number of 1,500 NVQs by one hundred. The different levels of a NVQ are listed under one NVQ title (with rare exceptions) and are thus counted as one.

the German counterpart. For comparing the occupational fields, I have selected the German apprenticeship first and then matched the corresponding NVQs.<sup>48</sup>

German apprenticeship schemes	British NVQs
- Hairdresser (Frisör)	- Hairdresser - Beauty Therapy
- Cook (Koch)	- General Food Preparation and Cooking - Vegetarian Food Preparation and Cooking - Kitchen and Larder Management - Food and Drink Service
- Industrial mechanic (Industriemechaniker) Focus on (Fachrichtung): - Machines/ Systems (Maschinen-/ Systemtechnik)	- Engineering Construction - Fabricating Steel Structures - Engineering Construction – Installing Plant and System – Mechanical - Engineering Construction – Instrument Fitting - Engineering Construction – Constructing Capital Plant Steel Structures – Erecting - Engineering Construction – Lifting & Positioning Capital Plant Steel Structures - Engineering Construction – Maintaining Plant and Equipment - Engineering Construction – Supporting Engineering Construction Activities - Engineering Construction – Installing & Commissioning Electrical Systems and Equipment
- Car mechanic (Kfz- / Automobilmechaniker) Final specialisation in (Schwerpunkt): light vehicles, heavy vehicles or motor cycles  - Car electrician (Kfz-Elektriker)  - Coachbuilder (Karosseriebauer)	- Vehicle Maintenance and Repair: - Light vehicle mechanics - Heavy vehicle mechanics - Motor cycle mechanic - Repairing Electric/Electronic Systems: - Light vehicles - Heavy vehicles - Motor cycles - Unit replacement - Vehicle Body and Paint Operations: - Light vehicle body repair - Body structure/ claddings - Vehicle Refinishing - Body fitting

Table 4.3: Segmentation of jobs in training schemes in the UK and Germany

Source: QCA 2001; NTOs Habia ([www.habia.org](http://www.habia.org)), HTF ([www.htf.org.uk](http://www.htf.org.uk)), ECITB ([www.ecitb.org.uk](http://www.ecitb.org.uk)), MITC ([www.motor.org.uk](http://www.motor.org.uk)); BerufeNet (<http://berufenet.arbeitsamt.de/index.html>)

Across the four occupational fields we can see a general trend towards a higher degree of work division in the case of NVQs compared to German apprenticeships. In the field of hairdressing, there are two separate NVQs while there is just one in Germany. While the cook in Germany is responsible for food preparation, kitchen management and parts of the restaurant service, these tasks are split in the UK. Similarly, the German apprenticeship scheme of industrial mechanic with the focus on plant machines and systems covers the tasks

<sup>48</sup> As in these areas some NVQs exist but have not been awarded so far, only those NVQs that are in use and have already been awarded are included.



that are dealt with by the eight separate NVQs in the UK. While they cover all the stages and aspects of installing and running machines in a plant separately, the German industrial mechanic scheme combines these tasks. In the area of car repair and maintenance, the difference is less distinct. In both countries, there is a distinction between mechanical repair, maintaining electrical systems and body repair. In the UK, the differentiation between light and heavy vehicles and motor cycles across these occupations is more pronounced than in Germany. In sum, with the exception of car maintenance, we can thus observe a broader scope of jobs in Germany than in the UK.

A possible objection to this comparison may result from the fact that *Modern* and *National Apprenticeships* are set out on a broader base than the individual NVQs and comprise more than just one NVQ. This is indeed the case, without, however, changing the task-orientation. Typically, apprenticeships include additional aspects like health & safety or communication, which are defined in separate NVQs, but do not merge a multitude of task-oriented NVQs. Again taking the above areas, we can see that the differences by and large persist. For hairdressing, the offered apprenticeships are in line with the two NVQs. For cooking, *Chef Apprenticeships* split up into one for food preparation and one for kitchen management, but do not combine both tasks. In addition, there are *Chef Apprenticeships* for pub, reception, restaurant and quick service. The engineering construction apprenticeships follow the NVQs as well. The separation of tasks into erection, plating, mechanical fitting, maintenance and process control is continued into distinct apprenticeships. As with the NVQs, the differences in apprenticeships for car maintenance and repair are less distinct. In the UK, as in Germany, apprenticeships are available for the three areas of mechanical repair, electrical maintenance and body and paint operations, with a slightly more exhaustive specialisation in the UK. Although the segmentation of jobs into tasks becomes somewhat less visible if German apprenticeships are compared with *Modern Apprenticeships* instead of NVQs, there is still a marked difference between the British orientation towards single tasks and the more comprehensive German mode of designing inclusive apprenticeships.

### *Vertical Segmentation*

Another aspect of task- versus function orientation is the extent to which comprehensive theoretical and practical knowledge about production processes is conveyed to trainees. The better this knowledge the more workers can abstract from individual tasks and perform within a function-oriented work environment. One way to achieve such comprehensive understanding is off-the-job learning of general and theoretical skills. Alternatively,

workplace skill provision and assessment may transcend the immediate skill requirements of the job and supply a wider range of qualifications. I will discuss these two aspects of comprehensive learning by reviewing some of the comparative literature that covers the two training regimes.

A number of observers have identified the lack of off-the-job training with theoretical and more comprehensive qualifications as a shortcoming of the NVQ system. Gospel, for example, sees the adding-on of off-the-job-training to the “[...] NVQ target of task-related competency” as crucial for the success of *Modern Apprenticeships* (Gospel 1998: 442). He judges the NVQs as failing to convey “[...] a fuller understanding of the context of the trade and its broader theoretical underpinning” (ibid.: 448). In Germany, in contrast, apprentices attend vocational schools on a day-release basis during most or all of their three year apprenticeship. The vocational schools’ syllabus comprises professional and general subjects and is designed broadly through a consensus by the education ministries of the German federal states in consultation with trade unions and employer associations. In the UK, apart from the fully taught *General National Vocational Qualifications* (GNVQs), the inclusion of vocational schooling into apprenticeships is the exception rather than the rule.

Backes-Gellner (1996) judges that NVQs allow for qualifications for the immediate jobs at hand but failing to deliver flexible and future-oriented skills (ibid.: 121). According to her, this is partly due to the on-the-job and narrow mode of training provision, and partly to the way of designing NVQs which supports definitions based on present as opposed to future needs and practices of the industry. The responsible *Lead Bodies*, now part of NTOs, are employer-led and do not have the capacity and resources to do independent research on training needs (ibid.: 119). This results in a practice of standardising and conserving existing practices, and a systematic neglect of research and design of more comprehensive training schemes (ibid.: 121-122).

According to several commentators, the assessment through senior employees of the same company adds further to the narrowness of the NVQ regime in the UK. Those trainers-cum-assessors are limited in their occupational competence by the job design and the respective scope of skills used in their company. In addition to the limitations this confers on the width and depth of skill training, assessors may lack the professional independence to conduct assessments that are comparable with those held in other companies (Gospel 1998: 448). The lack of external assessment requirements creates a moral hazard for assessors who may have a strong personal career incentive to let trainees pass the exams even if they have not performed fully to the standards (Oulton and Steedman 1994: 64). In Germany, in contrast, apprentice

supervisors usually hold qualifications that reach beyond the boundaries of their companies, normally a Meister certificate or equivalent. Final examinations and assessment of apprentices are conducted outside the company and are the responsibility of the *IHKs*.

In terms of vertical segmentation, the German training regime is able to convey a comprehensive understanding of production and work processes as a result of theoretical off-the-job training in vocational schools, qualified supervisors and independent examinations, all transcending the limits of the individual training company. The British NVQs and apprenticeships, in contrast, display a vertical integration that is structurally less comprehensive than its German counterpart due to the closeness of training to the practices of individual training firms. If the training firm does follow a narrow task-regime, the apprenticeships and NVQs will not provide any leverage to open up the task-orientation and allow for a more functional approach to training.

## CONCLUSION

Joint supply and job title norms display distinctly different forms in Germany's and the United Kingdom's labour market and training institutions. In the UK, joint supply is dominated by a market approach that relies on positive government incentives in order to induce companies and individuals to invest in training. In Germany, in contrast, a dense interplay of government regulation, the BiBB, the *IHKs* and the unions enforces institutionalised collective action by employers. Correspondingly, German job titles are heavily influenced by occupational traditions that originate in the tripartite way of governing the apprenticeship regime. The function-orientation is manifest in work organisation as well as in the design of vocational training schemes. In the UK, job titles follow narrower tasks in both the organisation of work and vocational training schemes.

As a result of this discussion, the national environments in which the respective media production industries are embedded are clearly characterised. Both elements of occupational labour markets, joint supply and job titles, exhibit distinct national features. How and to what extent these influence the formation of labour market institutions in the respective media production industry will be the object of discussion in the next chapter.

## UNDERSTANDING INSTITUTIONAL FORMATION

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The process and result of institutional formation processes is the focus of this chapter. Its aim is to arrive at a comparative research design that allows us to investigate institutional genesis in the occupational labour markets of the media industries in Germany and the UK. The central motivation is to arrive at an understanding of the reproduction of traditional national institutional patterns or lack thereof in newly emerging industries.

The chapter is structured as follows. Firstly, I will provide an overview of theories of institutions in general and institutional genesis in particular. Secondly, I will discuss the institutional tasks of job titles and joint supply in game theoretic language which helps to frame the comparison. In the main section, I will then connect three distinct logics of institutional formation with the institutional tasks of job titles and joint supply. Technological embeddedness of actors will be distinguished from societal and hierarchical embeddedness. Each generates hypotheses regarding the formation of labour market institutions in the media industries of the UK and Germany. These will then be tested in the empirical chapters following this one.

### INSTITUTIONAL THEORY AND INSTITUTIONAL FORMATION

#### *The Three New Institutionalisms*

Institutional analysis in the social sciences is directed at social structures that influence the behaviour of actors. Institutions are the rules, norms and organisations that structure the action of individuals. Following North, they are “[...] the rules of the game in a society or, more formally, [...] the humanly devised constraints that shape human interaction” (North 1990: 3). Institutional theory varies according to its emphasis and view on the relationship between institutions, actors, preferences and the resulting action. Three different approaches are commonly identified: sociological, historical and instrumental or rational choice new institutionalisms<sup>49</sup> (Hall and Taylor 1996; Aspinwall and Schneider 2000). Among the dimensions on which they differ are the relationship between individual preferences and institutions and the extent to which institutions are seen as constitutive for individual action. At one pole, rational choice institutionalism explains institutions with the preferences of

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<sup>49</sup> Henceforth, I will use the term ‘institutionalism’ as synonymous to the term ‘new institutionalism’; for a discussion of the differences between old and new institutionalism cf. DiMaggio and Powell 1991: 12-15.

individuals. At the other pole, sociological institutionalism regards the concept of preferences as meaningless if separated from institutions. Historical institutionalism is a somewhat residual category in which the otherwise very diverse research is grouped that considers individual preferences and institutions as separate but interdependent.

The rational choice approach describes institutions as the result of actors' preferences. Institutions are seen as intentionally devised social structures with the goal of solving collective action or decision-making problems (e.g. Shepsle and Weingast 1987). They are the result of choices of actors who have autonomous, pre-institutional preferences, usually those of interest maximisation (Ingram and Clay 2000: 529). Institutions are therefore created and used in order to express and fulfil preferences of individual actors and do not come conceptually prior to or influence preference formation. Only when already in place do they constrain further action as they affect the cost-benefit calculus and the choice of actors (North 1990).

In opposition to the rational approach, the sociological strand views institutions as norms or ideas shared by individuals which create the framework for social interaction between these individuals and form a community's culture. Following this perspective, institutions are scripts for behaviour and constitutive for human action. Berger and Luckmann (1966) and the ethnomethodological school (Garfinkel 1984 [1967]) first established this cognitive understanding where institutionalisation is the process "by which individual actors transmit what is socially defined as real and [with which, A.B.], at any point in the process, the meaning of an act can be defined as more or less taken-for-granted part of this social reality" (Zucker 1977: 728). Structures that are institutionalised are thus those which have become taken for granted by members of a social group and prescribe their preferences and their behaviour. The very concept of preference is seen as dependent on its communicative definition, i.e. its institutionalised frame of reference.

The historical approach<sup>50</sup> separates institutions and individual action more than its sociological counterpart and moves on to an objective understanding of institutions. In contrast to the sociological approach's cognitive perspective, individual actors can, in fact, articulate preferences and interests in an autonomous fashion. However, in opposition to the rational choice approach, actors' preferences are influenced by the institutional context in which they operate (Koelble 1995: 234). The research subsumed under this label emphasises the importance of the institutional context for actor behaviour in such diverse forms as power

relations, social ties or historical legacies. Subject to rules and resources of historical standing (e.g. Thelen and Steinmo 1992) or acting within power relations transferred by political institutions (e.g. Pierson 1996), actors define their preferences in reaction to societally and culturally distinct, and historically grown institutional structures. The historical approach thus sees actors' preferences as conceptually independent of institutions but as comprehensible only in their respective institutional context.

These three basic strands in institutionalist theory are not mutually exclusive but provide different perspectives for analysing distinct aspects of institutions. They are often mixed in actual research. In terms of analysing economic exchanges on various levels, for example, the rational choice approach views institutions like property rights and legal systems as intentionally created in order to reduce the transaction costs of economic action and to allow markets to work efficiently (Williamson 1985; North 1990). A more sociologically oriented strand has produced studies on the importance of trust in economic relations and emphasises the significance of trust in determining preferences and facilitating economic exchange between actors (Sabel 1992, Sako 1992; Greif 1998). In a somewhat sociological-historical tradition, certain ideas and norms, such as Keynesianism, are seen as discursively constructed institutions that have underlain and constrained economic policy in western industrialised countries at certain periods in time (Weir 1989).

### ***Institutional Formation***

The three strands of institutionalism view the emergence and change of institutions differently. Rational choice institutionalism highlights the functional determinants of institutions while the sociological and historical branches focus on the societal and political determinants respectively. Related to this are different methodological approaches. Rational choice institutionalism follows a deductive approach that arrives at theoretically derived hypotheses which can be tested on empirical data. Conversely, the other two follow an inductive style by trying to identify the environmental and political factors that are responsible for the actual outcome of an institution's formation processes (Hall and Taylor 1996: 954).

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<sup>50</sup> This label is somewhat misleading as this strand of new institutionalism is connected to history as a discipline only to the extent that it asserts that institutions always have a specific history which must be taken into account in conducting present-day analysis.

### *Rational Choice Institutionalism*

For rational choice institutionalism, institutions serve the purpose of reducing transaction costs in exchanges between individual actors. Transaction costs, caused by uncertainty and asymmetry of information in exchanges, are a major obstacle for economic activity (North 1990: 27). Institutions are a way to minimise these transaction costs by providing objective structures for measuring goods that are exchanged and by enforcing the contracts that are made for the exchange. As a result, individuals gain in welfare as exchanges between individuals become easier, cheaper and more frequent. North and Weingast (1989) explain the emergence of constitutional arrangements in seventeenth-century England in these terms. They identify institutional structures that commit both the ruler and its constituents to a bargain as the crucial variable in promoting economic growth. Because the state has a comparative advantage in coercion, so they argue, nothing prevents it from using violence in order to extract wealth from its constituents or to renege on bargains (North and Weingast 1989: 806-807). If this happens, however, the state harms its own revenue base and acts as an obstacle to economic growth in the long run. Constitutional institutions serve to avoid this situation by establishing credible commitments by the state to respect private property rights and markets. According to the authors, the reform of the fiscal system and the limits on the Crown's legislative and judicial powers by the triumphant parliament after the Glorious Revolution served exactly this function, namely improving the predictability of government action and strengthening private property rights, which, in turn, had the effect of spurring long-term economic growth in England (ibid.: 829-830). In the same vein, North argues that the costs of economic exchanges in general are determined by institutions. The costs of the exchange consist of "[...] the recourses necessary to measure both the legal and physical attributes being exchanged, the costs of policing and enforcing the agreement, and an uncertainty discount reflecting the degree of imperfection in the measurement and enforcement of the terms of the exchange" (North 1990: 62). Institutions affect these costs by providing formal and informal rules for the exchange. They remedy problems of asymmetric information and opportunism and hence reduce the transaction costs of the exchange. The more they do so, the more efficient these institutions are (ibid.: 69).

### *Sociological Institutionalism*

For sociological institutionalism, institutions are the outcome and end state of processes of increasing objectification of action. It relies heavily on organisational sociology for its analysis of institutional formation. Objectification is described by Berger and Luckmann

(1966) as a sequential process which comprises habituation and externalisation (ibid.: 56-76). Habituation involves the “[...] generation of new structural arrangements in response to a specific organizational problem or set of problems, and the formalization of such arrangements in the policies and procedures of a given organization or a set of organizations that confront the same or similar problems” (Tolbert and Zucker 1996: 181). The aim of habituation is a routine which can be evoked with minimal decision-making effort by actors in response to certain recurring problems. In contrast to abstract maximising behaviour in decision-making, routines consume relatively fewer resources because they do not require actors to make new choices constantly (Nelson and Winter 1982: 66). Consequently, they search for routines that solve certain typified problems which they regularly encounter. Frequently, search processes will be targeted at routines that are already successfully at work somewhere else and will not focus on constructing completely new routines (Cyert and March 1992 [1963]: 169-170; March and Olsen 1989: 34-37). Such mimetic modelling of legitimate or successful routines in other organisations produces organisational similarities across a society, a phenomenon that has been labelled isomorphism (DiMaggio and Powell 1983: 154).

Such a diffusion of routines and structures across a population leads to their externalisation. Externalisation marks the emancipation of a routine from its initial context and the specific individuals who carried it out in the beginning, and its attainment of a general, shared social meaning beyond its point of origin (Tolbert and Zucker 1996: 181). For Berger and Luckmann (1966), exteriority, as a measure for externalisation, refers to the degree to which routines and structures are “experienced as possessing a reality of their own, a reality that confronts the individual as an external and coercive fact” (ibid.: 58). Zucker (1988) and Tolbert and Zucker (1996) identify two determinants for the externalisation of a routine, its observed success in solving a generic task or problem, and its perceived legitimacy in solving this task (Zucker 1988: 38; Tolbert and Zucker 1996: 182-183).<sup>51</sup> If either one or both of these conditions are given, the routine will be gradually diffused and, with its diffusion to other organisations and other contexts, acquire increasing exteriority. From a certain point on, externalisation may take place as a self-enforcing spiral where the exteriority created by success and/ or legitimacy itself becomes an indicator for success and/ or legitimacy and generates further exteriority. If the externalised routines are formalised in a final stage, they

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<sup>51</sup> Alternatively, networks of actors in different organisations with a common education and training or social background may be responsible for the spread of a certain routine. This is said to be the case for professionals with a common training or so-called champions who have a stake in the spread of the routines, for example



become codified and again more exterior. This codification may be used as another proxy for legitimacy (Zucker 1988: 31, 34). Uncertainty of actors with respect to the right means for certain ends is a crucial precondition for this process of externalisation (Beckert 1996: 827). In contrast to the idea of rational calculation and a single best choice, actors usually do not know precisely what routines are needed for a certain task and how to invoke them. The recourse to existing routines which are seemingly successful elsewhere is then a rational strategy. It is dependent on actors' placement in a very real environment of already existing institutions. The access to routines depends on the actors' position in their social context (Granovetter 1985). For institutional formation, embeddedness within an institution-rich environment provides access to a multitude of routines and is seen as a powerful agent for externalisation (Crouch 2001: 13).

### *Historical Institutionalism*

Historical institutionalism sees "institutions as enduring legacies of political struggles" (Thelen 1999: 388). Institutions are seen as emerging from a specific historical situation, a so-called critical juncture, and then developing in a path-dependent way. In a punctuated equilibrium view, reinforcing feedback mechanisms keep the institution on its path until an exogenous shock interrupts these mechanisms and opens up another critical juncture (Thelen forthcoming: 5). The approach has a double focus which looks at situations of institutional emergence separately from processes of subsequent institutional evolution. With respect to institutional emergence, it focuses on the specific constellations and power resources of actors. For subsequent developments, it analyses the path dependence of the institution on both the initial juncture and on underlying self-perpetuating processes (Pierson 2000a: 75). Path dependency captures the phenomenon of sustained differences in the institutional set-up of nations over time, despite uniform challenges and influences like, for example, the various aspects of economic globalisation and EU-driven market integration (e.g. Pierson 1996; Crouch and Streeck 1997; Ebbinghaus and Manow 2001). In a less restrictive version, path dependency is explained by the causality of early events for later ones. The sequence of events becomes crucial for a certain outcome (Mahoney 2000: 526-532). In a stricter version building on research in economics and technological change (David 1985; Arthur 1988), path dependency is explained by reinforcing mechanisms that encourage actors to remain on a given institutional path as a change of path becomes increasingly costly (North 1990: 93-97;

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consultants and accountants (Fligstein 1985: 380; DiMaggio and Powell 1991: 31; Tolbert and Zucker 1996: 183).

Pierson 2000b: 492). Reinforcing mechanisms are generally considered to be the result of increasing returns such as high set-up costs, learning and co-ordination effects or adaptive expectations. These explanations rest on a transaction cost logic and are reminiscent of rational choice rather than of historical institutionalism. However, in addition to these utilitarian explanations, Mahoney has identified functional, legitimation and power explanations for institutional path dependency (Mahoney 2000: 517). Of these, the power explanation may be considered the hallmark of historical institutionalism.

It asserts that the emergence of institutions never occurs in a void space without any pre-existing institutions. Regularly, these pre-existing institutions affect the formation of new institutions either by equipping actors with the right and power to have a say in the process or by providing legal or financial resources for the new institution (DiMaggio and Powell 1991: 67-68; Hall and Taylor 1996: 941; Thelen 1999: 382-383). Once in place, the new institution itself may distribute power unevenly among actors and groups of actors. A power-based path dependency argues that those actors who benefit from the institution will use their power advantage to keep those at a disadvantage from changing the institutional set-up (North 1990: 101). Mahoney points out, however, that this kind of path dependency may work only to a certain threshold point after which disadvantaged groups may invoke moral arguments or enter conflict in order to change the institution (Mahoney 2000: 523).

The three institutionalisms highlight different aspects of institutional formation. Rational choice articulates an actor-centred view with institutions emerging from interactions of involved actors only. Sociological institutionalism examines actors' recourse to their environment in establishing institutional order. Historical institutionalism stresses the influence of the actors and groups of the given institutional landscape on institutional formation processes. This separation of strands is stylised to the extent that it ignores the extensive research which combines some or all of these different views. Especially rational choice institutionalism has tried to combine strategies of actors to come to efficient institutional solutions with their dependence on the environment (Calvert and Johnson 1998; Greif 1998; Johnson 2000; Aoki 2001) and with different distributions of power among the actors (Knight 1992, 1995).

## JOINT SUPPLY AND JOB TITLES: A COMPARATIVE RESEARCH DESIGN

### *Conventional and Essential Norms*

The range of definitions of institutions in the three institutionalisms includes a wide variety of institutional phenomena and stretches from behavioural patterns, to norms to political agencies. For this study, the interest is much more narrow and focuses on the two parts of an occupational labour market, namely on job titles and joint supply. The former structures labour market exchanges by reducing terminological ambiguity, the latter resolves a collective action dilemma by monitoring employers' contributions to a collective training effort. Both joint supply and job titles can be characterised as norms. Job titles are what Coleman calls conventional norms, while joint supply is an essential norm (Coleman 1990: 248-249).<sup>52</sup> Norms, in the understanding used here, exist with respect to a certain action if "[...] the socially defined right to control the action is held not by the actors but by others" (Coleman 1990: 243). Conventional norms establish certain behavioural patterns that produce predictability of action. They govern situations where parties have to make an interdependent decision and have coinciding interests in finding a convention for co-ordinating their actions. Essential norms provide solutions to collective action problems where the interest of the individual actor collides with the interest of the group.

Both norms can be illustrated in game theoretic format. This allows us to identify the underlying prototypical strategic interactions of actors as they constitute a generic co-ordination and a prisoner's dilemma game respectively (cf. Scharpf 1997: 72-79). The game format expounds the respective problem in establishing the two norms and explains the rationale underlying the players' interactions. I will start by describing both games and the different degree of difficulty in arriving at a norm. I will then discuss the outcomes for each of them according to the behavioural assumptions of rational choice theory.

This produces predictions of only limited explanatory value for the question of national institutional reproduction and change. I will take up the themes of efficiency, uncertainty reduction and power already broached in the presentation of the three institutionalisms and discuss them as complementary ways for explaining the formation of conventional and

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<sup>52</sup> The third type in the typology of norms, repressive norms, protects a status quo between a norm's beneficiaries and those at a disadvantage (Esser 2000: 113). There are many terminologies and classifications of norms in social theory. I have adopted Esser's classification, which relies on Coleman's basic one (though the latter's equivalent of a repressive norm is called disjoint norm and he goes on to identify more than the three classes identified here). Elster (1989) and Ullmann-Margalit (1977) take a slightly different angle and use different terminology for their classifications, describing similar facts however. Compare for other, related approaches, for example, Sugden (1986) and Hechter (1990).

essential norms which focus on their embeddedness in real life contexts. Using the mode of interaction but leaving aside the strict assumptions and restricted group of actors of rational choice theory, I will examine these potential determinants of institutional formation as technological, societal and hierarchical embeddedness.<sup>53</sup> They each establish a link between the actors and different parts of their environment and formulate hypotheses on the respective link's influence on institutional formation. As a result of this discussion, we will be able to see potential forces of national diversity and convergence in institutional formation.

### ***A Prisoner's Dilemma: Joint Supply***

A successful joint supply regime is an institutional solution to a prisoner's dilemma. A prisoner's dilemma game illustrates the discrepancy between individual rationality and collective benefit in a situation of desirable co-operation of actors. In a joint supply game, co-operation for offering training is collectively beneficial, yet each player has an incentive to free-ride on the others by refusing its individual contribution. Figure 5.1 shows the preferences of two employers A and B in an occupational labour market.

		Employer A	
		contribute	don't contribute
Employer B	contribute	3, 3	1, 4
	don't contribute	4, 1	2, 2

Figure 5.1: The joint supply game (ordinal ranking; 1=lowest; 4=highest)

Both employers can choose to contribute or not to contribute to a collective training effort. If they both decide not to contribute, they arrive at the equilibrium in row 2 - column 2 with a pay-off ranked second-worst for each player. This is a so-called Nash equilibrium as no

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<sup>53</sup> Zukin and DiMaggio (1990) present a typology of embeddedness that is more comprehensive and general. It distinguishes between structural (interpersonal relations), cognitive (regularities of mental processes), cultural (shared collective understandings) and political embeddedness (influence of political and social non-market institutions) (ibid.: 14-22).

player has an incentive to deviate from its strategy, given the choice of the other player (Kreps 1990: 28-29). If A was to choose column 1 instead, B's best response is to remain with row 2, which puts A at a disadvantage in comparison to choosing column 2. The same applies in reverse order to employer B. The two cells where one player contributes and the other does not produce the highest ranked pay-off for that player who does not contribute. One can free-ride on the contribution of the other player. These strategies do not constitute stable equilibria because the respective contributing player will always want to change strategy and quit contributing himself. As a result, they will end up again in the Nash equilibrium of mutual non-contribution. The cell where both employers contribute is the best solution for the players as a collectivity and Pareto dominates the Nash equilibrium;<sup>54</sup> it is, however, not self-enforcing. For employer A, column 2 dominates column 1; for employer B, row 2 dominates row 1. Hence, without some form of agreement between the two, they will always end up at the dominant Nash equilibrium (Morrow 1994: 79). The fact that this solution provides smaller pay-offs and is hence ranked lower than the co-operative solution by both players marks the dilemma of the game.

### ***Contracting for joint supply***

In the prisoner's dilemma game, individual rationality leads not to a Pareto-superior equilibrium but to mutual non-contribution, - the Nash equilibrium in figure 5.1. In order to arrive at the social optimum, it is necessary to overcome the actors' propensity to abstain from contributing (either out of fear of exploitation or out of the expectation to be able to free-ride) through an agreement among all to contribute. The social optimum requires the co-operation of the players.

During the time of integrated broadcasters in the media production industry, the dilemma situation and the need for co-operation was less severe because the actor constellation was asymmetric. If the game is asymmetric, one employer benefits from contributing to such an extent that he does not mind if the other player free-rides. The dilemma situation is structurally resolved. In figure 5.1, if employer A values the collective good to the extent that he is willing, and able, to unilaterally provide it, the ranking of pay-offs in column 1 – row 2 would change from (4, 1) to (4, 3) and constitute a second Nash equilibrium. Employer B, the free-rider, would continue to rank this solution first, (4), as it can consume the good without contributing. Employer A ranks the solution as high as the socially optimal solution of mutual

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<sup>54</sup> Along with the prisoner's dilemma form, I assume that accumulated nominal pay-offs of players, and hence the social benefit, are highest if both players contribute. As I use ordinal rankings instead of nominal pay-offs in

contribution, (3), and will thus provide the good single-handedly. Olson (1965) has described this asymmetric game as collective good provision in a privileged group where at least for one group member the returns from contributing to a collective good exceeds his contribution (ibid.: 22-23). Thus, utility maximisation for this one member results in the provision of the good for the entire group. In the media production industry, the large broadcasters (employer A) have fulfilled this role until deregulation vis-a-vis the small group of independent production companies (employer B). With the advent of the publisher-broadcaster model, however, the utilities of the two groups have become fairly symmetric.

Self-enforcing, evolutionary co-operation in a symmetric PD game has been shown to work only under restrictive conditions, namely its repeated and open-ended iteration and the participation of few, ideally only two, players. If the game is played repeatedly, a “shadow of the future” develops from the promise of higher overall pay-offs from repeated co-operation. It induces players to refrain from defection in the present stage of the game and to expect the same rationality from the other player. This way, co-operation can be mutually rewarded over repeated stages. Axelrod has empirically shown that the so-called tit-for-tat strategy, i.e. starting with co-operation and then rewarding co-operation with co-operation and sanctioning defection with defection, dominates all other strategies and sustains co-operation in a repeated PD game (Axelrod 1984). If the game is repeated only over a known number of stages, however, perfectly informed and rational actors would anticipate the higher pay-off of defection in the last stage and expect the other player to also entertain this anticipation. This so-called backwards induction would inhibit co-operation in all preceding stages and frustrate the emergence of a tit-for-tat strategy. The expectation of infinite repetitions of the game is thus crucial for establishing co-operation.

The possibility of co-operation is also a function of the number of players, however. The relationship between the number of players and co-operative behaviour is evident in Axelrod’s tit-for-tat strategy, which is restricted in its reciprocity on two persons and does not translate itself into a n-player strategy. This limitation in the number of players is also confirmed by Olson’s discussion of the collective action dilemma. Olson’s analysis identifies an empirical relationship between the incentive for an individual not to contribute and group size. The more people consume a collective good, the harder it becomes to monitor any free-riders. While agreement to mutually contribute and monitor the contribution may be possible with few players involved, each player in a large group may believe he can defect and not contribute without being detected by the others (Olson 1965: 48). Hardin identifies the further

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the figures, this is not self-evident.

difficulty of arriving at agreements over the level of provision for a collective good and the distribution of individual contributions for the good among group members. An agreement for both elements, which would constitute a prototypical contract for mutual contribution, becomes more difficult the more players are involved (Hardin 1981: 47, 90). Thus, the temptation to defect, the difficulty of monitoring and the obstacles to a contractarian agreement on mutual contributions increase with group size. As a result, the provision of the collective good will fail in the first place. Consequently, successful co-operation is confined to small groups where interpersonal relations facilitate agreement on and monitoring of mutual contributions. This holds true even if the PD game is repeated open-endedly.

### *A Co-ordination Game: Job Titles*

Job titles can be conceptualised as a co-ordination game if their formation is based on labour market exchanges. A co-ordination game depicts a situation in which actors have an interest in co-ordinating their actions with those of other players. Although players may not have completely the same interests, co-ordination is to their mutual benefit. If we assume a mutually exclusive relationship between the function- and the task-orientation in designing job titles, the job title game has two equilibria, one being the function-oriented, the other the task-oriented equilibrium.

		Employer A	
		Task	Function
Employer B	Task	1, 1	0, 0
	Function	0, 0	1, 1

Figure 5.2: The job title game (ordinal ranking;  $0 < 1$ )

Figure 5.2 depicts the prototypical job title game with two employers in an occupational labour market. Both employers A and B have the choice of designing their jobs according to the narrow task-principle or according to the more encompassing function-principle. If both employers A and B choose the same principle for defining their jobs, they can exchange their

employees and have access to the same labour market. They each reap co-ordination benefits, ranked at one. If they diverge in their choices with employer A choosing the task-principle and employer B opting for the function-principle, they cannot reap co-ordination benefits to the extent that they cannot exchange their employees. Employees may be flexible enough, however, to absorb differences and work in companies with differently designed jobs. In this case, employers can still enjoy co-ordination benefits in accessing the same labour market, but these will be smaller than those resulting from identical job titles due to the lack of fit. Consequently, in an ordinal ranking, diverging job titles will be ranked at zero. The two co-ordinated solutions are the preferred outcomes, but neither is superior to the other in terms of pay-offs.

### ***Evolution of job titles***

According to an evolutionary logic, playing the co-ordination game repeatedly will lead to a single, stable equilibrium. The common interest of players in co-ordination will guide players' actions gradually towards a shared equilibrium, even without communication. Schotter (1981) takes the evolution of the week as unit of time in order to illustrate the evolution of a co-ordination equilibrium. In order to be able to trade with each other, farmers of a given region will have an interest in finding a common day for conducting a market. The time between market days constitutes the week, which has no natural cause for its specific length. In the initial stage, every farmer may have diverging, strictly individual preferences regarding the period between market days. Every farmer also has an interest in meeting all the other farmers on the market, however. The more farmers meet, the higher is the pay-off for each farmer as he has more trading possibilities. Over repeated stages of the game, farmers will find out about the link between the number of attending farmers and individual pay-offs, and try to co-ordinate the time patterns with which they come to the market by observing and taking over each other's patterns. Once the patterns of all farmers are aligned, the week will have evolved as a conventional norm and institution (ibid.: 32-34).

With job titles, the same logic of network effects can be invoked if employers' rationale in designing job titles is governed by their interest in labour market exchanges. Relative to the number of participants using the same convention the participants' returns increase (Liebowitz and Margolis 1998). Any two employers who employ the same job titles gain a higher pay-off as they can join their labour markets, exchange their employees and hence choose from a larger supply of workers, - and by so doing, reap co-ordination benefits. In subsequent stages, other employers will also observe the respective job title regime in order to



be able to access the respective labour market. Conversely, any employer who does not subscribe to the dominant regime will encounter the costs of reduced skill supply in a shrinking labour market. Workers pose as communicators and multipliers of the network effect to the extent that they tailor their skill profile in favour of one principle and to the detriment of the other. They will adapt their skills to the regime that offers them more employment opportunities. By so doing, they may continuously reduce the size of the labour market for employers with diverging job titles if, as a result of their focus on one principle, they cannot flexibly change between jobs. In a reinforcing process, employers will thus gradually try to convene on the one job title regime that governs a given labour market.

### *A Nested Game: Joint Supply and Job Titles in an Occupational Labour Market*

The two interaction types are simultaneously present in occupational labour markets. In order to capture this interdependency, they are presented jointly in the nested game of figure 5.3, where four prisoner's dilemma games are nested in a job title game.

		TASK		FUNCTION	
		contribute	don't contribute	don't contribute	contribute
TASK	contribute	4, 4	1, 5	1, 3	2, 2
	don't contribute	5, 1	2, 2	0, 0	3, 1
FUNCTION	don't contribute	3, 1	0, 0	2, 2	5, 1
	contribute	2, 2	1, 3	1, 5	4, 4

Figure 5.3: Four joint supply games nested within a job title game (ordinal ranking; 0=lowest; 5=highest)

The transparent cells represent instances of failure to co-ordinate job titles. In all these cells, one employer follows the function- and the other the task-principle. The shaded cells, in contrast, represent successful co-ordination of the players on either the task- or the function-principle. Within each of the shaded sections of the job title game, a prisoner's dilemma game

is played that represents the joint supply game. In the transparent sections, the prisoner's dilemmas are modified slightly as a result of the non co-ordination of job titles. In the overall game, the job title game represents the ease with which labour market exchanges take place in the occupational labour market. The joint supply games represent the occupational labour market's capacity to produce a sufficient number of skilled workers.

In figure 5.3, the two cells where players both co-ordinate and co-operate, with a pay-off of (4, 4) in each co-ordination equilibrium, constitute the socially optimal solutions. Here, joint supply and co-ordinated job titles combine for the highest pay-offs in the form of successful occupational labour market with high skill supply and high worker mobility. If joint supply fails but co-ordination succeeds, the result is the two shaded Nash equilibria with a pay-off of (2, 2) each. Here, mobility on the labour market is high but there is no regular supply of skilled workers.

In the transparent cells, in contrast, mobility is limited due to the non co-ordination of job titles. Workers may, to a certain extent, adapt to these non co-ordinated job titles and maintain some degree of mobility. According to the remaining degree of mobility, employers with different job titles still profit from each other's training commitments. Resulting from the limited mobility, a joint supply game is played that resembles a prisoner's dilemma in a somewhat modified form. The cells where both co-operation and co-ordination fail represent the lowest ranked pay-offs, (0, 0), of the prisoner's dilemma and of the entire nested game. They mark the overall absence of a labour market. In contrast to the normal prisoner's dilemma, such unilateral defection is here not the individually rational solution. It is dominated by unilateral contribution, despite the other employer free-riding somewhat on his own contribution (1, 3). Hence, taking non co-ordination of job titles as constant for a moment, if both employers decide simultaneously without knowing what the other does, individual rationality will lead them both to contribute.<sup>55</sup> In the resulting cells where both employers contribute despite diverging job titles, ranked (2, 2), employers benefit from a regular supply of skilled workers but do not enjoy high mobility on the labour market. From the discussion of internal labour markets, we know that employers protect their training investments by purposefully reducing mobility. For the joint supply game in the transparent cells, this means that employers may actually avoid co-ordination on purpose in order to protect their "contributions", i.e. their internal investments in skill training.

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<sup>55</sup> Were the game played sequentially, the first-mover would contribute and the second-mover would free-ride. The possibility of co-ordinating job titles would lead to non co-operation for joint supply, as discussed below.

In figure 5.3, failed co-ordination cum successful co-operation is valued equal to failed co-operation cum successful co-ordination by employers. Both have pay-offs ranked (2, 2). Labour markets are thus either characterised by skill supply and low mobility or, alternatively, by failed skill supply and high mobility. This is, in fact, exactly the tension, as discussed in chapter one, between internal labour markets with a specific skill supply and low labour mobility, on the one hand, and external labour markets with high labour mobility but no skill investments, on the other hand. Within the overall nested game, only the shaded cells, representing failed co-operation cum successful co-ordination, represent Nash-equilibria, however. By attempting to maximise their individual utility, players will end up in either one of the two shaded cells ranked (2, 2). In the overall game, they dominate the transparent cells ranked also at (2, 2), as the one employer intending to free-ride will have a strong incentive to increase his pay-off even further by harmonising his job titles with those of the other employer. This, in turn, will keep the other employer from contributing in the first place, and they end up together in one of the two shaded cells. In line with the evolutionary logic, individually rational strategies of actors will thus lead to successful co-ordination but fail to arrive at joint supply at the same time.

Deconstructing an occupational labour market into a combination of job title and joint supply games is a fairly good analytical tool to understand the dynamic between worker mobility and skill supply in the labour market. It allows us to discriminate between these two functions and to illustrate their interdependence in forming different labour market states. On the one hand, there is job title design and its effect on mobility. On the other hand, there is the concern about skill supply and the free-rider dilemma. Both are dealt with differently in the respective national systems of the UK and Germany, as we know from previous chapters. In Germany, the enforcement features of the dual VET system help to solve the prisoner's dilemma in the joint supply game. At the same time, the VET system produces occupational identities that support a distinct form of occupational function-orientation in the job title game. We may thus place the German national system in the welfare optimal cell of successful joint supply and co-ordination on the function principle in the south-east corner of the nested game. In the UK, there is no support for solving the prisoner's dilemma, but a strong regulatory incentive to adopt the task principle in the job title game. Consequently, we can place the British national system in the Nash equilibrium cell within the upper shaded section that marks successful co-ordination on the task principle but failed co-operation for joint supply.

The game theoretic format and the underlying rational choice theory provides a view on institutional formation that is limited to explaining outcomes according to individualistic and short-term utility maximisation along one particular dimension, i.e. defection in co-operation and evolutionary co-ordination in order to reduce transaction costs on the labour market. Potential alternative determinants of outcomes remain unexplored. Alternative dimensions in the job title game and a long-term interest in co-operation may affect actors' strategies as well as their interest in short-term utility maximisation. The reduction of the complexity of motives and strategies to a one-dimensional rationality of action lead to predictions which bear the marks of what Granovetter has called "undersocialised accounts of human action" (Granovetter 1985: 485). For job titles, the discussion of institutional labour market theory has identified the organisation of work and vocational training schemes as potential determinants next to labour market exchanges. Only the latter have been considered in the equilibrium of the job title game above, however. I will take up the previously examined production practices of the industry (chapter 2) as a rival factor to the evolutionary determination of job titles through labour market exchanges. Work organisation in the industry is alike in the UK and Germany and is thus a potential force of convergence in the process of institutional formation. It will be discussed as technological embeddedness.

For joint supply, rational choice theory can explain that an enforcement mechanism is necessary, but it cannot predict its actual form or, indeed, its formation. The enforcement mechanism provided by the German VET system, for example, lies outside the theory's focus. From all we know, it would be foolish to think, however, that the German VET system does not have an impact on institutional structures of joint supply in the German media industry. This basic intuition is analytically not very prolific, however, because for understanding any impact we need an idea of potential underlying causal mechanisms. Without these, we are restricted to descriptive accounts of the cases. These would contribute to the general theme of national institutional reproduction and change only on the phenomenal level, thus missing out on causal arguments that point beyond the cases. In order to be able to think systematically about influences that have their origin outside the circle of actors discussed in the game format, I will discuss two causal mechanisms that establish a theoretical link between actors and their real life contexts. These mechanisms are broadly in line with sociological and historical institutionalism. One is the adoption of familiar structures by industry actors searching for solutions to their institutional dilemmas, discussed as societal embeddedness. This mechanism is regularly invoked by the varieties of capitalism literature. The other is the imposition of structures through government agencies like the BiBB, or other powerful non-

industry actors, discussed as hierarchical embeddedness. The nested game becomes a heuristic tool in the discussion of types of embeddedness and will allow us to relate job titles and joint supply to the respective context under discussion.

### TECHNOLOGICAL EMBEDDEDNESS

Following a managerial rationale of productive efficiency, job titles will be designed according to efficiency criteria in production rather than in labour market exchanges. The job title game would be guided by the desire of employers to design their jobs in a way that fits their production model and reduces transaction costs within production processes (Sorge and Streeck 1988: 39-40). The dominant production model in the media production industry is project production. Due to this particular pattern of organising work, job titles in both the UK and Germany may display a task orientation.

Whether a function- or a task orientation constitutes the more efficient solution to the job title game in a rationale of productive efficiency is determined by the conditions of exchange between employer and employee. Simon (1951) explains that an employment relationship results from the choice between an under-specified employment contract that leaves some room for later specification of the duties to be executed by the employee, on one hand, and a pre-specified sales contract with fixed duties, on the other hand. The sales contract represents the prototypical market exchange where a buyer pays a stated sum of money while the seller returns a specified quantity of a completely specified good. In contrast, in an employment contract the employer pays a worker a certain wage in return for the right to specify and demand a certain activity later on within a certain range of generally agreed-on activities (ibid.: 294). Simon argues that an employment contract is more efficient than a sales contract if two conditions are given: Firstly, the worker must principally be willing to accept the authority of the employer and the added compensation he offers in order to choose the kind of work the worker will be required to do. In exchange for acceptance of the employer's authority, the worker will benefit from permanent employment. Secondly, the employer must be "unable to predict with certainty, at the time the contract is made, which [work tasks, A.B.] will be the optimum, from his standpoint." (ibid.: 295). Only then will he be willing to pay the required compensation to the worker in exchange for "the privilege of postponing, until some time after the contract is made, the selection of [the work tasks, A.B.]" (ibid.). In relative terms, the more uncertain the employer is about the utility of different work tasks in

subsequent periods the higher the advantage of an employment contract over a sales contract (ibid.: 301).

The contract form and job titles are connected through the need to enforce the employment relationship. Only the employment contract allows the choice between the task- and the function principle. The sales contract is usually restricted to the task-principle. The function principle identifies responsibilities indirectly through seniority or skill level, and ascribes varying bundles of tasks according to such rankings (Marsden 1999: 39). These are embedded in the organisational structures and internal labour markets of companies. In the context of a sales contract, the organisational continuity which allows an appropriate ranking of employees to be established according to organisational status is usually missing. Only if there were hierarchical rankings that transcend organisations and single contracts, resembling what has been termed an extended internal labour market (cf. Manwaring 1984), would the function-principle be a possibility in a labour market that is characterised by sales contracts. A task-centred rule links responsibilities directly to the task or the bundle of tasks that need to be performed, irrespective of an individual's attributes in the organisational context (Marsden 1999: 104). Ascribing the responsibility for the execution of a prescribed set of tasks directly to an individual is an organisationally undemanding and clear way to enforce the contractual relationship. In comparison to the function principle, however, it limits the flexibility of variably ascribing tasks to employees according to changing needs. Contract form and job titles thus correlate with each other as the sales contract specifies the tasks that are required directly and acquires relative efficiency by refraining from an organisational structure that underpins the distribution of responsibilities. In contrast, a functional definition requires an organisational context, which, in turn, is the result of permanent employment.

Following this reasoning, project production in the media production industry should favour the task principle over the function principle. It was argued that project production and the short-term commitment of resources is a response to the high degree of uncertainty with respect to success and future demand of media products (cf. chapter 2). Demand uncertainty results in projects characterised by a pre-defined duration and an exclusive focus on producing a certain product - a film, a documentary or a number of episodes for a series. Each of these projects is fairly exactly circumscribed in terms of budget, production length and content. Thus, in Simon's terms, a production project is marked by relative certainty about the expected tasks that need to be fulfilled. Little is left to be decided or, in fact, changed during actual production and necessary work tasks in a project are known fairly clearly beforehand. Following Simon's reasoning, an employment relationship is not really necessary. The

common practice of short-term and freelance employment in media production supports this notion. If we imagine a continuum of employment forms with the sales contract forming one end pole and the permanent employment contract the other end pole, the short-term and freelance employment are closer to the sales contract than to permanent employment and, in some instances, may even resemble a sales contract. Accordingly, with certainty about required tasks we can expect job titles to be defined according to these tasks. Such a definition would provide productive efficiencies by translating well-known production tasks directly into jobs. This avoids ambiguities in the distribution of responsibilities, facilitates co-ordination within production teams and avoids the detour of organisational status that is necessary for the function principle.

Project production thus puts a premium on clearly defined job titles, and the task-centred equilibrium emerges as the more efficient and more easily enforced solution. From the viewpoint of the employer, defining jobs according to production tasks appears to be a desirable solution. For workers, the employer's certainty about tasks and the resulting bias towards sales-like labour exchanges produces high fluctuation in employment. Short-term and freelance employment suggests the necessity of uniform definition of jobs across companies in order to allow for their smooth movement in and out of jobs. The evolutionary logic of job title formation outlined earlier leads us to expect that such uniform job titles do evolve over time. The managerial efficiency calculus in project production does not, however, suggest that the dilemma situation of joint supply can be overcome by the players. If skill supply and enforcement of joint supply are absent, the resulting labour market will have a co-ordinated job title regime with high worker mobility but suffer from serious skill shortage. Hence, either the Nash equilibrium of mutual defection or the small numbers solutions will ensue; any joint supply outcome will be placed within the task equilibrium, however.

The expected outcome of both games is depicted in figure 5.4. The media industries of both the UK and Germany ( $MI_{UK, D}$ ) are located within the task equilibrium of the job title game and within the Nash equilibrium of mutual defection of the joint supply game. As project production is dominant in the industries of both countries, technological embeddedness leads us to expect identical results and no variation along national lines. As indicated earlier, the British national system ( $NS_{UK}$ ) occupies the same cell. It lacks joint supply institutions and favours the task-principle. The German national system ( $NS_D$ ) is within the co-operative equilibrium of the function equilibrium. The German media industry will prove to be crucial in making a case for technological embeddedness as it clearly deviates from its national role-model.

		TASK		FUNCTION	
		contribute	don't contribute	don't contribute	contribute
TASK	contribute				
	don't contribute		MI <sub>UK, D</sub> ; NS <sub>UK</sub>		
FUNCTION	don't contribute				
	contribute				NS <sub>D</sub>

Figure 5.4: Outcomes for the nested game according to technological embeddedness

### SOCIETAL EMBEDDEDNESS

Both societal embeddedness and hierarchical embeddedness predict variation between the industry in the two countries and its alignment along national systems. They give different explanations for the coherence and stability in national institutional set-ups in general, and in national labour market institutions in particular. They differ with respect to the causal explanation of such an alignment. Societal embeddedness assumes that players search for viable institutional solutions in their environment and actively reproduce national structures. In contrast, hierarchical embeddedness assumes that players are captured by actors of the existing institutional environment and reproduce national structures passively. Starting with societal embeddedness, I will discuss whether and to what extent these two different lines of causal explanations - the former bottom-up, the latter top-down - make a difference with respect to the job title and joint supply games.

In contrast to technological embeddedness where relative costs determine job title preferences, societal embeddedness takes uncertainty of actors about their preferred solution as a starting point. Uncertainty is understood in a broad sense as “the character of situations in



which agents cannot anticipate the outcome of a decision and [in contrast to risk, A.B.] cannot assign probabilities to the outcome” (Beckert 1996: 804). Although intentionally rational and attempting to maximise their utility, actors are subject to cognitive and situational limitations. The former are described in the concept of bounded rationality which accounts for the psychological limitations of the human mind to compute all information necessary for a truly optimising decision. These limitations result in mere satisficing instead of maximising behaviour, i.e. the search for solutions that are satisfying but not necessarily optimal in an objective sense (Simon 1982: 4-6, 249). Situational limitations result from the problem of double contingency, i.e. uncertainty about other actors’ decisions in a situation where decisions are reciprocally dependent (Beckert 1996: 805). This is the case both in the job title and in the joint supply game. As a result of both limitations, actors are unable to calculate their choices compellingly according to a rationale of utility or profit maximisation. Instead, the search for a solution follows a rationale of familiarity with solutions that have been applied in comparable situations elsewhere (*ibid.*; March and Olsen 1989: 62).

Within the job title game, uncertainty of actors implies that the initial choice between the two co-ordination equilibria is contingent. In contrast to technological embeddedness, there is no disposition towards one or the other equilibrium for reasons of efficiency in the production process. In order to overcome the problem of double contingency and come to a co-ordinated solution as soon as possible, players will choose the solution deemed obvious in the expectation that the other player considers this solution as obvious as well and hence will make the same choice. For co-ordination games with multiple equilibria like the job title game, Schelling (1973) has described this strategy as search for a focal point (*ibid.*: 57). Focal points represent those clues in real life situations which allow actors to co-ordinate their behaviour by way of societally or culturally derived common sense, shared knowledge or established conventions (Kreps 1990: 143-144). For example, to take Schelling’s compelling illustration, if a couple gets separated in a department store without prior understanding where to meet again, chances are good that they will find each other easily because they know each other well enough to predict where the other will go in such a case (Schelling 1973: 54).

In principle, focal points can be any information that reduces uncertainty about which of multiple possible equilibria to choose. In the job title game in the media production industries, both the job titles in existence in the industry before the break-down of the monopoly of public broadcasters as well as the job titles of the national systems could function as focal points. The former were those resulting from internal labour markets of the public broadcasters. Remaining true to the argument, however, I will assume that job titles in public

broadcasters are in line with those of the national systems. Thus, the two theoretically plausible focal points merge into one. Accordingly, players in the job title game in the two industries will have different focal points. In Germany, media industry employers will be familiar with the function-centred rule and hence co-ordinate on this equilibrium. In the UK, in contrast, employers are familiar with the task-centred rule and hence opt for a task equilibrium. In a non-strategic perspective, the argument rests on latent cognitive predispositions towards familiar patterns which become manifest in actors' behaviour and decisions. In a number of comparative studies on organisations, such cognitive maps or mind programmes have been used as a key explanatory factor for observed differences in the organisation of work (e.g. Maurice et al. 1986; Sorge 1996).

For the joint supply game, any focal point would need to assist players not only in achieving successful co-ordination but also in overcoming obstacles to co-operation. Consequently, a focal point in a prisoner's dilemma situation allows players to move away from individually rational strategies towards the co-operation equilibrium; this requires the establishment of a general expectation among players that defection and free-riding will be detected and sanctioned, and that contributions and benefits are distributed fairly. By solving the second-order free-rider problem and providing a monitoring regime, a focal point here has to perform a different function compared to the multiple equilibria co-ordination game. If successful, it would allow a group of many to see the "shadow of the future" of co-operation and help to overcome the limitations of many participants. Existing institutions, social norms or shared expectations need to provide signals that reduce the uncertainty of actors about each other's fairness and establish credible commitments towards a co-operative solution (Garret and Weingast 1993: 176). For an existing institution to function as such a focal point, it must be considered fair and legitimate in its distributive effects by those who need to come to a co-operative solution. According to sociological institutionalism, routinised rules and structures are considered legitimate if they are sufficiently externalised and have acquired an objective status which abstracts from specific actors and situations. An indicator used by actors to judge routines' legitimate status is their formalisation and their position on a high hierarchical level relative to other institutions. Both indicate a high degree of objectification as these routines have to be applicable to more actors and situations than those which are not formalised and on lower hierarchical levels. Legitimacy is thus the assumption that formalised high ranking rules and structures are objective, and therefore fair, since it is expected that they would otherwise not have attained this status (Zucker 1988: 31).

For the actors in the media industry, a focal point for solving their co-operation problem is in existence in Germany. The dual system provides an enforcement mechanism and a distribution of contributions and benefits that are routinised, formalised and established on a national level. As we have seen in the previous chapter, a similar institutional focal point is lacking in the UK. The NVQ framework only provides a focal point for the job title game. Societal embeddedness would thus predict the results depicted in figure 5.5. In their search for focal points, the two media industries will arrive in the same cells of the job title and joint supply games as the national systems, which constitute the relevant environment of familiar institutions.

		TASK		FUNCTION	
		contribute	don't contribute	don't contribute	contribute
TASK	contribute				
	don't contribute		MI <sub>UK</sub> ; NS <sub>UK</sub>		
FUNCTION	don't contribute				
	contribute				MI <sub>D</sub> ; NS <sub>D</sub>

Figure 5.5: Outcomes for the nested game according to societal embeddedness

Thus, in comparison to technological embeddedness, societal embeddedness, in defining job titles, points to the presence of either strong cognitive patterns or the importance of labour market exchanges as opposed to work organisation. If employers in the German media production industry define their job titles according to the function principle, it is either because their cognitive predispositions dominate the interest in the efficient organisation of work, or, alternatively, following a strategic argumentation, because there is an interest in labour market exchanges on the wider German labour market where the functional orientation dominates. In this case, the interest must be strong enough to override the impact of

technological embeddedness of the industry. For the joint supply game, societal embeddedness points at the significance of pre-existing institutions and cognitive orientations for the solution of the prisoner's dilemma. Using a strategic argumentation, existing institutional templates supply credible commitments for co-operation. In line with a cultural-cognitive perspective, societal embeddedness provides ideas of fairness and, ultimately, internalised norms of co-operation. Both the strategic and the cultural aspects have been emphasised by the research on varieties of capitalisms which emphasises the importance of differences in institutional support and culture for shaping companies' relations with each other and with their employees (Hall and Soskice 2001: 9-14)

### **HIERARCHICAL EMBEDDEDNESS**

Hierarchically embedded actors adopt existing institutions due to the influence of actors operating outside the co-ordination and co-operation contexts depicted in the nested game. This game identifies as decisive for the outcome of the respective games actors who are not players, i.e. non-employers in our case. It is not the uncertainty of players that promotes national institutional coherence but the power of incumbent actors that exert control over institutional formation processes through their presence in existing institutions. Traditionally, hierarchical embeddedness is described as a function of the "resource dependence" and "rule boundedness" of players. The more players are dependent for their resources on a single or several similar sources and the more they are bound in their options on government laws or formal institutional rules, the more they will resemble the structures promoted by these sources (DiMaggio and Powell 1991: 76; Regini 1995: 144). Resources are defined widely as including not only financial means but also administrative and political support. Rules are understood as procedures that govern decision-making and policy implementation such as, for example, requirements for consensus or mandatory inclusion of certain actors in policy making. For the job title and joint supply games, outside actors that command these rules and resources are government agencies and trade unions. In the chapter on national training systems, the role of these two actors have been described for both countries with respect to job titles and joint supply. In order to avoid unnecessary repetition, the discussion will be restricted to an outline of the resources and rules which may be expected to have an effect on institutional outcomes, without describing them in detail again.

In the UK, resource dependence comes through financial incentives of the government for individual firms to invest in training. The government's policy to tie its subsidies for training

investments to the application of the NVQ framework is a strong incentive for individual firms to define its job titles according to the task-centred rule, the demarcating principle of NVQs. Supporting or inducing co-operative solutions to the joint supply game are not a primary policy goal of the government. Trade unions are not influential in the policy-formation process of training policies on the national level. On the industry-level, enforcement of collective action of employers is usually not a goal of collective bargaining.

In Germany, the institutional density is higher. Consequently, resource dependence and rule boundedness can be expected to be higher. The policy formation in vocational education and training is a tripartite and formalised administrative process. Its hierarchical influence on the outcomes in the media industry can be expected to be considerable. In particular, this is due to the BIBB's capacity to unilaterally initiate the development of new training schemes and conduct it according to its standard procedures. These prescribe the inclusion of employer and employee representatives in the consensus proceedings of the tripartite BIBB committees. The employee representatives, nominated by the DGB, frequently use their veto position in the committees for new training schemes in order to guard their wide scope, often in opposition to employer representatives (cf. the metalworking industry, Streeck et al. 1987: 69). Focused on the employability of trainees and the occupational status of employees, the trade union representatives ensure a wide occupational remit of training schemes, an aspect that has been shown to be essential in supporting the function-centred rule in designing job titles. Independent of actual employers' preferences, hierarchical embeddedness would thus tilt the outcome of the job title game towards the function equilibrium. Once new training schemes have been decreed, the IHKs can perform their monitoring role and enforce, formally and informally, the training participation of their members. Hence, hierarchical embeddedness in the job title game allows a hierarchical solution to the joint supply game as well.

In a scenario of hierarchical embeddedness, job title and joint supply games are interlinked in Germany. The former will be decided by the BIBB towards the function equilibrium. Once this is done, the latter can be shifted onto a co-operative equilibrium by the chambers. In the UK, the government provides pecuniary incentives that support the task equilibrium in the job title game. Expected outcomes for hierarchical embeddedness are depicted in figure 5.6. All outcomes replicate those of societal embeddedness. The underlying mechanisms that lead to these outcomes are different, however. Hierarchical embeddedness describes a process of absorption of institutional formation processes by existing institutions and actors. Societal embeddedness, in contrast, describes the reproduction of existing institutions by actors who search for institutional solutions in a situation of uncertainty. In the case of the job title game,

the two processes are independent and can be distinguished. Cognitive maps or an interest in the wider labour market lead societally embedded actors to organise work along the familiar patterns. In contrast, pecuniary incentives and regulatory intervention respectively produce the same result in the case of hierarchical embeddedness. In the case of the joint supply game, the two processes are potentially complementary and harder to distinguish. Due to societal embeddedness, the German dual system may appear the obvious and legitimate solution to employers in the joint supply game. Given this is true, they still, however, become subject to the described influences that originate from hierarchical embeddedness. The presence of employers' opposition towards the activities of the BiBB and towards the function-centred job titles favoured by the BiBB procedure are the only indicators that point to the presence of hierarchical embeddedness rather than societal embeddedness.

		TASK		FUNCTION	
		contribute	don't contribute	don't contribute	contribute
TASK	contribute				
	don't contribute		NS <sub>UK</sub> ; MI <sub>UK</sub>		
FUNCTION	don't contribute				
	contribute				MI <sub>D</sub> ; NS <sub>D</sub>

Figure 5.6: Outcomes for the nested game according to hierarchical embeddedness

## CONCLUSION

The game theoretic analysis and the three types of embeddedness uncover four distinct motives and causal mechanisms that potentially guide the formation of labour market institutions. They lay out different logics of institutional formation which are not mutually

exclusive and may, in fact, be present simultaneously, but compete with each other for salience in guiding actors. These are depicted in table 5.1. The interest in organising labour market transactions efficiently leads to evolutionary co-ordination of job titles. This rationale competes with the interest in organising production efficiently through production tasks. Both rationales are based on a transaction cost logic, albeit pointing in different directions for establishing transaction cost efficiency, within the labour market, on the one hand, or within production, on the other hand. They may combine for a task equilibrium in media labour markets, however. A third transaction cost logic for defining job titles emerges from societal embeddedness, namely the interest in exchanges with labour markets that are not specific to the industry and constitute the national labour market. This rationale leads to the adoption of the national labour market's job title regime. Alternatively, such an adoption can be attributed to cognitive maps of actors shaped by societal patterns of organising work. An examination of the nature of job titles and labour market exchanges makes it possible to discriminate between these three rationales in designing job titles.

Institutional outcomes	Nested Game Analysis	Type of Embeddedness			
		Technological	Societal	Hierarchical	
<b>Job Titles</b>	<b>D</b>	task/ function	task	function	function
	<b>UK</b>	task/ function	task	task	task
<b>Joint Supply</b>	<b>D</b>	defection	defection	co-operation	co-operation
	<b>UK</b>	defection	defection	defection	defection
<b>Causal mechanisms</b>	evolutionary co-ordination/ free-riding	transaction cost efficiency in production	strategically or cognitively caused adoption	rule boundedness/ resource dependence	

Table 5.1: Institutional outcomes and causal mechanism according to game theoretic analysis and type of embeddedness

Joint supply may be determined through societal embeddedness that provides assistance in organising collective action. Alternatively, the collective action dilemma in providing joint supply may be solved hierarchically. This provides a fourth possibility for defining job titles, i.e. through decreeing of VET schemes that simultaneously provide an enforcement mechanism and a job title. In the second empirical chapter it will be established whether and how joint supply regimes in the media production industry have formed. The formation of job titles thus becomes the currency for the empirical analysis. Although job titles are a relatively

low key phenomenon of social order, they can be used as indicators to detect logics of institutional formation that are potentially responsible for national institutional reproduction and change.

Technological embeddedness predicts the cross-national convergence of the British and German media industries on the task equilibrium due to managerial prerogative in realising efficiencies in production. Both societal and hierarchical embeddedness stand in opposition to technological embeddedness. They regard the industries' position within the national institutional setting as decisive for the outcome of institutional formation processes.

For the UK, there is no variation of results across the three types of embeddedness. They all converge on the prediction of failing joint supply and a job title equilibrium on the task-principle. The German media industry will be the crucial case for comparatively identifying the impact of different formational logics. It is characterised by both project production and a rich institutional environment. On a substantive level, this allows us to discuss the interplay of different kinds of embeddedness and the potential tension that arises from the dual influence of work organisation and the presence of national institutional structures on the labour market.



## **JOB TITLES AND LABOUR MARKET EXCHANGES IN THE UK AND GERMAN MEDIA PRODUCTION INDUSTRY**

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This chapter will document the job title regime in the media production industries of the UK and Germany. Technological embeddedness predicts the manifestation of the task-principle in job title definitions in both countries. Societal embeddedness foresees different job titles with the German industry displaying the function-principle and the British industry displaying task-centred job titles. In the first part, I will use collective agreements of the industry in order to determine the character of job titles and their variation between the two cases. In the second part, I will examine labour market exchanges in order to find out how job titles govern labour market exchanges. As a result, we will be able to determine the impact of technological and societal embeddedness respectively on job titles and see whether resulting job titles lead to smooth labour market exchanges as predicted by evolutionary logic. In the chapter following this one, job titles will be examined in conjunction with joint supply regimes.

### **JOB TITLES IN THE ORGANISATION OF WORK**

If, according to technological embeddedness, the organisation of work determines the design of job titles, we would have to expect cross-country resemblance of job titles in the industry due to the similarities in production models. Conversely, in the case of societal embeddedness different job titles would be observed as the job title regimes in Germany and the UK differ (cf. chapter 4). There are several ways to determine job titles. Ideally, job titles of companies of similar size and activity in the two countries would be matched and compared; however, data that allows for such a comparison does not exist. Instead, I will use selective evidence and some indicators to identify the job titles of the industry.

#### ***The Nature of Job Titles***

An important manifestation of job titles can be found in collective agreements. Although agreements vary in importance in terms of regulating pay and working time, they reproduce the job titles in use in order to establish a pay scale for the various occupations. In the respective pay agreements, occupational grades are listed and matched with a pay rate. Job listings focus on jobs that are actually exercised inside companies, or, in the case of project

work, within projects. As such they reflect jobs as they result from the organisation of work within production. Pay agreements are in existence for freelance occupations in the British and in the German production branch, and also for broadcasters. The first column of table 6.1 gives an extract of the listing of job titles that appear in the collective production freelance agreement between BECTU and PACT.

<b>BECTU/ PACT (Freelance Production Agreement)</b>	<b>IG Medien – DAG/ employers (Gagentarifvertrag)</b>	<b>WDR (Vergütungstarifvertrag)</b>
- Production Accountant Asst. Production Accountant - Production Manager Senior Production Assistant  - 1 <sup>st</sup> Assistant Director 2 <sup>nd</sup> Assistant Director - Production Co-ordinator Production Organiser/ Unit Mgmt. - Rigger/ Driver - Script Supervisor	- Filmgeschäftsführung mit Kasse  - Produktionsleitung Produktionsassistentz  - Regie-Assistenz  - 1. Aufnahmeleitung 2. Aufnahmeleitung - Produktionsfahrer - Atelier-Sekretariat Skript/Continuity	- 1. Produktionsleiter Produktionsleiter 1. Studiomeister Studiomeister - Gehobener Regieassistent Regieassistent - 1. Aufnahmeleiter 2. Aufnahmeleiter - Fahrer - 1. Sekretär
Lighting Camera Camera Operator Camera Assistant Clapper Loader	Kamera Kamera-Assistenz 2. Kamera Assistenz	1. Kameramann Gehobener Kameramann Kameramann Gehobener Kameraassistent Kameraassistent
- Costume Designer Asst. Costume Designer Costume Maker - Wardrobe Mistress/Master Asst. Wardrobe Junior Wardrobe Asst.	- Kostümbild Kostümbildberatung Kostümbild-Assistenz - Garderobe/ Gewand	- Chefkostümbildner Kostümbildner 2. Kostümbildner - Gewandmeister Garderobiere
Chief Make-Up/Hair Make-Up Design Prosthetics Make-Up Hair Artist Junior Make-Up/ Hair Asst.	Maske	Chefmaskenbildner Maskenbildner m. bes. Aufgaben Maskenbildner 2. Maskenbildner
Prop Master/ Mistress CH Props Props Person	Außen Requisite Innen Requisite	Außenrequisiteur 1. Requisiteur Requisiteur
Construction Manager Asst. Construction Manager Set Decorator	Szenenbild Szenenbild-Assistenz	1. Szenenbildner Szenenbildner 2. Szenenbildner
Editor 1 <sup>st</sup> Assistant Editor Assistant Editor	Schnitt 1. Schnitt Assistenz 2. Schnitt Assistenz	1. Cutter Cutter Gehobener Cutter Junior-Cutter
Sound Supervisor Sound Engineer Sound Assistant	Ton Ton-Assistenz	1. Tonmeister Tonmeister 1. Tonassistent

Table 6.1: Job listings in collective pay agreements in German and British production branch and German public broadcaster WDR

Source: Collective agreements, WDR personnel department

The second column displays the corresponding job titles from the German agreement, which was negotiated by IG Medien and DAG, two of the predecessors of Ver.di, and a consortium of German employer associations. Both agreements cover the freelance workers who are typically hired for production projects. The third column shows the job listing from the company agreement between the German public broadcaster WDR and IG Medien, DAG and DJV (Deutscher Journalistenverband). It can be considered representative for all other public broadcasters in Germany with whom unions negotiate company agreements that essentially resemble each other. A similar list for the BBC is apparently under negotiation but has not been made available by either the union side or the BBC itself.

There is a high rate of correspondence between job titles in the three agreements. Job titles follow a broad horizontal segmentation into departments such as production management, camera, costumes, make-up, props, set construction, editing and sound. Each segmentation is represented by a box in table 6.1. Sub-categories within departments, costumes and wardrobe within the costumes department, for example, are marked by a hyphen. In the agreements, job titles identify activities that are named according to the task at hand, for example assisting the director, being a production driver, designing costumes or manufacturing them. Within each of the departments there is a vertical segmentation of jobs into the chief responsible person and respective assistants, clearly visible in all departments and in all three agreements. In the sound department, for example, there is a sound supervisor, or master (Meister), then an engineer or second master, and an assistant. The extent of vertical segmentation varies between agreements, however. The German freelance agreement displays the lowest degree of vertical segmentation, as can be seen most pronouncedly in the make-up department, but also across most other departments. The British freelance and the WDR agreements display a similar degree of segmentation overall, but differences within departments. The WDR agreement lists five camera and four editing titles, while the BECTU/ PACT agreement lists only three in both departments. Within the production management department, there are also differences across agreements. Some jobs, like production accountant, appear only in the freelance but not in the WDR agreement; others appear only in the WDR agreement, like the studio masters (Studiomeister). Accounting is a specialised organisational department of the broadcaster and hence not done in the production department itself, whereas it is an integral part of single production projects. Studio masters perform tasks specific to studio production within broadcasters. We can thus observe a close fit between production requirements and listed jobs. For the WDR, the agreement in fact constitutes an exhaustive enumeration of existing jobs within the organisation as all employees are covered by the agreement. The

BECTU/ PACT agreement is actually also a near exhaustive enumeration of jobs that are potentially needed for the various kinds of productions. In addition to the job titles listed in table 6.1, it lists many more, within and beyond the given departments. In the camera department, for example, there are additional job titles for video effects, video camera operation and for special effects. In contrast, the German freelance agreement gives only the titles listed in table 6.1, which may be interpreted as a sign of a more comprehensive scope of jobs. In an additional clause, the agreement extends its validity to all media professions beyond those listed without, however, listing them individually. Thus, it can be assumed that the lesser segmentation of the German freelance agreement does not represent a wider scope of jobs in the German production branch but is a result of its character as a point of reference rather than an exhaustive listing of all jobs.

Taking job titles from pay agreements bears the danger of identifying a vertical segmentation of job titles that reflects not separate work tasks but only separate pay groups. The camera assistant, for example, may possess fewer years of experience than the camera operator but perform the same work tasks as the latter. Job titles in this case would only signal a difference in experience and pay, but not in performed work tasks. In fact, the agreements' vertical segmentation does carry an element of seniority, i.e. the camera operator is usually senior to the camera assistant, but it also refers to different and clearly separated work tasks. The camera assistant is an established job scheme that is regularly occupied not by would-be camera operators but by lifetime assistants. It involves the preparation and choice of material and equipment in advance of actual recording, the assistance to the operator in recording as well as the co-ordination with the editor of the filmed material after recording. In electronic news gathering (ENG, or, in German, EB for Elektronische Berichterstattung), the camera assistant is usually responsible for the sound recording. The second and third camera assistant positions, or clapper loader, are regularly occupied by new entrants who want to advance to the first assistant or operator position. They are most common in fictional production and have been rendered obsolete in news covering with the introduction of ENG. Although these junior positions involve a substantial amount of learning by observing the seniors, they also define clear responsibilities vis-a-vis the assistant position such as preparing equipment and handling filmed material. The segmentation in the other departments into first, second or assistant positions follows the same principle. Rather than being only a vertical segmentation according to years of practice, the different job titles thus also demarcate bundles of tasks and define areas of responsibility in a horizontal fashion and relate jobs within a department to each other.

To sum up, the observed definition of jobs follows the task principle by referring to a bundle of work tasks in order to delineate jobs and define the responsibilities of the job holder. The function principle, in contrast, would imply less narrow descriptions of jobs that allow for flexibility in exercising tasks and dispatching workers according to need. For example, in a functional world a production worker would carry responsibilities throughout the pre-production, production and post-production phases. The worker would be equally responsible for researching, filming and editing a feature. The agreements, in contrast, do not contain such functionally defined jobs but instead are defined narrowly and reflect a high division of labour. The function principle can be found in the media production industry to some extent in two cases, however. One is the producer cum cameraman cum editor who owns a company with himself as the only employee and who typically handles his productions single-handedly or only with minimal assistance from outside. These employee entrepreneurs (cf. Voß and Pongratz 1998) are mostly found in small-scale productions, producing historical documentaries for example, where tasks can be handled by one person sequentially and where sales prices for programmes are low and cost pressure is high. The other case where the function principle has been introduced to some extent is the already mentioned ENG where both the camera and the editor assistants have been made obsolete by camcorder technology. An ENG news team consists of the news journalist and, in the extreme, just the ENG-cameraman, sometimes an assistant who is responsible for the sound. The editor is responsible for editing the news clip afterwards. Here the horizontal segmentation into departments continues to delineate jobs, but the vertical segmentation into operator and a various number of assistants within departments has vanished.

### ***The Embeddedness of Job Titles***

In both countries, the task principle governs the definition of job titles and establishes a high degree of resemblance across the two cases in its elaborate division of labour. Overall, the large degree of cross-country overlap in job titles provides persuasive evidence against any effects of societal embeddedness in the formation of job titles. The two German agreements do not reproduce the function-principle which was shown to govern industrial employment and vocational training in Germany (cf. chapter 4). Societally embedded, we would have expected the German media production industry to be guided towards a functional job title regime either because actors conceive of no alternative ways to organise jobs or because of their interest in exchanges with the wider labour market where the function principle governs.

In fact, neither motive seems to apply. Instead, German agreements resemble the British one in employing the task-principle.

This narrow definition of jobs must be explained by the impact of the production environment on job definition. In all three cases job titles follow the same segmentation into departments which reminds us of the tool-of-the-trade demarcation of jobs known from British craft unionism. Camera, sound, editing, make-up – all these are job areas with specific types of equipment. The potential for compartmentalising work responsibilities within production along these types of equipment seems the most obvious and persuasive logic to delineate jobs. The claim of the technological embeddedness argument was that task certainty in project production promotes sales-like, short-term and freelance employment, which, in turn, only allows the task principle for organising jobs. Indeed, organising work through linking worker responsibilities directly to required tasks allows for a high degree of job segmentation so that jobs can be added or left aside according to the production at hand. Production companies can staff their teams more or less extensively according to available budget and the complexity of the project. At the same time, however, the fact that not only the production branch but also German broadcasters follow the same task-centred job titles suggests that the task-orientation is not only an outflow of short-term and freelance employment, or the lack of organisational context. Broadcasters have internal labour markets that principally allow the function principle to work as they provide seniority job ladders that can be used in order to distribute functional responsibilities. Moreover, unlike in project production, slack organisational resources are available that render the precise planning ahead of production less pressing. Both lacking organisational context and task certainty are thus less accentuated in the case of broadcasters. Nevertheless, the same typical tools of the trade are used for the design of jobs. For distributing responsibilities and relating jobs within production unambiguously to each other, they seem the most obvious solution in project and broadcasting production alike.

A combination of factors may be invoked for explaining this fact. The industry has common historical roots in the Hollywood industry and the predecessors of today's broadcasters at the beginning of the 19<sup>th</sup> century. Reverberations of these beginnings may be visible in today's organisation of work using traditional tools of the trade. In addition, production technology is largely identical for media production across companies and countries today. A handful of equipment manufacturers in Japan and Germany supply the industry all over the world. A large string of comparative research has shown, however, that the same kind of technology, for example CNC machines in industrial production, is implemented in different ways in different countries and that traditional, i.e. societal, ways of organising work usually dominate

identical technology (e.g. Sorge and Warner 1986). In the media production industry, this may be less the case. The example of camcorder technology and the introduction of ENG has shown that technology has a direct impact on job titles. In combination with the need for the synchronous execution of tasks, it may in fact be technology that is responsible for the cross-organisational and cross-national resemblance of job titles.<sup>56</sup> Media production is more dependent on timing and the synchronised execution of multiple activities than many other, more sequentially organised kinds of production. Tools of the trade may play such a prominent role in the industry's job title regime because they are the most apparent and uncontroversial point of reference for designing job boundaries that make it possible to organise such a synchronous execution of tasks.

We have to reject our initial assumptions from the technological embeddedness argument about the impact of project production on job titles. However, we can observe the same task-centred job titles in the UK and in Germany, and in project production and in broadcasters alike. In a truer sense than initially thought, the definition of jobs relies on technology, namely the traditional tools of the trade that mark production departments. We can thus conclude that job titles are in fact technologically embedded, albeit not in the way hypothesised in the earlier discussion. The dominance of tools of the trade can be traced back to the common roots of the industry, but also to the importance of unambiguous definition of responsibilities in synchronous production.

## **JOB TITLES AND LABOUR MARKET ENTRY**

The vertical segmentation of jobs seen in the job classifications of collective agreements displayed an element of seniority within departments. This suggests that labour market entrants can use lower ranked positions within departments as entry points into the industry's labour market and utilise these for collecting relevant work experience. Data from the author's survey on German camera and set co-ordination professionals (Baumann 2000b) will be matched with corresponding data from the BFI Industry Tracking Study (Dex et al. 1999) in order to shed light on how media professionals traditionally enter the labour market. In order to make the results of the two surveys comparable, a sub-sample of camera, light and sound professionals and production co-ordination professionals<sup>57</sup> was taken from the BFI

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<sup>56</sup> The attentive consumer of audio-visual entertainment may observe a stunning resemblance of job titles in the credits at the end of a film, largely irrespective of its national origin.

<sup>57</sup> Corresponds to professional categories "Production Support" and "Managerial/ Executive Producer" with employed or freelance status in Dex *et al* 1999.

study. This allows us to match the two samples. The two professional groups were chosen because camera occupations can be considered representative for the more craft-oriented fraction of media professions, while production co-ordination represents the more managerial strand of production work.

In order to place the results chronologically into the history of the industry, some information on the age structure of the samples will be useful. The year of birth of respondents of the German survey spans from 1920 to 1975, with 1954 representing the mean. For the two professional groups under consideration from the BFI study, the year of birth ranges from 1933 to 1973, with 1953 marking the mean. Average labour market entry in the German sample was 1978, with around two thirds of all entry dates taking place between 1966 and 1990 (standard deviation of 12 years). In the UK, the average entry date was 1977, with roughly two thirds of all entries occurring in the time span between 1966 and 1988 (standard deviation of 11 years). In the main, the data thus represents labour market entries during the era of integrated broadcasters and public broadcasting monopoly.

Training may take place in formal programmes like apprentice- or traineeships. Such formalised training is usually structured in a curriculum and contains theoretical elements that provide trainees with knowledge transcending the immediate work context. Informal on-the-job training, in contrast, is generally unstructured and restricted to increasingly becoming familiar with work practices and routines over time, without, however, providing theoretical foundations (cf. chapters 3, 4).

<b>First job in the UK industry</b>	<b>Camera/ light/ sound professionals</b>	<b>Production co-ordination professionals</b>	<b>Total</b>
<b>Trainee (%)</b>	4 (16.0)	3 (3.9)	7 (6.9)
<b>Runner/ Driver (%)</b>	1 (4.0)	3 (3.9)	4 (3.9)
<b>Researcher (%)</b>	0 (0.0)	7 (9.1)	7 (6.9)
<b>Assistant (%)</b>	11 (44.0)	42 (54.5)	53 (52.0)
<b>Chief responsible (%)</b>	5 (20.0)	7 (9.1)	12 (11.8)
<b>Other (%)</b>	4 (16.0)	15 (19.4)	19 (18.6)
<b>Total (%)</b>	25 (100)	77 (100)	102 (100)

Table 6.2: First job of camera/ sound/ light and production co-ordination professionals in the UK media production industry

Source: Dex et al. 1999



Tables 6.2 and 6.3 show the extent to which labour market entrants in the production co-ordination and camera professions in the UK and Germany started their careers with informal on-the-job training in comparison to formal training programmes. In the UK industry, only 7 percent of industry entrants went through a formal traineeship. While camera professionals have enjoyed formal training to a considerably larger extent than production co-ordination professionals, it is a clear minority in both cases. The majority of respondents entered an assistantship as their first job. A combined 52 percent of both professional categories entered the labour market through this informal training on-the-job. A considerable number of entrants were immediately in a position of responsibility in their departments in the UK. The high percentage of people entering the labour market through other routes illustrates the variety of possible entries.

First job in the German industry	Camera professionals	Set co-ordination professionals	Total
Work experience/ Intern (%)	35 (38.0)	13 (38.2)	48 (38.1)
Trainee (%)	13 (14.1)	6 (17.6)	19 (15.0)
Runner/ Driver (%)	0 (0.0)	4 (11.8)	4 (3.1)
Assistant (%)	39 (42.4)	5 (14.7)	44 (35.0)
Chief responsible (%)	3 (3.3)	2 (5.9)	5 (3.9)
Other (%)	2 (2.2)	4 (11.8)	6 (4.7)
<b>Total (%)</b>	<b>92 (100)</b>	<b>34 (100)</b>	<b>126 (100)</b>

Table 6.3: First job of camera and set co-ordination professionals in the German media production industry

Source: Baumann 2000b

In Germany, the pattern of entry jobs is slightly different (table 6.3). Almost 40 percent of both professional categories entered the media labour market through highly informal work experience or internships. This category has not been considered by the BFI main survey. In a follow-up questionnaire to the main survey, however, 44 percent of a sub-sample of 50 young labour market entrants (average year of birth is 1970) indicated that they had had relevant work experience placements before their first job. Thus, in both countries, informal work experience is increasingly the single most important entry point for labour market entrants. As in the UK, assistant positions in the German sample were of particular importance for camera professionals, constituting the first job for more than 40 percent. For set co-ordination professionals, assistantships are comparatively less important, a fact that distinguishes them

considerably from their British counterparts. Likewise, the percentage of set co-ordinators with formal training is higher in Germany than in Britain, although still rather low with just under 18 percent. With 14 percent it is even lower for camera professionals. Trainee programmes are mostly internal formal training programmes of firms, so-called *Volontariate*. In this context, another indicator is of interest. 70 respondents from the sample went through an apprenticeship in the German dual system before entering the industry's labour market. Of these, only 45 percent considered their apprenticeship as relevant for their later career. Typically, the relevant apprenticeships were those for photographers. They were considered relevant as a wider preparation for the camera profession. Overall, however, informal on-the-job training dominates in both countries, either in the form of work experience and internships or in the form of assistantships. Assistantships can be considered less precarious than work experience. The latter is often unpaid while the former are institutionalised in job classifications and awarded pay rates in collective agreements.

Next, I want to take a look at where and how labour market entrants found their first job in the industry. Tables 6.4 and 6.5 list the types of companies where respondents started to work. In the UK, first jobs in both professional categories were predominantly in broadcasters, i.e. the BBC and ITV companies. In view of entry dates being overwhelmingly in the period of integrated broadcasters, this is not surprising.

First employer in the UK industry	Camera/ light/ sound professionals	Production co-ordination professionals	Total
Broadcaster (%)	16 (84.3)	57 (75.0)	73 (76.8)
Independent Company (%)	2 (10.5)	16 (21.0)	18 (19.0)
Abroad/ Other (%)	1 (5.2)	3 (4.0)	4 (4.2)
Cable/ Satellite (%)	0 (0.0)	0 (0.0)	0 (0.0)
Total <sup>58</sup> (%)	19 (100)	76 (100)	95 (100)

Table 6.4: First employer of camera/ sound/ light and production co-ordination professionals in the UK media production industry

Source: Dex et al. 1999

In Germany, results are a bit more detailed and varied. Here almost half of all workers have used production companies to start their career. Public broadcasters come second, while private broadcasters lag behind considerably as entry points to the labour market. Affiliated

<sup>58</sup> Numbers of respondents vary across topics according to variation in answering the respective survey questions.

service companies, such as equipment rental firms, play a minor role for camera and none for set co-ordination professionals. In comparison to the UK, the high share of first jobs in production companies stands out. Despite predominant labour market entrance during the time of public broadcasting monopoly in Germany, production companies have played a significant role in offering employment to labour market entrants.

First employer in the German industry	Camera professionals	Set co-ordination professionals	Total
<b>Public Broadcaster (%)</b>	37 (39.8)	10 (29.4)	47 (37.0)
<b>Private Broadcaster (%)</b>	4 (4.2)	5 (14.7)	9 (7.1)
<b>Production Company (%)</b>	45 (48.4)	18 (52.9)	63 (49.6)
<b>Affiliated Services (%)</b>	6 (6.5)	0 (0.0)	6 (4.7)
<b>Other (%)</b>	1 (1.1)	1 (2.9)	2 (1.6)
<b>Total (%)</b>	93 (100)	34 (100)	127 (100)

Table 6.5: First employer of camera and set co-ordination professionals in the German media production industry

Source: Baumann 2000b

A look at the way respondents got their first job will conclude this section on labour market entry. Both surveys contained a list of possible routes into the first employment. Given alternatives differed somewhat between the German and British survey. The degree of correspondence is sufficient, however, to compare answers and identify general differences. In the UK, more than a quarter of respondents found their first job through a job advertisement, and another 25 percent were successful with a formal application and the ensuing job interview. Following these formal and standard ways of applying, informal personal contacts are the third most important route for labour market entrants to find a position. Somewhat less important than the first three routes are speculative applications and approaching the prospective employer directly. The remaining channels, like agencies and the pitching of a project, play only a minor role. A look at the distribution of ways to find first employment among first employers reveals that the response to job advertisements and formal applications is dominant as a way to find employment only in broadcasters, while personal contacts dominate all other application routes for independent production companies.

First job in the UK industry through...	Camera/ light/ sound professionals	Production co-ordination professionals	Total
Job advertisement (%)	7 (21.9)	29 (29.6)	36 (27.7)
Formal application/ interview (%)	10 (31.2)	22 (22.4)	32 (24.6)
Personal contacts (%)	8 (25.0)	21 (21.4)	29 (22.3)
Speculative application (%)	3 (9.4)	15 (15.3)	18 (13.8)
Approaching employer directly (%)	3 (9.4)	7 (7.1)	10 (7.7)
Agency (%)	0 (0.0)	2 (2.0)	2 (1.5)
Pitching project (%)	1 (3.1)	0 (0.0)	1 (0.8)
Other (%)	0 (0.0)	2 (2.0)	2 (1.6)
<b>Total<sup>59</sup></b> (%)	<b>32</b> <b>(100)</b>	<b>98</b> <b>(100)</b>	<b>130</b> <b>(100)</b>

Table 6.6: Way of finding first job of camera/ sound/ light and production co-ordination professionals in the UK media production industry

Source: Dex et al. 1999

First job in the German industry through...	Camera professionals	Set co-ordination professionals	Total
Approaching employer directly (%)	26 (28.0)	12 (35.3)	38 (29.9)
Connection through industry insider; (%)	24 (25.8)	9 (26.5)	33 (26.0)
Personal contacts of acquaintances/ relatives; (%)	24 (25.8)	5 (14.7)	29 (22.8)
Speculative written application (%)	10 (10.8)	4 (11.8)	14 (11.0)
Direct recruitment through employer; (%)	3 (3.2)	1 (2.9)	4 (3.1)
Job advertisement (%)	0 (0.0)	0 (0.0)	0 (0.0)
Other (%)	6 (6.5)	3 (8.8)	9 (7.1)
<b>Total</b> (%)	<b>93</b> <b>(100)</b>	<b>34</b> <b>(100)</b>	<b>127</b> <b>(100)</b>

Table 6.7: Way of finding first job of camera and set co-ordination professionals in the German media production industry

Source: Baumann 2000b

In Germany, a different picture emerges. Job advertisements play no role at all in finding respondents their first job. Written applications were also relatively unimportant compared to

<sup>59</sup> Answers exceed respondents (77 production co-ordination and 25 camera/ sound/ light professionals) because more than one answer was possible.

the UK. The most important way to the first job was approaching the prospective employer directly. Second comes the intermediation through an industry insider. Here new entrants rely on connections of somebody already established in the industry in order to be recommended to the potential employer. Third ranked is the introduction to the employer by personal contacts of an acquaintance or relative. Lacking somewhat behind comes the speculative written application, and other routes which are of minor importance. If we look at the distribution of ways of finding a job across employers, similar results to the UK appear. All successful speculative written applications save two were directed at public broadcasters, while contacts of industry insiders were the most important route to employment in production companies. Thus, the difference in entry routes between the two countries is to some extent due to the importance of production companies relative to broadcasters as first employers in Germany. The importance of approaching prospective employers directly as opposed to formal ways of applying for the first job remains, however, a marked difference between the two countries.

The comparison of job titles and labour market entry routes has shown that the vertical segmentation into chief responsible person and assistants guides young industry entrants into the labour market. On-the-job training is the traditional way of starting a professional career both in Germany and in the UK. Assistantships provide an institutionalised way of gaining occupational skills and are the most popular way of gaining on-the-job training. Informal work experience is an increasingly utilised way of entering the labour market but lacks the structure of assistantships.

## **JOB TITLES AND LABOUR MARKET EXCHANGES**

The media industry's labour market is characterised by short-term and freelance employment that emanates from project production. The production model demands a particularly high degree of labour market mobility of workers. This emphasis on labour mobility stands out against the prototypical occupational labour market described in the literature which usually refers to traditional industries with permanent employment. The labour market as an intermediary and allocation mechanism is thus of particular importance in the media production industry. The evolutionary co-ordination of job titles between firms (cf. chapter 5) suggests that network effects lead to standardised job titles which allow the labour market to work as an efficient allocation mechanism in the economist's sense of the word, i.e. with low information requirements and atomistic and impersonal spot transactions. Job classifications

reproduced in the freelance collective agreements display a high degree of uniformity which may point towards low transaction costs for changing employment across productions and production projects. I will compare labour market strategies of companies and individuals in the German and British media industries in order to see how the industry's labour market manages the high fluctuation in employment.

### ***Employment Practices of Media Production Firms***

In interviews with production companies and broadcasters (cf. Baumann 2000a), one core question addressed to interviewees related to their employment practices. It aimed at finding out how firms usually recruit employees or staff members for productions. I gave a list of possibilities to the interviewees and asked if any of these possibilities applied or, if this was not the case, which alternatives they used. The possible recruitment channels given were job advertisements, media handbooks/guides, agencies, the records of former employees or staff members, or the use of an informal network of colleagues. Where the number of permanent employees seemed to allow for it, especially in the case of broadcasters, it was also asked if firms filled jobs through internal promotion and relied on internal labour markets. These recruitment channels can be imagined on a continuum where one pole marks completely standardised exchanges and the other pole marks highly idiosyncratic ones. They constitute alternative ways of dealing with labour market fluctuation. While standardisation reflects a logic of reducing transaction costs in the exchange per se, idiosyncrasy reflects attempts to reduce the uncertainty in the exchange by increasing the knowledge about the potential employee.

Job advertisements use generally known job titles to work as a matching agent in the labour market. The more standardised job titles and skill standards across companies are and the more both firms and workers can relate to job titles, the more efficient job advertisements will be, since the match between applicants' skills and the requirements for the job become increasingly clear. They have the advantage of a wide spread, but are restricted in the amount of information they can transport. Handbooks or guides also rely on standardised job titles and skill levels as they often only cite the general field of work and the address of the listed persons. Usually, no information is given about their work experience. This may function if the field of work in which persons are listed gives enough information on a person's skills but it will not work if this classification is either too vague or too broad in order to allow firms to choose their candidates. In contrast to job ads, handbooks are a less expensive way of finding workers as costs for registration are carried by the latter. Agencies differ from job

advertisements and handbooks as they allow for the communication of considerably more information than just a job title or description. This information could refer, for example, to work experience and employment in the past, but also to personal characteristics such as flexibility or openness. Depending on their degree of specialisation on a certain clientele, agencies may be able to match workers' skills and the qualification requirements for a job to a high degree even though there are no standards for skills. Using the records of former employees or staff members, the next item on the list of given recruitment possibilities, embodies a strategy of restricting access. Here, firms go back to those people they have worked with successfully before and hence minimise the risk of a mismatch between skills and needed qualifications. Alternatively, firms can make use of a network of colleagues in order to find the right employees. By asking colleagues about their experience with potential employees, the latter's reputation becomes the prime means for firms to select candidates for employment. From the point of view of cost efficiency of labour market transactions, we would expect the established job titles to be standardised enough for handbooks and job ads to work well in the media industry. In contrast, agencies, going back to former employees and the use of third parties may point to companies seeking information about potential employees that goes beyond what established job titles can convey.

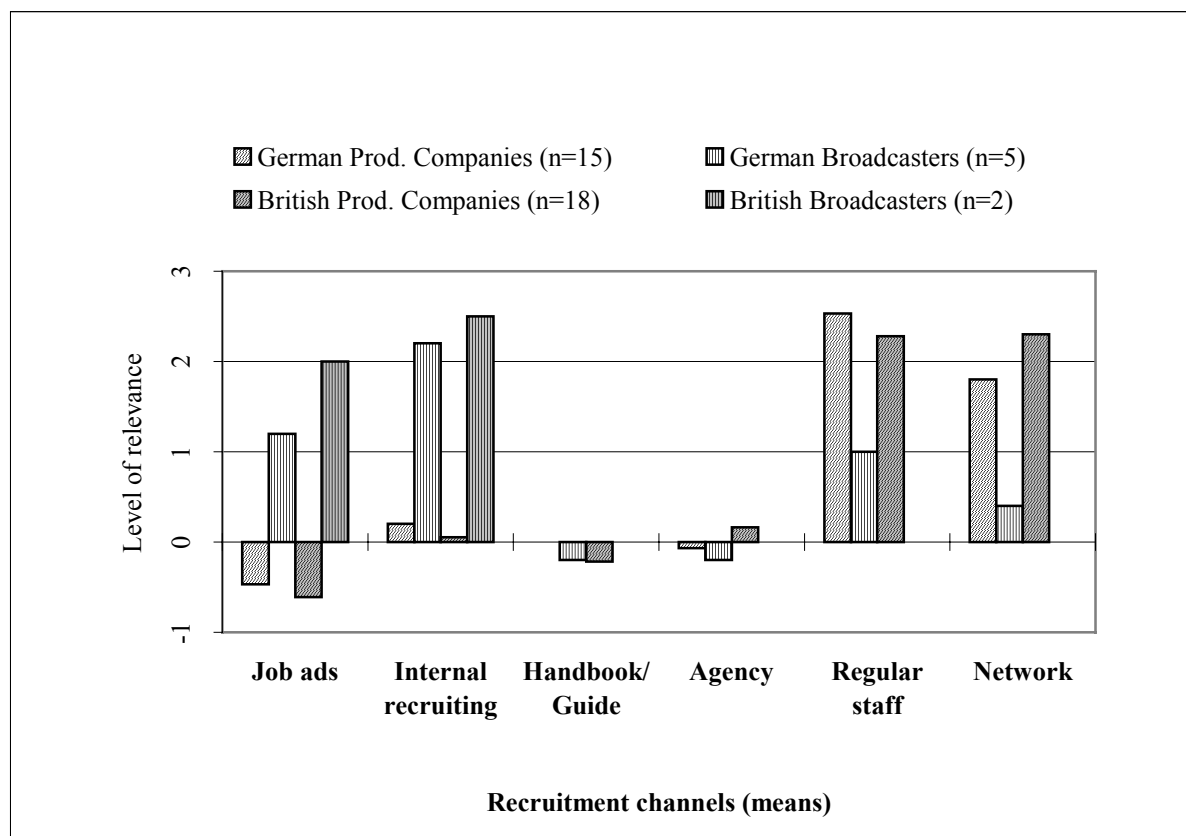


Figure 6.1: Recruitment channels of German and British media companies

In figure 6.1, we see the means for the relevance of the various recruitment channels for German and British production companies and broadcasters. The scale extends from three for the highest relevance to minus one. This is due to the fact that channels sometimes were not commented on by the interviewees and thus implicitly declared irrelevant (0 = no mention) and some of them were explicitly declared irrelevant (-1 = not relevant).

In the results, there is a clear division between broadcasters and production companies. For German and British broadcasters the most relevant recruitment channel is internal promotion, followed by job advertisements. Both these recruitment modes are of minimal or no relevance for production companies. This indicates the continued existence of ILMs within broadcasters where job advertisements are used in order to recruit entrance level employees who then move up within the internal market. Despite the shift to a publisher-broadcaster model, broadcasters therefore continue to use recruitment policies typical for the ILMs of integrated broadcasters. It must be assumed, however, that ILMs cover a decreasing number of production staff and increasingly centre on administrative staff. For production companies in both countries the most relevant recruitment channels are the hiring of regular staff and the use of networks of colleagues. In Germany, the regular use of the same staff dominates the use of colleagues as intermediaries. In the UK, the two means of recruiting staff are equally relevant. All other recruitment channels slip into the area of no relevance. The foremost of these is the use of job advertisements, which in both countries is the most irrelevant recruitment channel. Handbooks and guides are also of no relevance in either country. Agencies are also accorded low relevance. They are not relevant at all in Germany and only of some relevance in the UK.

### ***The Residual Recruitment Channels***

A closer look at the non-relevant recruitment channels of figure 6.1 will illustrate why they do not work in the labour market of media production. It was pointed out that job advertisements can be expected to address a clearly defined circle of respondents only if the given job titles can be understood unambiguously in terms of needed skills and expertise. In the absence of generally understood skill standards, job ads will produce a low hit rate. Although job titles manage to define work responsibilities in production, they seem to fail in sending out unambiguous signals to the labour market. One German producer describes the phenomenon:

*The problem with job advertisements is that the spread is too wide. We have done that already. If you look for say a production assistant for movie production, every Tom, Dick and Harry will apply. We don't place ads in*



*newspapers anymore because 70% to 80% of application letters are not even relevant for what we look for! (D2, my translation, A.B.)*

There seems to be a considerable degree of uncertainty among applicants about qualifications needed in order to fill out an assistantship. The dual character of assistantships as a demarcation of job responsibilities and an entry route into the industry sets the expectations of the company and the applicant apart. While the company looks for an apt worker who can fulfil the role of the assistant in the production process, applicants seek an entry into the industry. Job advertisements fail to bridge this gap. Handbooks and guides are of use if the categories in which people are listed convey enough information for firms to make an accurate selection. It can be expected that the ambiguity in job titles with respect to skill levels would make this as impossible as in the case of job advertisements. And indeed, handbooks are only used as address books and not as guides to professional qualifications. The following quote from a British producer illustrates this:

*I don't use The Knowledge [common British media handbook, A.B.] to find people, I use The Knowledge to kind of see if someone I am thinking of is in there and to find the telephone number, but I don't use it actually to engage people. (GB16)*

In contrast to the UK, agencies or agents are, for legal reasons, only a recent phenomenon in Germany, which is why they are not yet of relevance as a recruitment instrument. They can reconcile the production company's demands for flexibility in employment and certainty about qualifications with each other. One producer describes the advantages of agencies:

*We definitely use agencies for what I call the one-day people, in other words people who just work in the studios [...] because it is an easier way than ringing them all up individually. And there are agencies now that represent all the more reputable technical staff. So we can just make one phone call and have access to all the people you want. And they can tell you whether or not they are available. (GB15)*

***Restriction of Access and the Use of Intermediaries***

All of the three above mentioned recruitment channels fulfil a residual function in comparison to the repeated recruitment of former staff members and recruitment by recommendations of colleagues. By looking closer at the answers of interviewees, a sequential relationship between restricted access and the use of intermediaries becomes apparent which cannot be seen in the graph. Intermediaries become important only if new contacts are needed or the preferred and already known ones are not available.

Firms in both Germany and the UK choose to work with persons they have worked with before whenever they can. The reduction of uncertainty in terms of the qualifications of workers is the most cited reasons for this. One German producer describes this as follows:

*Naturally, I take mainly people I have worked with before. It is simply because you want to use people who you know and of whom you know that they are good! (D11, my translation, A.B.)*

It has to be noted, however, that qualifications are not understood narrowly but in very broad terms and include personal characteristics as well. Another German producer describes this in the following manner:

*The first criterion is whether I have worked with people before. The industry depends very much on persons. And the job usually goes to the people you know. [...] That's how the industry works - personal trust, we work very much on the basis of personal trust. If you put together a team, it is important to know that people deliver good quality on the one hand, but on the other hand it is also important to know that they can work in teams and are not too complicated. Otherwise they will blow up the team. (D5, my translation, A.B.)*

Often, production projects rely on a cascade of groups of individuals, a so-called tree. The producer will select the heads of the production departments, e.g. director, camera, light and sound, and these heads in turn will staff their departments. In terms of reducing uncertainty and co-operation costs within production, the result of such a tree is twofold from the perspective of the production firm: On the one hand, co-operation costs are reduced as trust in the heads of departments and their choice substitutes personal knowledge of individuals; on the other hand, an element of uncertainty is re-introduced as an otherwise closed circle of

people is opened up again. As a result, the producers ask the heads to select and present people but keep the right to veto any of them. A German producer describes this:

*I always get the important people first, cameraman, costumes, all the heads of departments. The heads of departments then suggest their people and we talk about who they want as an assistant, whether that person is okay etc. And if there is somebody I do not want to have in my production, then the head of department has to look for somebody else. (D5, my translation, A.B.)*

The use of regular staff reaches its limits where regular staff is either not available, does not fit the production budget or the production firm is in need of fresh talent. Answering to the question of whether she works with a closed circle of people, a British producer said:

*I guess so. But there are variations which mostly result from people not being able to make it for your productions because they are engaged somewhere else. (GB17)*

The use of recommendations of colleagues becomes important in these instances. This procedure of communicating reputation is usually initiated by the producer who tries to find out more about potential employees through a third person, usually a colleague in another firm. Often this person is contacted personally:

*If we have people already on the team who we know well and who can be relied on, and these people have already worked with others who may become staff members, then we ask them what they think about these people. If this is not possible, then we look at the productions somebody has done and call up anyone who was involved in this production and who we know and ask them for their opinion on the person in question. (D4, my translation, A.B.)*

Thus, in order to work as a transmitter of reputation, the third person must be reputable her- or himself. This is because the transmission of reputation depends on an undistorted communication of information as otherwise recommendations become a source of uncertainty instead of certainty. Therefore, the reputation of the transmitter becomes crucial. In all cases of communicated reputation, the transmitter was a person known to the producer, either

through her own reputation or, and this was true in almost all cases, through personal knowledge:

*Usually when you talk to somebody enough you will find somebody you have in common, somebody who you know and trust to ring up and ask, "X has been around - what do you think of him?", and you know that this person will give you an honest opinion. So, it's a matter of talking around [...], and the longer you've been around - that's what it gets down to - you do know most of the people around! (GB9)*

The communication of reputation is also dependent on the reach of the network of personal contacts. In the media production industry, the size of this network increases with the years of industry affiliation and with the number of productions one has participated in, but is also a result of active networking and an ethos of mutual information provision:

*I know that our production managers and set co-ordinators are careful to remain in touch with competitors in order to exchange experiences about freelance staff. (D10, my translation, A.B.)*

*I think the companies are very much aware of the fact that we need each other. The exchange is pretty open. I think the feeling of competition is not very strong - and you can't help but deal with somebody or other at some point. (D4, my translation, A.B.)*

The use of regular staff and of intermediaries are the two most relevant recruitment channels for production companies in the media production industry of both Germany and the UK. In contrast, recruitment channels which require clear skill standards in order to work are not of relevance. The use of the same staff constitutes a social mechanism that reduces the uncertainty about the fit of professional and personal characteristics by reducing exchanges to known partners. As a result of relying on the same staff repeatedly, co-ordination can be improved and the uncertainty about each other's capabilities will decrease because partners learn about each other over time (Jones et al. 1997: 927). The learning effect is biggest at the beginning of the co-operation. After a small number of transactions where producer and worker get to know each other's work performance, the initial uncertainty becomes solid information as to whether skills and job demands match in a satisfactory way. The restriction

to those exchange partners of whose capabilities one has gained certainty is thus a way to avoid informational ambiguity of job titles and smooth the co-ordination within a production project. The result is relational contracting between already familiar partners.

The use of intermediaries is another possibility to reduce uncertainty in transactions through learning about the reputation of potential transaction partners. Reputation provides information on past performance in order to reduce uncertainty for future transactions (Wilson 1985: 27-28). In contrast to restricted access, where this information is provided through the mutual experience of hiring company and individual worker, it is here supplied through third parties that serve as a link between previously unconnected partners. Intermediaries are thus a functional alternative to mutual ties. It is noteworthy that these and not the standardised and impersonal job advertisements or handbooks are used by companies as a second best solution if their regular staff is not available. If the transmission of reputation is as commonly used as is the case in media labour markets, all parties will be aware of the effects of their current job on their reputation in the future. Any current company may function as a future intermediary for relaying reputation which will determine a worker's chances for future employment with other companies. The same is true vice versa for companies' reputation as employers. Consequently, reputation has two effects: It reduces uncertainty by providing information on past behaviour of potential but previously unconnected transaction partners. At the same time, it serves as a safeguarding mechanism in current projects as transaction partners are concerned about their reputations for future projects.

Despite high fluctuation on the labour market, production companies thus rely on labour market strategies that are highly idiosyncratic and governed by social relations. Instead of standardising recruitment through job advertisements or handbooks, companies employ social mechanisms to assure themselves of the fit of the worker for their respective productions. This may partly be due to a lack of transparency in qualifications of workers, but also to the importance of finding the right person for the job. Productions are usually marked by a double idiosyncrasy: They bring together a unique team of people, and they are often unique with respect to their content. Due to this double idiosyncrasy, there is a high risk of jeopardising the entire production if the filling of a position turns out to be a mistake in terms of the professional and personal characteristics of a worker. Hence, the potential of standardising labour market exchanges is limited by the interest of employing companies in operating smoothly co-ordinated and efficient production teams for their projects. In the following, I will compare the findings on companies' labour market strategies with those of individual workers in order to find out about their handling of employment fluctuation.

**Labour Market Strategies of Individual Workers**

The two surveys (Baumann 2000b, Dex et al. 1999) contained a list of possible ways to get a job. Respondents had to indicate which ones they use most often in order to find employment. Although given answers vary slightly between surveys, there is enough correspondence to compare the results, which are displayed in tables 6.7 and 6.8 according to employment status.

UK	Connection through personal contacts	Formal/speculative application	Direct approach from company	Application for advertised job	Other	Agency	Pitching project	n
<b>Freelances in %</b> <sup>60</sup> <i>Rank</i>	45.7 -1-	14.3 -4-	20.0 -2-	8.6 -5-	17.1 -3-	8.6 -2-	5.7 -6-	35
<b>Employees in %</b> <i>Rank</i>	32.3 -1-	32.3 -1-	23.1 -2-	18.5 -3-	12.3 -4-	1.5 -5-	1.5 -5-	67
<b>All in %</b> <i>Rank</i>	37.0 -1-	26.0 -2-	22.0 -3-	15.0 -4-	14.0 -5-	4.0 -6-	3.0 -7-	102

Table 6.8: Way of finding job by camera/ light/ sound professionals (n = 25) and production co-ordinators (n = 77) in British media production industry

Source: Dex et al 1999

D	Connection through industry insider	Direct approach from company	Approaching employer personally	Formal/speculative application	Agency	Application for advertised job	Other	n
<b>Freelances in %</b> <i>Rank</i>	70.1 -1-	48.5 -2-	35.1 -3-	5.2 -4-	5.2 -4-	2.1 -5-	0.0 -6-	97
<b>Employees in %</b> <i>Rank</i>	33.3 -3-	46.4 -1-	35.7 -2-	14.3 -4-	0.0 -6-	10.7 -5-	0.0 -6-	28
<b>All in %</b> <i>Rank</i>	62.1 -1-	48.0 -2-	35.2 -3-	7.2 -4-	4.0 -5-	4.0 -5-	0.0 -6-	125

Table 6.9: Way of finding job by camera professionals (n = 92) and set co-ordination professionals (n = 33) in German media production industry

Source: Baumann 2000b

For freelances, we can see that in both countries connecting through personal contacts and industry insiders is cited most often. Hence, the use of intermediaries is the most important way of finding a job. In the UK, we cannot gauge from the data what exactly is the nature of those intermediaries. Personal contacts may comprise those stemming from an individual's

<sup>60</sup> Percentages sum to more than 100 in tables 6.7 and 6.8 because respondents could tick more than one alternative.

working environment (colleagues) as well as those stemming from an individual's social background (e.g. family or university friends). In Germany the given answer explicitly defined industry insiders as former colleagues or employers. This difference is significant because the origin of the ties with the intermediary may actually alter his or her function. Whilst colleagues and industry insiders may communicate an individual's reputation for doing his job, family or university friends may serve as purely societal intermediaries who act as guarantors for an individual's social standing. If the latter is the case, then intermediaries do not just work as a substitute for skill standards by transmitting professional reputation but may actually promote social exclusion by closing the labour market to those with an adequate social background. This danger of social exclusion seems most imminent at the start of a career in the media industry when young people need to find a way to break into the labour market. If we remember the results for ways of finding the first job in the British industry (table 6.6), we can see, however, that personal contacts ranked only third as a vehicle for finding the first job and that broadcasters favoured more formal ways of applying. Although these do not rule out social exclusion, they do make it more difficult. Once in the labour market, however, it seems unlikely that concerns of social standing can continue to dominate professional reputation in finding employment through personal contacts. We may thus regard the extent to which personal contacts function as a vehicle for transporting professional reputation alike in Germany and the UK. The second ranked way of getting a job for freelances in both countries is the direct approach from companies, which corresponds to production companies' use of regular staff. Ranked after these two dominant routes are various ways to the job in the UK, which are grouped in the category "others", and the freelances' personal approach towards the company in Germany. Only then follow those ways that require unambiguous skill standards (applications, job ads), and agencies. The results for freelances therefore corroborate the results from companies' recruitment practices, albeit in reverse order. For production companies the restriction of access was more important than intermediaries.

For employees, the situation is more mixed. In the UK, formal applications and the use of personal contacts are equally important for finding a job, followed by the direct approach from the employing company and job advertisements. In Germany, the first ranked way for getting a job is the direct approach from the employing company, followed by personally approaching the employer and the connection through industry insiders. Formal applications and job advertisements follow, with a higher percentage than in the case of freelances. In both countries social mechanisms are thus of considerable importance for employees as well. In the

UK the frequency of using formal applications, however, is higher than in Germany. An explanation may lie in the fact that 76 percent of British employees in the sample are members of broadcast staff while this is true for only 44 percent of German employees. Hence, the pronounced use of formal ways into employment in the UK is to a large extent just the mirror image of the continued existence of ILMs within broadcasters where jobs are filled through formal application procedures.

In contrast to expectations of market mediated labour market transactions, employment fluctuation is managed by what has been termed structural embeddedness in social relations since Granovetter's influential article (Granovetter 1985). Both companies and individuals rely on direct or indirect personal contacts to identify appropriate staff and work opportunities. Results suggest a difference in respective labour market strategies, however, in particular if we look at production companies and freelancers who engage in project production and do not have recourse to permanent employment. Restricted access requires relational ties in order to align mutual expectations and establish certainty about each other's qualifications. Intermediaries, in contrast, can act as communicative ties between otherwise unconnected groups of individuals. As a result, the two recruitment channels differ in the extent they supply certainty or information respectively. Restricting recruitment to already known staff members is a closing mechanism that establishes certainty about needed qualifications, while the use of intermediaries is a diffusive mechanism that provides information about employment opportunities. Restriction of access substitutes skill standards for frequency by using the same exchange partners over and over again. By so doing, it erects barriers for outside workers who want to enter the circle of staff members and, thus, is prone to decrease the formers' employment opportunities. The use of intermediaries, in contrast, substitutes skill standards for communicating somebody's reputation through a network of third parties. The boundaries for finding a job are thereby not confined to the personal contacts with any one employer but are extended to the perimeter of the network. It is thus rational for individuals in terms of achieving employment security to rely primarily on the use of intermediaries and not only on their personal links to any one employer. By using third parties, both the dissemination of information about themselves, i.e. the communication of reputation, and the collection of information about firms that look for staff is extended beyond the confines of personal ties. Consequently, the chances for finding employment and employment security will increase. For companies, on the other hand, it is rational in terms of reducing transaction costs in organising productions to rely primarily on their regular staff and less on intermediaries. Employing the already familiar people again and again means



reducing uncertainty about mutual fit almost to zero. Thus, where firms act on the logic of reducing transaction costs within production by creating strong ties, workers rely on the information advantage of weak ties for achieving employment security (cf. Granovetter 1973).

## CONCLUSION

The British and German freelance agreements and the WDR internal agreement have revealed job classifications that resemble each other to a large degree. In both countries and across the cleavage between small production companies and large broadcasters there is a uniform segmentation of production work into departments and, within departments, into chief responsible person and assistants. Contrary to task certainty as the decisive parameter, the potential of typical equipment, or tools of the trade, to unambiguously distribute responsibilities in media production was identified as the crucial factor for job title design within the task principle. The character of job titles can thus be attributed to technological embeddedness, albeit in a modified form. Where it was initially assumed that the certainty in planning tasks in project production directs the industry to the task principle, the empirical data suggests that job titles are really the outflow of the industry's history and a general reliance of job titles on technology for distributing responsibilities in organising work.

Industry job titles guide the entrance of young people into the industry's labour market. In the UK and Germany, on-the-job training in the form of assistantships is the most common way of entering the labour market. Increasingly, however, these institutionalised ways are making way for more precarious work experience spells. The majority of labour market entries of the respective surveys' respondents dates back to the period of integrated broadcasters and the public broadcasting monopoly. Correspondingly, broadcasters play an important role as a first employer of respondents. In Germany, however, production companies have played a close second-most important role in taking in labour market entrants. Ways of finding the first employment co-vary with the type of employer. Formal applications were successful with broadcasters, whereas production companies react to a more direct and informal approach.

Despite the codification of job titles in collective agreements and their reproduction by labour market entrants, they are not used as signalling devices in governing labour market exchanges on the highly fluctuating labour market of the industry. Instead of leading to the prototypical atomistic allocation instrument of economic theory, mobility in the industry's labour market in both countries is governed almost exclusively by social mechanisms. Companies try to

arrive at qualified and smoothly working production teams with the help of personal contacts, regular staff and the communication of reputation. In combination with the vertical segmentation within departments and their frequent collective recruitment through recruitment trees, social mechanisms bestow the labour market with the characteristics of a socially regulated institutional labour market.

## **JOINT SUPPLY INSTITUTIONS IN THE UK AND GERMAN MEDIA PRODUCTION INDUSTRY**

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This chapter will describe institutions of joint supply in the media production industry of the UK and Germany. Technological, societal and hierarchical embeddedness converge on the prediction of a general failure of the industry in the UK to establish a joint supply regime. In Germany, both societal and hierarchical embeddedness predict the implementation of the German dual system of VET as a joint supply regime. While societal embeddedness emphasises its adoption by industry actors, hierarchical embeddedness suggests its imposition through established administrative procedures on the federal level. I will begin with the UK industry and discuss an unexpected joint supply regime and its corresponding formational history. Some quantitative evidence will allow us to evaluate its impact in supplying skill training for the industry. In a second part, I will discuss the events that have occurred in the German industry. In a third part, I will conclude with an analysis of the respective joint supply regimes in their implications for the three types of embeddedness and our understanding of institutional reproduction and change.

### **THE UNITED KINGDOM**

Concerns about the changes in the media labour market resulting from independent quotas and increasing competitive pressure on ITV companies and the BBC started to surface in the late 1980s and finally became manifest in the foundation of the industry organisation Skillset. Skillset was established in 1991 as a Lead Body in order to design standards and qualifications within the framework of the National Council for Vocational Qualifications for the occupations in the media industry. Parallel to the shifts in the British Government's policy on vocational education and training, Skillset later became an Industry Training Organisation, and, in 1996, it acquired the status of a National Training Organisation. As such, Skillset is not only responsible for designing NVQ standards and qualifications but also for conducting research on the industry's labour market and training needs. In addition and independent of the government's NVQ scheme, it operates a training levy and functions as a funding institution for training courses and training organisations in the industry.

### ***Formational History***

In 1989, a research report called Skill Search was compiled by the Institute of Manpower Studies in which employment patterns and training needs in the media production industry were examined (Varlaam et al. 1990). This research was commissioned by the industry itself in order to arrive at a clearer picture of the labour market situation in the era after the end of the monopoly of the BBC and ITV. In fact, it was initiated by three personnel managers from the BBC, the ITV companies and Channel 4 respectively. They, together with the two predecessors of PACT, IPPA (Independent Programme Producers' Association) and BFTPA (British Film and Television Producers Association), also funded the report. Other organisations were invited to join the steering committee for the research. These were the two predecessors of BECTU, ACTT (Association of Cinematograph, Television and Allied Technicians) and BETA (Broadcasting and Entertainment Trades Alliance), the British Film Institute, the commercials producers' association AFVPA, the journalists' union NUJ, and the IVCA (International Visual Communication Association).

The motivations for this initiative differed depending on the respective organisation. Both the BBC and the ITV companies anticipated the changes in the industry's structure that would result from the Broadcasting Act of 1990 which followed the Peacock report of 1986. The Broadcasting Act prescribed a 25%-quota of independently produced programming for both broadcasters and established a bidding process for the ITV franchises. The labour market would no longer centre around the BBC and the ITV companies, and both were under strong political pressure to become more cost conscious and to make their organisations more efficient. Thus, their intention was to analyse the effect of the growing share of independent programming and of organisational downsizing on the skill base and the training of the workforce. For the trade associations of the independent producers, BFTPA and IPPA, it was necessary to establish the fact that they needed support in securing a fully trained workforce in the independent sector. An increasing share of programming was produced by the small-size independent production companies which typically relied on a freelance workforce. They were not in the position to deliver the amount of training that would be needed in order to sustain the skill base of the workforce in the long run. Channel 4 had abundant experience in relation to the independent sector and bridged the two sectors of broadcasting and independent production. The trade unions, the ACTT in particular, had been active in lobbying about the issue of training for freelancers since they could see what impact the downsizing and outsourcing would have on their membership structure. Not only was the training of the freelance workers at stake but also the ways the union traditionally recruited its

members. As the closed shop of earlier times became endangered, the union sought ways to retain its attractiveness to members and to protect the status of the skilled workforce.

The Skill Search report showed in detail the structure of the workforce in 1989 which was already markedly influenced by the growth of the independent production sector since the start of Channel 4 in 1984. It also identified future trends within the labour market, leading to an even bigger share of freelance and temporary work as opposed to long-term employment. Its recommendations were twofold: On the one hand, it identified a strong and growing demand for training and qualification for freelance workers; on the other hand, it argued for an industry-wide agency in order to remedy the lack of training in a coherent and structured way. As a result of these recommendations, the commissioners of the study together with the trade unions and the AFVPA decided to form an organisation that would develop training standards for media occupations. This resulted in the foundation of Skillset in 1991, a corporatist organisation in which both employers and the trade union are represented. Its board comprises representatives of BECTU, the BBC, the ITV companies, IVCA, Channel 4, Channel 5, AFVPA, PACT, and the Film Council.

#### *The Skillset NVQ Standards*

Initially, Skillset was seen as a limited endeavour. According to one official of Skillset, after the organisation's foundation, they "[...] identified the government initiative that was most suited to their particular needs which was this issue of developing standards and qualifications [...]" (GB 23). In accordance with the framework set out by the National Council of Vocational Qualification, it was decided to form a Lead Body to develop the standards and qualifications for their industry. This Lead Body was supposed to exist only as long as it would take to develop the standards and qualifications. The contracts of Skillset's personnel were initially limited to six months and the overall length of the project was set at two years. It soon became clear, however, that the development of the standards and qualification would take longer than expected and that extensive labour market research was needed. In the end, Skillset became a permanent organisation, influenced in its policies by the industry and its demands as much as by the government's policies on vocational training and education.

In contrast to Lead Bodies in other industries, Skillset was financed not by government funds but by the organisations on its board.<sup>61</sup> These set out clear guidelines for the development of the standards and qualifications. Employers wanted qualifications that are actual proof that

someone is capable of doing a job, and this proof had to be guaranteed as far as possible. Skillset was asked to develop the standards so that they identified exactly what the requirements are for all the professions in the industry at all levels. With such a set of standards, it was hoped that traditional barriers between various sub-industries of the media production industry, for example film and television, would be dismantled. The NCVQ criteria to which Skillset had to adhere concerned mainly the formal design and segmentation of the qualifications and the procedure of their assessment.

The actual process of defining the standards was a reflection of the strong link between the board members and Skillset. Skillset, at that point two persons, a development officer and her secretary<sup>62</sup>, started with research on the main occupational groups and classifications which they described in an occupational map of the industry. This map formed the basis for the development of the standards. The standards themselves were designed by working groups of practitioners who represented the different working environments of the industry. They came from the organisations present on Skillset's board. In a process of repeated rounds of consultation with the broadcasters, the independent sector and the union, the final standards were agreed upon. In 1994, Skillset submitted the standards to the NCVQ for scrutiny. After some more negotiation with the government bodies, 33 National Vocational Standards and Qualifications reflecting existing jobs in the industry were accredited. As with NVQs in other industries, each of Skillset's NVQs is segmented into elements, units and areas of competence which can be assessed individually. As a National Training Organisation, Skillset is responsible for accrediting the assessment centres eligible for assessing candidates and awarding NVQs. In London, the BBC is the main assessment centre.

#### *Freelance Training Fund and Skills Investment Fund*

In an initiative running parallel to the development of NVQ standards, the so-called Freelance Training Fund (FTF) was set up in 1993. It is administered by Skillset and made up of contributions by the major employers and the independent sector. It contributes to the funding of initial and further training for freelancers by subsidising training schemes and courses of predominantly private training providers. The trade union ACTT, one of BECTU's predecessors, and Channel 4 played an important role in paving the way for this fund. In 1985, the ACTT, together with Channel 4 and the producers' organisations BFTPA, IPPA and

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<sup>61</sup> Skillset continues to be funded mainly by the industry itself. As a National Training Organisation it also receives government funds for specified projects, mainly labour market research. BECTU is a minority funder and pays only a nominal contribution to Skillset's budget.

<sup>62</sup> Today, Skillset has 17 permanent employees.

AFVPA, had introduced an entrance training scheme called Jobfit, which provided initial training for a small number of young entrants to the industry. This training scheme was financed through a voluntary levy on the production budgets of independent producers. Both Channel 4 and the trade union played a crucial role in enforcing the payment of the levy. The trade union made the support for Jobfit an issue in the collective bargaining with the producers' associations BFTPA and IPPA. Channel 4, copying the arrangement for collecting IPPA's membership fee (cf. chapter 2), used its leverage on independent producers who gained a commission from the broadcaster in order to collect the levy. This procedure was taken over and continued within the framework of the Freelance Training Fund. The broadcasters, i.e. BBC, Channel 4 and ITV, committed themselves to paying a yearly sum into the FTF. PACT contributes the collected revenues of the independent production companies. These contributions are based on a voluntary levy of 0.25 percent on production budgets of programmes. For its collection, the levy depends on the exercise of the broadcasters' power, in particular the BBC and Channel 4. Although the levy is voluntary in principle, BBC and Channel 4 use their leverage as commissioners on independent production companies in order to exact the levy. Whenever production companies invoice the broadcasters for their programme deliveries, the broadcaster deducts the training levy from the respective sum. The resulting amounts are passed on to PACT, which collects the money in its Independent Production Training Fund (IPTF) and hands it over to Skillset, where the IPTF is combined with broadcasters' own contributions to constitute the FTF. BECTU, according to its own assessment, uses its collective bargaining power to secure the contribution of some of the broadcasters, predominantly ITV companies, which appear to be more reserved on this issue.

In 1999, the concept of the FTF was carried over to another training fund that exacts a voluntary levy on UK cinema productions. This so-called Skills Investment Fund (SIF) was suggested in the Film Policy Review, a government report that identified training of freelance professionals as an important factor for maintaining and increasing the attractiveness of the UK as a production location for movies. Like the FTF, the SIF is administered by Skillset and used in order to fund freelance training. In contrast to the FTF, which relies on broadcasters for collecting the levy, the SIF levy is collected mainly through leverage of the Film Council.<sup>63</sup> The Film Council is responsible for distributing public funding to cinema productions. If UK productions, or US and other international productions filming in the UK,

apply for and are awarded public funding for their production budgets, the SIF levy of 0.5 percent will be deducted routinely from the budget.

From both the Freelance Training Fund and the Skills Investment Fund, Skillset subsidises training for freelancers by funding training organisations that offer adequate training courses. Through the subsidy, courses become more affordable for individual entrants and freelancers. For a course or an organisation to be eligible for subsidisation, it has to cover an element or unit of competence and convey skills that are relevant for NVQ assessments. Across time, subsidies are directed and redirected to priority areas of training which are identified each year by the respective committees of Skillset and, for the SIF, the Film Policy Review Action Committee.<sup>64</sup> The training funds thus have a double impact. They provide funding for the training of freelancers and, at the same time, control and guide course offers of training providers. By distributing funding in line with courses' accordance with both NVQ standards and training demands of the industry, Skillset can influence the quality and quantity of training activity in the industry.

### ***The Implementation of Skillset Policies***

With the NVQs and the training funds, Skillset provides two policies that aim at job titles and joint supply respectively. While NVQs were introduced in order to establish qualifications on the labour market, the training funds sought to replace firm internal training with an externalised, collective solution.

### ***The Skillset NVQ Standards***

The definition of NVQs attempted to establish transparency in the labour market by setting skill standards. The assumption of Skillset's officials and board members was that once the broadcasters' internal labour markets dissolve, the industry's labour market will lack qualifications and standards and enter a state of uncertainty. In the previous chapter we have seen that labour market exchanges are governed by social mechanisms and do not fall back on standardised recruitment channels in order to manage transactions. Instead of skill certificates, companies used personal knowledge or the reputation of workers as a recruitment tool. If the reason for this are a lack of certificates, we should see workers take the respective NVQs in

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<sup>63</sup> The Film Council came into existence as a result of the Film Policy Review. With respect to public funding, it channels lottery money and other funding sources and distributes these to productions according to uniform criteria.

<sup>64</sup> The Film Policy Review Action Committee's Training Sub Group is largely identical to Skillset's Training Investment Committee. They decide on all investment and policy decisions regarding the two training funds. They are corporatist committees with broadcaster, production and trade union representation.



order to find employment more easily. Table 7.1 displays Skillset's 33 NVQ standards and the number of NVQ titles awarded until September 2000. The NVQs shown have been in existence since 1994 and were reviewed in 1999. Also, in 1999 four additional NVQs were introduced for animation production and design. The NVQs resemble the job titles present in the BECTU/ PACT collective agreement in their horizontal and vertical segmentation, and they codify the traditional job boundaries. The camera department, for example, is represented by three NVQs that reproduce the vertical segmentation into assistant, operator and camera direction also found in the collective agreement.

The take up of NVQs is very selective. Where certificates have been awarded, the number is unexpectedly low considering the duration of their existence. A significant number of NVQs have been awarded only in the camera, sound and lighting departments, and in production research. All other NVQs were awarded not at all or only sporadically.

NVQ title	No. of awards	NVQ title	No. of awards	NVQ title	No. of awards
Broadcast Journalism L 4	8	Production Level 3	6	Radio Production Level 3	0
Camera Assistance Level 2	13	Production Level 4	3	Radio Production Level 4	14
Camera Operations L 3	105	Lighting Level 3	211	Sound Assistance Level 2	79
Camera Direction Level 4	36	Lighting Direction L 4	2	Sound Operations Level 3	79
Costume Level 2	0	Lighting P. & C. L 4	67	Sound Direction Level 4	12
Costume Level 3	1	Make Up & Hair L 2	0	Technical Operations L 2	1
Costume Design Level 4	0	Make Up & Hair L 3	0	Technical Operations L 3	0
Editing Level 2	11	Make Up & Hair L 4	1	Video Tape Op.tions L 4	0
Editing Level 3	4	Interactive Media L 3	0	Vision Control Level 3	0
Editing Level 4	0	Interactive Media L 4	0	Vision Mixing Level 3	0
Production Level 2	2	Production Research L 3	48	Health & Safety	n/a
<b>Total number of awarded NVQs: 703</b>					

Table 7.1: Skillset NVQs and number of awards (until September 2000); L = NVQ Level  
Source: Skillset (2001b); QCA (2001)

The lighting department displays the highest number of awarded qualifications. The background to the awarding of lighting qualifications is exemplary for the use of NVQs in the industry. These were not sought for reasons of increasing labour market mobility by making skills more transparent, or indeed for acquiring skills. Instead, they are the result of developments unrelated to the labour market. Insurance companies started to demand evidence from production companies that they employ fully competent crews on their productions. Only then would insurers be willing to offer insurance for these productions. As a result, lighting technicians, who are responsible for the health and safety relevant electrical installations on production sets, suddenly had to document their skills for their employers formally, although the latter knew well about the technicians' ability to do the job. A Skillset official describes the situation: "So, we've had hundreds and hundreds of lighting electricians

now getting qualified. They are not getting trained at all! They are simply coming forward to get assessed and qualified” (GB 23). In the camera department, a significant number of awards are due to a third of the BBC’s camera department acquiring NVQ certificates in order to promote the standards. Neither training practices nor participants’ career prospects in the BBC’s internal labour market have, however, changed as a result.

### *The Training Funds*

The training funds constitute a joint supply regime where employers share training costs collectively. The Freelance Training Fund amounts to approximately 1,200,000 pounds each year, with a yearly contribution of 100,000 pounds by the BBC, of 400,000 pounds by Channel 4, of in between 350,000 and 400,000 pounds by ITV companies, and the IPTF which oscillates around 300,000 pounds depending on production activity. The Skills Investment Fund, in its first year of existence in 2000, collected contributions of about 530,000 pounds from 30 movie productions (Skillset 1999, 2000, 2001b). These funds were used to subsidise further training as well as initial vocational education and training. Further training is conducted mostly in the form of short courses offered by private training providers, but also by public providers like BBC Training & Development, which is run as a for-profit organisation, or Ravensbourne College of Design and Communication. The National Film and Television School receives an annual lump sum contribution towards its operating costs.

Year	Initial Training		Further Training	
	Annual contribution (pounds)	No. of places supported	Annual contribution (pounds)	No. of places supported
1996	478,135	n/ a	506,694	n/ a
1997	474,234	n/ a	359,761	n/ a
1998	n/ a	83	907,436	1200
1999	780,062	90	1,121,171	2003
2000	790,255	87	540,477	973

Table 7.2: Initial and further training contributions by Skillset, 1996-2000

Source: Skillset (1997, 1998, 1999, 2000, 2001b)

Table 7.2 displays the contributions from training funds towards initial and further training between the years 1996 and 2000. There is variation between years in total amounts and in the distribution of funds between initial and further training. Overall, both areas of training received about equal amounts, albeit distributed across drastically different numbers of participants. The number of places for further training is quite high while the number of initial training places is rather limited in comparison. In the case of further training, course providers

receive subsidies on a per-course basis and course participants also have to pay fees for subsidised courses. Depending on places offered and the ratio of subsidies to course fees, Skillset contributions can cover a large number of freelance further training places. Although courses need to be compatible with NVQ schemes, course completion does not entail a NVQ award. Comparing the total numbers of subsidised places with awarded NVQs, it becomes obvious that many more further training places were offered than NVQs awarded.

In succession to the Jobfit scheme initiated by ACTT and Channel 4, initial training in London is conducted by FT2, an industry organisation that has a corporatist board with broadcaster, production company and trade union representatives. FT2 offers entrant training programmes for production researchers, technical production grades and setcrafts. Since 1985, 237 young industry entrants have completed one of the various training schemes. Training slots are fully funded and trainees receive a training allowance, which explains the altogether lower number of participants compared to further training. The programmes are structured like apprenticeships with a combination of work placements in production companies and various production projects as well as off-the-job learning in short courses. They predate the introduction of Modern Apprenticeships on the national level and, with the exception of setcrafts, have not adopted the respective government frameworks. They last between one and a half and two years and participants are expected to pass the respective NVQ assessments in the end. Some of the NVQ awards can be traced back to FT2 training. The production researcher scheme, for example, takes on six to ten people every year to be trained in an 18 month full-time programme to become production researchers. A majority of the 48 NVQ awards for production research is thus likely to have resulted from this programme. Similarly, the technical production grade training, which provides six to 10 training places every year, has traditionally offered two-year schemes for camera, sound and lighting. Recently, places for make up/ hair, editing, props, grips and production/ continuity were added. Applicants are accepted into one of these schemes broadly according to demand on the labour market. Some of the assistant NVQs, most notably those in the sound and camera departments, are in large part due to FT2 training. The lack of NVQ awards in newer schemes like make up and editing is likely to be due to their novelty.

### *Evaluation*

In contrast to initial policies of Skillset to make NVQs the currency in the industry's labour market, the developed standards and qualifications have been employed mainly as a way to design training policies and select training courses for subsidisation. The low number of

awarded NVQs by freelancers does not sustain the projection that NVQs would make the labour market more transparent and ease labour market exchanges. That NVQs are not used as a signalling device on the labour market is evident from the fact that participants of further training courses subsidised by Skillset abstain from NVQ assessment although courses provide them with the basis for doing so. Substantive training is more valued on the labour market than its documentation. It emerges as important to organise further training according to relevant industry standards, but the documentation of the training as such appears unimportant in comparison, which is why further training is in demand but not the NVQs. Only in surprising instances such as insurance companies' sudden demand of formal documentation do NVQs acquire meaning on the labour market. In combination with results of the previous chapter on recruitment practices in the industry, we can thus conclude that nominal job titles are generally not used for governing labour market exchanges, even if they are codified as is the case with NVQs.

The Skillset standards and qualifications proved constructive in combination with its joint supply regime. By reproducing existing jobs and segmenting them into the NVQs' elements and areas of competence, Skillset had a detailed template to assess training providers and their courses according to their relevance for the respective jobs. By distributing subsidies to training providers according to compliance of courses with NVQ requirements, Skillset was able to implement an effective monitoring regime that guided providers towards needed and useful training for freelancers. Instead of using the NVQs as an instrument for documentation of workplace skills acquired through on-the-job learning, which was the initial objective of the NCVQ when developing its policy, Skillset transformed the NVQs into a tool to organise off-the-job freelance training.

## GERMANY

In Germany, concerns about future training needs in the media production industry emerged soon after the break-up of the public broadcaster monopoly in the mid-1980s. In contrast to the UK, several parallel developments marked the emergence of joint supply institutions. The federal agency for vocational education BiBB, the broadcasters, producer associations and professional guilds have all played a role in the formation of training schemes within and outside the German dual system of vocational education and training. Within the dual system, altogether four training schemes were decreed in the 1990s which are relevant for the media production industry. These are *Mediengestalter Bild und Ton* (audio-visual media designer),

*Film- und Videoeditor* (assistant editor), *Fachkraft für Veranstaltungstechnik* (event technician), and *Kaufmann /-frau für audiovisuelle Medien* (media business administration). Of these, the first two schemes provide training for technical crafts and will be discussed here. Outside the German dual system, a local initiative established a film school for craft professions in Cologne, the *Internationale Filmschule NRW*, which will be discussed as well. Both developments unfolded in reaction to the growing economic importance of the industry and the lack of training schemes.

### **Formational History**

#### *Dual System Training Schemes*

The schemes of audio-visual media designer, the *Mediengestalter*, and assistant editor, the *Film-/ Videoeditor*, were developed and decreed jointly in 1996. Three developments took place, which, in combination, led to the decree of the training schemes. The BiBB, the NDR broadcaster and local producers association VFFV in Cologne were instrumental in developing the two schemes.

In 1986, the BiBB started a project on a small scale in order to assess the possibilities of combining technical activities in the area of theatre and film production for a new occupational training scheme. Activities planned for inclusion into the scheme were the editing of film and video, lighting, camera operation, but also costume design. The working title of the envisaged scheme was *Bühnen-, Film-, Studio- und veranstaltungstechnischer Beruf* (combined stage, film, studio and event occupation). As a result of the comprehensiveness of the included activities, however, the negotiations with the participating employee and employer organisations turned out to be difficult and slow. In a first attempt to isolate more specific tasks out of the comprehensive bundle, the *Bundesverband Filmschnitt*, the German editors' guild, which was represented in the BiBB development process through appointment by the DGB, suggested making the assistant editor a separate training scheme. In contrast to the more creative film editor, the assistant carries out the technical execution of digital, video or film editing and the operation of the respective equipment. As such, it is a foundational occupation from which workers can progress later on to editing. A second initiative to develop a separate scheme came from the *Deutsche Theatertechnische Gesellschaft*, the German Society for Technical Aspects of Theatre, which had been part of the BiBB proceedings from the start as well. The society promoted a separate audio technician scheme which would correspond to and qualify for the job of a sound assistant familiar from the film industry. Within the BiBB committee, respective training elements

were identified and developed until, in 1991/92, new impetus came from two, initially independent, initiatives in Cologne and Hamburg.

In Hamburg, around 1987/88, the public broadcaster for the federal states of Hamburg, Lower-Saxony and Mecklenburg-Vorpommern, the NDR, took an initiative to find a replacement for its earlier training efforts in the technical occupations of producing programmes. Until the mid-80s the NDR had trained young people in communications technology, a training scheme which was geared at the transmission technology of broadcasting, but not at the technical-creative side of making TV programmes. Traditionally, in order to qualify the communication technicians for production, the NDR - and for that matter all other public broadcasters in Germany - had sent them either to a special vocational college, the *Schule für Rundfunktechnik* (SRT; School for Broadcasting Technology), which had been set up by the public broadcasters in the 1950s, or to learning on-the-job schemes within their production departments. Two developments were responsible for a change of course: On the one hand, the introduction of the camcorder technology and ENG made possible an increasing fusion of technical and editorial tasks within the area of news gathering, the core of broadcasters' production activity<sup>65</sup>, and extended the scope of work of news journalists considerably. The equipment also became more complex on the operating level and less unstable on the technical level. Consequently, more people were needed who knew how to operate the equipment and fewer for its maintenance. On the other hand, anticipated economic competition resulting from the arrival of private broadcasters caused the NDR to examine the elaborate training schemes of earlier times inside broadcasting corporations. The competition from private broadcasters catalysed and accelerated the technically induced transformation by making the NDR aware of the need for cutting costs and making savings within the organisation. Consequently, the personnel department of the NDR refrained from updating the training courses within SRT to account for the new technology, which would have been the logical continuation of earlier practices. Instead, it decided to take an initiative for establishing a new training scheme within the dual system which would combine editorial and technical skills in a three year apprenticeship. This way, public broadcasters would avoid establishing a monopoly as providers of formal training in the long run and would instead open up training provision also to private broadcasters. The NDR approached the local IHK, and also the BIBB, in order to probe into ways of establishing a new training scheme. After three years of negotiation and planning, in 1991, the

NDR, in co-operation with the Hamburg IHK and the BIBB, started a pilot project. It used an already existing occupation and modified it for its own purposes. The communication electrician in the field of radio technology, an existing training scheme of some relevance for the purpose, was shortened from three and a half to two and a half years,<sup>66</sup> and the remaining year was used to add an additional qualification component. This additional qualification element was called media production and was used in order to try and establish the training contents for becoming a good multi-tasking production craft in a broadcasting house.

In Cologne, a second initiative for a new training scheme in the audio-visual industry took place at about the same time. In 1990, the regional trade association of film, TV and video producers, the VFFV, and the *Land* government of Northrhine Westphalia commissioned a research report on the media industry's structure in NRW (Michel and Schenk 1994). This report included a section on the workforce of the industry which predicted an increasing need for qualified personnel in the future due to the expected growth of the industry, and a lack of core competencies in the existing workforce, for example in the comprehensive understanding of production stages. As a result of this report and the problems its members had in finding qualified staff, the VFFV decided to take action and start an initiative for establishing new training schemes. In 1991/92, it approached the Cologne IHK in order to ask for assistance in finding a training scheme for the media production industry. Without consultation or the involvement of the BiBB, the IHK suggested adopting a little used but already existing training scheme which had lost its appeal on the labour market and only attracted marginal numbers of trainees at that point, the laboratory assistant for film and video processing. In comparison to the communication electrician used in Hamburg, it was less focused on equipment but more on handling film material. Like in Hamburg, an additional qualification component was added for media production in which the various new elements of the sought for occupation were introduced. Unlike in Hamburg, the training scheme of the laboratory assistant itself was also modified and filled with new content, which was legally contestable due to the legal protection of recognised occupations (*Berufsprinzip*). The public broadcaster in Cologne, the WDR, participated in the pilot project, which became known as the *Kölner*

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<sup>65</sup> The WDR, the NDR and the BR are the only broadcasters which have significant production departments outside news gathering. The NDR at the same time, however, is the news hub for the entire ARD and thus also runs the largest news operations of all the ARD corporations.

<sup>66</sup> This was legally possible because the NDR employed only *Gymnasium* graduates as apprentices.

*Modell*,<sup>67</sup> by taking on some of the apprentices, but the larger part of trainees were placed in the smaller production facilities of the VFFV members.

The BiBB eventually took notice of the project in Cologne. As a result of their involvement in the respective pilot projects, the VFFV and the NDR were invited and appointed by the employers (KWB, Kuratorium der Deutschen Wirtschaft für Berufsbildung) to join the ongoing proceedings at the BIBB for the combined stage, film and broadcasting occupation. At that stage, work on the schemes of assistant editor and audio technician had already progressed significantly. The entry of the NDR and the VFFV then marked a considerable change in the course of the proceedings. With the entrance of NDR and VFFV and their experience from the pilot projects a conflict erupted in the consultation talks between these two, on the one hand and mainly the *Bundesverband Filmschnitt* but also the *Theatertechnische Gesellschaft*, on the other hand. The NDR as well as the VFFV voiced doubts with respect to the future need of the two occupations promoted by these latter organisations. They objected that the increasing digitalisation would render sound technicians and assistant editors obsolete in the near future. Instead, they promoted a training scheme which combined a broad technical base, that was supposed to include camera, sound and editing, with aspects of image and sound design. The central fault line was the different target groups the four protagonists had in mind. The NDR clearly had an interest in establishing a training scheme which would be a replacement for its in-house training and would prepare entrants for a broadcasting career in ENG. The VFFV was strongly influenced by its membership, which, at that time, consisted mainly of self-employed video producers who predominantly worked as one-man teams and thus needed comprehensive skills. The Michel and Schenk report commissioned by the VFFV also forecast a convergence on digital production technology which would merge formerly separate production tasks. The *Bundesverband Filmschnitt* and the *Theatertechnische Gesellschaft*, on the other hand, represented their members, who were freelancers in independent film and television production and in theatre production respectively where the traditional division of work of the media production industry was dominant. Eventually, the *Theatertechnische Gesellschaft* gave up its resistance and the sound technician was completely absorbed into the media designer scheme. The *Bundesverband Filmschnitt* insisted on the assistant editor scheme, however, and used its veto position in the consensus proceedings in order to refuse to agree to the media designer unless the other parties to the talks would agree to the assistant editor. The

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<sup>67</sup> The Kaufmann/-frau für audiovisuelle Medien (media business administration) was developed coincidentally in pilot projects in Cologne and Hamburg at about the same time as well, also with the VFFV in Cologne and the



impasse was resolved in favour of the *Bundesverband Filmschnitt*. In 1996, after almost ten years of deliberation, both the scheme of the media designer and the scheme for the assistant editor were decreed.<sup>68</sup>

#### *Internationale Filmschule NRW – KoordinationsCentrum AIM*

Three regional associations, the *Spielfilmverband NRW*, the Cologne branch of the *Bundesverband Deutscher Fernsehproduzenten* and again the VFFV, in 1993/94 decided to initiate training courses in order to remedy a perceived deficit in certain professional areas of production such as props, costumes and script-writing. Producers also felt a general lack of theoretical background knowledge in freelancers which could help them to tackle non-routine situations. The three local associations planned to set up a training infrastructure by recruiting senior professionals from the industry to teach courses to young entrants for one year. The programme was intended to respond to the current training needs of the industry and replicate the traditional job classifications of the industry so that trained qualifications could be used in the production process without further adjustment.

The *NRW Schreibschule*, the writing school NRW, was established in 1995 as the first of two film schools emanating from the joint initiative. It trains talented young industry entrants to become script writers for film and television. Courses are conducted by experienced directors, authors and script writers in order to guarantee the practical orientation of the training. The *Filmschule NRW*, the film school NRW, was founded in 1996 and is based on the same concept. Its focus is on training for film crafts such as costumes, make-up and props. It offers 12-month courses where workshops and theoretical seminars are combined with short spells of practical learning inside production companies. The bigger production companies in Cologne, which are members of the above associations, co-operate by supplying training opportunities in productions and by asking their experienced staff to take over teaching responsibilities at the school. Both schools were merged in 2000 into the *Internationale Filmschule Köln*, the international film school Cologne, with a view to offering qualifications not only in the immediate region but also for the greater area of NRW, Belgium and Luxembourg.

The funding for the *Filmschule* comes in the main from the *Land* government. The *Filmstiftung NRW*, the film fund of the *Land* NRW, which is itself funded through the *Land*

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local IHKs as the driving forces. It was decreed in 1998.

<sup>68</sup> The scheme for assistant editor could not be named just that because the title “assistant” is legally protected and confined to the occupation of the medical technical or laboratory assistant (Medizinisch-Technischer

government, industry sponsors and course fees make up the rest of its budget. If course participants have already gone through an apprenticeship scheme and are registered unemployed, they can apply for a reimbursement of course costs by the employment office (Arbeitsamt). The government of NRW has traditionally been strongly committed to supporting the growing media cluster in Cologne through economic policies since the break-up of the public broadcasting monopoly (Humphreys and Lang 1998: 192). In order to compensate for the loss of employment in the industrial sectors traditionally dominant in the west of Germany, government policies focused early on on regional economic development of the media industry. The government had attracted the broadcaster RTL to Cologne in 1988. It also supported the increasing number of small-size production companies by providing development loans, founding the film fund *Filmstiftung* in order to support local productions, and displaying an overall willingness to support an infrastructure for the industry to thrive in Cologne.

Apart from the international film school, the Land government also provides funding to a local information centre on training and work in media professions, also initiated by the VFFV in Cologne. The so-called KoordinationsCentrum Ausbildung in Medienberufen (AIM) was founded in 1995 and serves to establish transparency in the initial and further training activities in the Cologne area. At the time, the numerous routes into the industry (through work experience in companies, only partially relevant apprenticeship schemes or various university courses) and the unfamiliar job titles used produced a confusing scene for individuals trying to enter the industry as well as for companies looking for qualified young staff. The VFFV started talks with other locally present actors to found an association to that end. These talks resulted in the KoordinationsCentrum AIM e.V., which has 15 members on its board, including VFFV, Spielfilmverband NRW, Ver.di, the city of Cologne and the Filmstiftung NRW. The main part of its funding comes from the *Land*, which has committed itself for an initial period of three years with the option for renewal. It offers a number of services: For industry entrants, it has a database in which approximately 150 jobs in the wider media and multimedia industry are described in terms of job contents, required qualifications and training possibilities. For established freelancers, it offers individual consulting for determining training needs and career possibilities. And for media companies, information on contents of training courses is provided to enable them to judge what is behind certain training certificates. The training institutions themselves can obtain information on what kind

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Assistent). For that reason, the assistant editor was named film and video editor, somewhat copying the English job title of editor, although the corresponding German job title in the industry is “Cutter Assistent”.

of qualifications are needed in the industry and how best to design their courses so as to provide required skills.

The international film school and the KoordinationsCentrum are reminiscent of FT2 and Skillset in the UK. Like FT2, the international film school provides training for freelancers at the start of their career in the industry through a combination of theoretical learning and work placements. Like Skillset, the KoordinationsCentrum provides labour market information and tries to guide training activities in the industry according to need. Unlike the Skillset regime, neither institution is funded by the industry itself but instead by the government and participants respectively.

### ***The Implementation of Mediengestalter and Film-/Videoeditor Schemes***

In contrast to the international film school, which is geared at freelance training in traditional production jobs, the apprenticeship schemes of the media designer and the assistant editor are located within the German dual system of vocational training and may not be fully compatible with traditional job titles and the industry's working environment. Several difficulties in their implementation can be expected. The media designer reproduces the broad functional design of traditional German apprenticeship schemes, while, in contrast, the assistant editor follows the narrow task-orientation of the industry. We can thus expect the assistant editor to be relatively easier to implement than the media designer. Both schemes are full-scale three-year apprenticeship schemes which require training companies to commit themselves on a long-term basis relative to the short duration of a production project. Since both schemes cover craft grades that work within production and post-production, production activity is essential for the workplace training of apprentices. Small production companies may not be able to offer the required continuity in active production. The diversity in training areas in the case of the media designer - sound, camera, editing for film, video and digital material - and to a lesser extent in the case of the assistant editor - editing of film, video and digital material - may constitute another limitation for small production companies. They normally rely on specialised service companies or freelancers to perform tasks like editing or camera operation. Finally, the accreditation of companies and trainers may constitute an obstacle in the take-up of apprenticeship schemes as well. The typically small companies may lack the required technical infrastructure; and unlike in traditional crafts or in industrial occupations, the traditional trainers in the media industry, the chiefs of departments, are not normally employed in production companies but work as freelancers.

Table 7.3 depicts the number of new apprenticeship contracts for each year since their introduction and across the four German *Länder* NRW, Bavaria, Berlin and Hamburg which host the traditional media clusters. With a total number of 2,273 versus 164 apprenticeship contracts, the media designer is more than ten times more popular than the assistant editor. Contrary to our expectations, this seems to suggest that both the functional design and the comprehensiveness of required workplace training of the media designer do not stand in the way of its implementation. In comparison, the narrowly defined assistant editor appears to suffer from exactly its narrowness as it shares the other potential structural obstacles to its implementation, such as long training duration, with the media designer. Observations by the author and the results from a recent evaluation of the two apprenticeship schemes conducted on behalf of the BiBB (MMB and AIM 2002) suggest a more qualified assessment, however. The assistant editor has in fact structural limitations to a wider implementation. Yet, a good part of the high number of media designer contracts is due to inflation through retraining courses conducted by the federal employment agency (Bundesanstalt für Arbeit). The other part of the media designer's success is due to making its disadvantage of having a functional design into a virtue by forming training co-operations where multiple companies combine to jointly take on and train apprentices.

<i>Land</i>	Mediengestalter Bild/ Ton						Film-/ Videoeditor					
	1996	1997	1998	1999	2000	Total	1996	1997	1998	1999	2000	Total
<b>NRW</b> (%)	101 (49.0)	91 (29.1)	108 (23.8)	164 (28.1)	158 (22.0)	622 (27.6)	2 (11.8)	0 (0.0)	1 (4.0)	1 (2.0)	1 (2.7)	5 (3.0)
<b>Bayern</b> (%)	18 (8.7)	45 (14.4)	44 (9.7)	64 (10.9)	76 (10.6)	247 (10.9)	8 (47.0)	15 (41.7)	10 (40.0)	11 (22.4)	9 (24.3)	53 (32.3)
<b>Berlin</b> (%)	15 (7.2)	39 (12.5)	51 (11.2)	53 (9.1)	82 (11.4)	240 (10.6)	5 (29.4)	6 (16.7)	11 (44.0)	14 (28.6)	13 (35.1)	49 (29.9)
<b>Hamburg</b> (%)	18 (8.7)	26 (8.3)	24 (5.3)	29 (5.0)	43 (6.0)	140 (6.2)	0 (0.0)	1 (2.8)	3 (12.0)	3 (6.1)	2 (5.4)	9 (5.5)
<b>Other Länder; (%)</b>	54 (26.2)	111 (35.6)	227 (50.0)	274 (46.9)	358 (49.9)	1,024 (45.1)	2 (11.8)	14 (38.9)	0 (0.0)	20 (40.8)	12 (32.4)	48 (29.3)
<b>Total</b> (%)	206 (100)	312 (100)	454 (100)	584 (100)	717 (100)	2,273 (100)	17 (100)	36 (100)	25 (100)	49 (100)	37 (100)	164 (100)

Table 7.3: Apprenticeship contracts Mediengestalter Bild/ Ton, Film-/ Videoeditor, 1996-2000

Source: MMB and AIM 2002: 27

### *The Assistant Editor*

The assistant editor scheme has been implemented mainly in large post-production houses and in public broadcasting corporations. In contrast to the BR in Munich, the NDR and the WDR, which had been involved in the initial pilot projects for the media designer and opposed the

assistant editor scheme in the BiBB negotiations, do not engage in assistant editor training. Instead, they use the media designer scheme, which also has an editing element, for junior entrants, and rely on a joint further training course to train their more senior editors in-house. The effect on the number of assistant editor apprentices is obvious if the relatively high number of contracts in Bavaria are compared to those in NRW and Hamburg. For post-production houses, the prescribed combination of film, video and digital editing in workplace training poses a difficulty as only very few companies own the facilities necessary for conducting all three (MMB and AIM 2002: 44). Beyond these two types of companies, broadcasters and post-production houses, permanent employment for editors is rare and so are training possibilities within the dual system.

### *Retraining Courses*

The comparatively high number of apprenticeship contracts for the media designer has two main causes. One is the formation of training co-operations, the other is its adoption for retraining initiatives for the unemployed. From its introduction in 1996, companies providing retraining to the unemployed on behalf of the federal employment agency have engaged in training media designers. The respective courses are full-time college courses of two years' duration with a practical work placement of half a year. In 2001 alone, 17 such courses have been conducted with an estimated course size of 15 to 20 participants each (MMB and AIM 2002: 60). This results in between 250 and 340 media designers each year from retraining courses. Assuming that each year since 1997 has seen retraining activity of similar volume to that in 2001, an estimated 1200 of a total of 2273 media designer contracts are due to retraining courses (more than 50 percent). The knowledge of graduates from retraining courses is mainly theoretical as they have not gone through practical workplace training comparable to that of regular apprentices and lack experience with state of the art equipment. For regular apprentices this will eventually become a problem as the reputation of media designer training may become blurred in the long run. For the graduates of the respective courses, there is the immediate problem of finding suitable employment opportunities. Only two of the 17 retraining courses in 2001 were held in one of the four media clusters in Germany; the others were conducted in areas of high unemployment, especially in the east of Germany. This has led to the absurd situation that the small island of Rügen, for example, located in the Baltic Sea, now hosts 36 media designers (D 21). The corresponding local media cluster that would offer them employment has yet to develop.

### *Training Co-operations*

Regular apprenticeship contracts, approximately 1000, are mainly found in the four media clusters of Cologne, Hamburg, Munich and Berlin. Here training is regularly conducted within training co-operations, so-called *Ausbildungsverbände*. Training co-operations are increasingly common in conducting training in small companies in general. IHKs and *Land* governments promote co-operations in many industries to increase training slots. In Cologne, the VFFV conceived of the possibility of several companies to join forces in order to conduct training during the phase of the pilot project. Through the pooling of its members' resources, it could guarantee that all required training contents would be covered and the required personnel commitments would not overburden any individual company. Consequently, after the media designer scheme's formal adoption, the VFFV started the first of what are now several training co-operations, in which around 10 companies - production companies, post-production companies, studios and technical equipment providers - are collectively responsible for training 15 to 20 apprentices. These co-operations receive substantial financial support through the *Land* NRW, which has introduced a special assistance programme for such co-operations (not only in the media industry) that grants approximately 10,000 DM to every apprentice position within a training co-operation. More recently, the Cologne IHK has started to accredit companies for training media designers only if they are part of an *Ausbildungsverbund* (MMB and AIM 2002: 39). Beyond these positive and negative incentives for co-operation, production companies seem to be genuinely willing to co-operate in training media designers. Members of the VFFV, for example, see the advantage of co-operation and value the exchange of know-how that takes place via their apprentices (D 29). It is noteworthy that training co-operations, for reasons of diversity in training environments, regularly bring together companies that have specialised in different areas and are not direct competitors, such as production and post-production companies. This facilitates co-operation. It also sets the media designer apart from the assistant editor which, due to its narrow focus, would require companies of similar specialisation to form a co-operation. In Hamburg, the NDR has initiated a less institutionalised form of training co-operation by taking in media designer apprentices from local medium-sized and small production companies for short spells and specific training elements (D 21). IHKs in other cities increasingly promote *Ausbildungsverbände* as a way of training media designers as well (MMB and AIM 2002: 39). The impact of co-operations is most visible in Cologne where they have the longest tradition. The number of apprenticeship contracts in Cologne is significantly higher than in the other three media locations.

### *Recruiting Training Companies*

The number of apprentices in the two schemes is high in comparison to the UK, even after accounting for the moderate success of the assistant editor in relative terms and the high percentage of media designers coming out of retraining. If compared to the annual entrant training volume funded by Skillset, the yearly numbers of media designer contracts in the four media clusters combined is about four times as high (87 versus 359 in the year 2000).<sup>69</sup> Beyond the co-operation in implementation and the prominent role of broadcasters, the relatively high take-up of apprenticeship schemes in Germany is due to the recruitment of training companies through IHKs, especially in Cologne, and to young industry entrants approaching companies and requesting that they be given an apprenticeship. IHKs, especially in the initial phases after the introduction of the scheme, ran a liberal policy in accrediting individuals, mostly company owners, as trainers according to their professional experience. Required qualifications for educational proficiency had to be additionally relayed in further training courses. Through the initiative of the IHK, fees for these courses were reimbursed by the employment office (Arbeitsamt). At the very beginning of the pilot project for the media designer, the Cologne IHK offered these qualifications itself in week-end courses (D 24). Now, however, IHK policies have become more restrictive and the IHK's training consultants pay more attention to the qualitative aspects of the training environment. According to the evaluation report, IHK consultants regularly advise production companies to offer work experience instead of apprenticeship places if the company has been founded only recently and the required infrastructure for regular apprentice training seems not yet to be in place (MMB and AIM 2002: 41). In the previous chapter we have seen that work experience places are one of the most important routes into the industry labour market. Often, as mentioned, young entrants doing spells of work experience approach their companies directly and request an apprenticeship after the work experience period. In fact, according to the IHK Cologne, this is one of the most frequent reasons that companies enter the dual system of apprenticeship training (D 24).

### *Career Progression*

There is already some empirical data on the career advancement of apprentices after the conclusion of their apprenticeship as media designers. Given what has been said so far, it would be surprising to see them find employment as functionally operating media designers

in the industry. And indeed, of 19 surveyed media designers who have concluded their apprenticeship, the majority is employed in the camera or the editing department but not as a functionally flexible hand in both. Two of the 19 work as literal media designers in multimedia and content provision for the internet. All of the surveyed media designers in camera or editing deemed further specialisation in one of the traditional departments as necessary for succeeding in their further career, although they considered the apprenticeship to have given them a highly valuable broad basis (MMB and AIM 2002: 49). In a small-scale sample of 35 media designers conducted by the author, 19 media designer apprentices who had already had work experience in the industry before entering the apprenticeship, and hence were in the position to compare, considered the breadth of the scheme as exceptionally good in comparison to more informal ways of entering the industry (Baumann 2000c: 14). Six media designers in the same survey who had already completed their training and worked in the industry rated the reputation of the apprenticeship in the industry as unequivocally better than more informal ways of labour market entry (*ibid.*).

### *Evaluation*

Despite its functional design, the apprenticeship scheme of media designer has been adopted by the industry to a considerable extent. The formation of formal and informal training co-operations has assisted companies to conduct training and cover the required areas of workplace instruction through the pooling of their resources. Although the scheme does not correspond to the industry's job title regime, it has gained acceptance as a thorough basis for a career in the industry, even though a more narrow focus on one of the traditional departments is necessary after conclusion of the apprenticeship. Companies generally respond favourably to external proposals of the IHKs or potential apprentices to offer an apprenticeship.

Contrary to our initial expectations, the scheme of assistant editor which fits well into the traditional job title regime of the industry has been taken up only selectively. Here the problems originally expected for the media designer have become salient: The diversity of required workplace training - even within the editing department - overburdens individual companies, unless they are very large or broadcasters. The dominance of freelance status for editors in the industry limits the selection of potential training companies further.

The *Bundesverband Filmschnitt*, the editors guild which promoted the assistant editor in the BiBB proceedings, has shifted its focus to developing further training exams with the IHKs in

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<sup>69</sup> Looking at clusters individually, the difference is somewhat less substantial as only Cologne displays a higher number of training schemes while the other clusters remain below Skillset's volume. Also, the further training



order to adapt editor training more to the realities of the occupation (D 27). In these further training exams, only the professional standards will be assessed, without prescribing the route of how to acquire them. This is reminiscent of the idea underlying the NVQ regime in the UK and carries the danger of overemphasising certification to the detriment of organising substantive training. The KoordinationsCentrum in Cologne has initiated a further training initiative, inspired by Skillset's NVQs, which is based on individual modules of training that have to be developed together with industry experts (D 22). So far, this has resulted in further training modules for production managers, taught by a small further training organisation in Cologne. The Cologne IHK has accredited the respective organisation for conducting the training. Participants have the option to receive an IHK certificate on completion of the course. Comprehensive further training for freelancers across the entire range of production jobs, such as that promoted by the Skillset regime, does not exist in Germany, however.

### **THE EMBEDDEDNESS OF INSTITUTIONAL FORMATION – REVIEWING RESULTS**

For the discussion of institutional formation of joint supply institutions we have to distinguish between the initial design of institutions and their final implementation. While the design is marked by a mix of types of embeddedness, their implementation is characterised by mutual adaptation of actors and institutions. Figure 7.1 depicts the joint supply institutions of the media production industry in the UK and Germany. As discussed in the previous chapter, job titles in both countries follow the task-principle due to technological embeddedness in the organisation of work in media production. The traditional pattern of industry entry by young labour market entrants demands no contributions by employing companies. Instead, entrants accept low or no payment and pick up skills through on-the-job training in work experience periods or as assistants. The traditional industry practice in both countries thus occupies the cell of employers' defection to contribute to joint supply within the task segment of job titles. Beyond this traditional industry practice, there are joint supply institutions in both countries which are, against the background of the predictions of different types of embeddedness, in need of discussion.

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volume supported by Skillset is not taken into consideration in this comparison.

		TASK		FUNCTION	
		contribute	don't contribute	don't contribute	contribute
TASK	contribute	Skillset; Film-Videoeditor; Intern. Filmschule			
	don't contribute		Industry practice MI <sub>D</sub> ; MI <sub>UK</sub>		
FUNCTION	don't contribute				
	contribute				Medienge- stalter Bild u. Ton

Figure 7.1: Joint supply institutions of the media production industry in the UK and Germany

***Skillset***

Contrary both to predictions of societal and of hierarchical embeddedness, the British industry has found a solution to its joint supply dilemma. The Skillset regime provides joint supply for both initial and further training by sharing the costs of training between broadcasters, production companies and, in the case of further training, individuals. The enforcement mechanism used by the industry is specific to its structure and history. The broadcasters have committed themselves to contributing financially to the Freelance Training Fund and, at the same time, exact a levy on production budgets from independent producers in order to enforce their contribution to the fund. BBC's and Channel 4's product market power as major buyers of independent programming provides them with the scope and the interventionist tool to hierarchically operate a virtually comprehensive enforcement regime. The BBC's interest in making its organisation more cost-efficient and the obligation of a 25 percent independent quota after the Broadcasting Act 1990 coincided with its commitment to the idea of public broadcasting in prompting it to search for a viable solution for training the growing freelance workforce. After the Broadcasting Act, it had a strong interest in redistributing the costs of training across the entire industry instead of training its entire workforce alone, as had been the case before. At the same time, it continued to have an interest in quality programming,

which required a skilled workforce for production. Channel 4 was decisive for founding PACT and assisted in organising independent producers in a near-comprehensive way, almost like compulsory membership in German chambers, which provided the organisational blueprint for enforcing the freelance training levy. Constituting what has been called a small numbers situation in the discussion of the prisoner's dilemma, the two broadcasters then joined forces with the trade union and ITV companies and laid the foundation for an effective collective action regime – Skillset.

Skillset's initial work has been heavily influenced by the NVQ framework, which, like the industry's traditional job titles, follows the task-principle. Skillset adopted the NCVQ's framework as a natural choice for its purposes and applied it to the industry's jobs. In a long development process, existing jobs were codified in NVQs. In a mixture of societal and hierarchical embeddedness, it took over the NCVQ's premise of trying to make the labour market more efficient by establishing transparent job titles that signal skill content and level to employers. Following the NCVQ's mandatory guidelines in defining NVQs, traditional job titles were segmented into elements and units of competence. In the later implementation of Skillset's NVQs, however, this objective was rendered largely irrelevant by freelances themselves. Instead of documenting their skills through NVQs, freelances engaged in further training without having their skills assessed afterwards. In light of the dominance of social mechanisms for governing the industry's labour market, this is not surprising. For Skillset, the real value of NVQs, and their fine segmentation, turned out to be their suitability to guide the market for further training and training providers. Through the distribution of subsidies to training providers out of the Freelance Training Fund, Skillset had a pecuniary incentive which has regulated further training for freelances along NVQ standards. Instead of making freelances' skills more transparent, the NVQs have helped to make further training more transparent for freelances. This change in function of an existing institution has been termed a conversion in the literature on institutional evolution and change (Thelen forthcoming: 29).

### ***Media Designer and Assistant Editor in the Dual System of VET***

In Germany, the formation of joint supply institutions is marked by the existing system of dual vocational education and training. At the beginning of the development of the media designer and the assistant editor as apprenticeship schemes there were the NDR and the VFFV, which perceived initial training as a pressing necessity in the growing and deregulated media production industry. Societally embedded, both the NDR and the VFFV approached their local IHKs and looked for help in the established dual system to address their respective

concerns about joint supply. Although job titles were the same as in the UK and had developed in a technologically embedded manner, they entered the functionally dominated world of German vocational education and training. The NDR in particular considered the dual system to be an effective way of redistributing training burdens by opening up training structures to private broadcasters and production companies alike. In contrast to expectations from hierarchical embeddedness, the BiBB had begun to develop not functionally designed but two task-centred apprenticeship schemes which correspond to the traditional job titles in the industry, the assistant editor and the sound assistant, when the NDR and the VFFV entered the procedure. In the further proceedings, the latter two expressed a strong interest in a functionally designed apprenticeship scheme, the media designer. For its own purposes and those of all other public broadcasters, the NDR wanted to have a scheme which would provide entrants to broadcasters' internal labour markets with a broad basic training. This would allow them to operate in ENG and also provide them with a foundation to proceed into more specialised areas like editing later in their career. The VFFV acted on the recommendations of a research report that predicted an increasing digitalisation in the industry that would fuse tasks and require a functional approach. In a compromise, one functional and one task-oriented scheme was adopted at the end of the consensus procedure. Thus, contrary to expectations, the trade union participation in the development of apprenticeship schemes does not necessarily promote the function principle. In fact, the *Bundesverband Filmschnitt*, the editors' guild promoting the assistant editor scheme, was nominated by the DGB for the BiBB procedure. Having said this, the legal requirements of the BBiG and the consensus principle nevertheless ensure a wide design of schemes, even if they are task-centred. The apprenticeship of assistant editor includes all technological and creative aspects of editing and thus allows editing assistants to work in many different environments.

The implementation of the media designer scheme relies very much on training co-operations and the active recruitment of training companies by the IHKs and potential trainees themselves. The functional design of the media designer has led to problems of compatibility in an industry that is governed by a task-centred job title regime. In order to remedy the resource limitations of individual companies specialising in one department or another, training co-operations have been promoted, in particular by the VFFV and the local IHK in Cologne but also in other locations. The enforcement of training participation by IHKs corresponds to our expectations from hierarchical embeddedness. Their recruitment, consultations and monitoring has contributed significantly to the adoption of the scheme. The

fact that potential trainees themselves recruit companies for the apprenticeship can be considered a result of societal embeddedness in a wider sense. It reflects the widespread equation of proper training with the German dual system of VET, and a common sense of obligation to conduct such proper training.

The same cognitive kind of societal embeddedness may be responsible for the suspicious absence of further training initiatives in the German industry compared to the UK. Further training institutions are traditionally underdeveloped relative to initial training in Germany. Although freelance employment was common in the German media production industry even at the time of integrated broadcasters, all involved parties, e.g. the VFFV and the NDR, when searching for joint supply solutions seem to have implicitly conceived of training as initial training that is based on a regular employment relationship. The only major exception is the Internationale Filmschule Köln. Here a small and locally concentrated group of employers has designed training schemes in the traditional jobs of the industry to allow young freelancers to acquire sound occupational skills. The joint supply dilemma has been eased by generous funding from the *Land* government, however, so that necessary enforcement is limited to the participation in work placements and teaching by practitioners. Benefiting from a small numbers situation, this is done through peer pressure and informal mutual monitoring.

## CONCLUSION

In contrast to the design of job titles where societal embeddedness was dominated by technological embeddedness, the formation of joint supply institutions is characterised by societally embedded actors who have adopted existing institutional structures for their purposes. Both the German apprenticeship schemes and the Skillset regime have their origins in the respective national systems of training. In both cases, actors with the capacity to act strategically and with a strong interest in a joint supply solution, i.e. the BBC as well as the NDR and the VFFV respectively, initiated the formation of respective institutions. The search for suitable templates to realise such institutions guided them towards the existing training frameworks on the national level. At the same time, the adoption of familiar templates has helped to implement joint supply regimes and conveyed legitimacy to their enforcement mechanisms.

In the case of Skillset, the NVQ framework supplied a task-centred certification mechanism that was adopted for codifying job titles, but no joint supply solution. The levy regime operated by Skillset emerged from industry specific structures that were created with the

foundation of Channel 4, but also carries marks of national traditions that predate the NVQ framework. The Industrial Training Boards, which governed vocational education and training within industry boundaries from the mid-1960s until the 1980s, operated on the basis of training levies on companies' personnel budgets. The Skillset regime has revived this tradition and used it in order to form an effective funding and governing mechanism for training freelancers. The existence of such a tradition seems to have suggested the levy system to industry actors as a legitimate means of burden sharing. Its operation through the hierarchical enforcement power of broadcasters vis-a-vis production companies is generally accepted by the latter. Without a template in the history of the industry and the national industrial relation system, the Skillset regime may have taken another form and its implementation may have met with more resistance.

The apprenticeship schemes in the German industry are equally the result of societally embedded actors whose interest in burden sharing has guided them to established templates on the national level. The NDR and the VFFV sought to remedy their demand for joint supply in the dual system of vocational education and training despite the structural obstacles of freelance employment and project production. Instead of a hierarchical embeddedness that would have imposed the dual system on the industry, industry actors themselves adopted the system and promoted the development of apprenticeship schemes. Contrary to predictions of hierarchical embeddedness, the functional design of the media designer was the result of industry actors' own preferences rather than being imposed by the consensus proceedings of the BiBB. For the implementation of the media designer scheme, however, the hierarchical embeddedness of companies into the system of IHKs which recruit and monitor companies for training was crucial and helped to establish the system of training co-operations. The companies, in turn, have largely accepted the obligation to train and have adopted the apprenticeship schemes to a considerable extent. As in the case of Skillset, the existence of a template for organising joint supply has guided actors towards this template. This has caused the adoption of the apprenticeship schemes instead of other forms of burden sharing, for example in further training. To production companies, the tradition of the dual system conveys an obligation to conduct training. The extent to which companies accept this obligation emerges as a result of their genuine organisational capacities and the amount of assistance they receive from IHKs and associational actors to conduct training.

## CONCLUSION

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The comparison of labour market institutions in the German and British media production industry has produced several important results pertaining to different themes. Firstly, the empirical observations on training activity and skill provision in the two cases, based on novel labour market data from company interviews and labour force surveys in both countries, have uncovered a varying emphasis on initial and further training. Different joint supply policies have been implemented in each of the cases, enabling us to draw some comparative lessons for the value of training policies in media production. Secondly, the separation of job titles and joint supply in the concept of occupational labour markets proved useful in identifying different institutional dynamics. Job titles and socially governed labour market exchanges resemble each other across the two cases. This highlights the importance of the organisation of work in governing the labour market. In contrast, the formation of joint supply institutions has resulted in different forms in the two cases. This has been attributed to actors' societal embeddedness. The differences in job title and joint supply formation make it necessary to discriminate between the salience of types of embeddedness in different contexts. The sum of results, in turn, makes it possible to contribute some insights to the debate about institutional reproduction and change and varieties of capitalism across nations.

### TRAINING IN THE MEDIA PRODUCTION INDUSTRY

#### *Summary of the Empirical Results*

In both the UK and Germany, the media industry is characterised by a high percentage of freelance employment and a production model that relies on short commitment of technical and professional resources in production projects. In both countries, about one third of the entire workforce is employed as freelancers or on short-term contracts. Permanent employment in internal labour markets of integrated broadcasters during the existence of the public broadcasting monopoly has given way to an external labour market in which the entry points and the boundaries between in and out are chronically uncertain. The arrival of the publisher-broadcaster model in the 1980s established a production model where extremely small companies compete for programme commissions from broadcasters. For producing programmes, these companies rely on a network of freelance professionals and providers of technical equipment who are brought together and employed for the duration of a production

project. Due to the lack of permanent employment and continuity in production, traditional means of workplace training like apprenticeships or firm-internal training programmes are difficult to employ in the industry. The high mobility of workers on the industry's occupational labour market tends to keep employers from investing in workers' skill development, and workers themselves are limited in their ability to invest in training courses, particularly at the beginning of their career when training is needed most. The dominant way of entering the labour market in both countries is through informal on-the-job training. Young industry entrants learn relevant skills either as second or third assistants to experienced professionals or during work experience placements in production projects. In the course of the 1990s, in order to ensure a skilled workforce in times of economic expansion, industry actors in the UK and Germany introduced additional institutional ways for providing training to workers in their industries.

In the UK, a comprehensive system for subsidising further training is in operation. Moreover, a small-scale programme provides theoretical and workplace training for industry entrants. Both programmes are administered by Skillset, a corporatist organisation of the industry with representatives of the broadcasters, production companies and the trade union. The further training initiative distributes subsidies to providers of training courses in order to make courses affordable for individual participants. Depending on the ratio between subsidies and participants' fees, the number of subsidised training places varies. The subsidies are tied to NVQ standards that replicate traditional job titles in the industry and segment these into elements and units of competence. Courses need to provide training that can be counted towards NVQ standards in order to be eligible for subsidies. NVQs are the result of Skillset's labour market research and have been designed in co-operation with representatives of the occupational groups in the industry. The funding for further training subsidies and for the entrant training programme is collected by Skillset from contributions of the main broadcasters and through a levy on production budgets of independent production companies. The levy is exacted by broadcasters directly from payments for production companies' programme deliveries.

In Germany, a greater diversity of joint supply solutions has emerged. Within the dual system of vocational education and training, two apprenticeship schemes for production crafts have been developed. Local initiatives have designed further training courses and, in Cologne, the International Film School was founded which offers entrant and further training for freelancers. The two apprenticeship schemes differ in the degree of occupational specialisation. The *Mediengestalter Bild und Ton*, the media designer, is a combination of



editing, sound and visual recording, and of technical and creative aspects of media production. It spans the three traditional departments of editing, sound and camera in the production branch. The *Film- und Videoeditor*, in contrast, is more specialised and has copied the traditional job of the assistant editor into an apprenticeship scheme. The scheme of the media designer has been more successfully implemented in the industry than the assistant editor scheme, although it does not replicate existing jobs and the traditional division of work in the industry. The reason for its relative success is the formation of training co-operations of several firms, which, in combination, are able to cover the diversity of required workplace training and provide the continuity in production needed for conducting the apprenticeship. These training co-operations are managed by the local IHKs or, in the case of Cologne, a local producers' association. The assistant editor, in contrast, suffers from its specialisation and the structural limitations of a three-year apprenticeship in a fluctuating industry with dominant freelance employment. Only a few companies are specialised and at the same time large enough to be able to offer the equipment required for the workplace training of the assistant editor scheme. Editors, the potential trainers for assistant editors, are predominantly freelance professionals and are hence not available as apprentice instructors.

The international film school in Cologne is an example for initiatives that attempt to establish further training schemes in the industry. A collectivity of local producers has established a training regime where industry entrants and established freelances can attend training courses in the established jobs of the industry. In a combination of workplace training and courses taught by practitioners, freelances are trained in the grades of make-up, props or costumes. Funding is provided by the *Land* government and complemented with course fees of participants which are regularly reimbursed by the employment office as a retraining investment.

### ***Evaluation***

In comparison to initial training, as in the two apprenticeship schemes, further training is more appropriate for the large freelance workforce of the industry, who, in contrast to earlier times, regularly start their careers as freelances rather than enjoying a period of permanent employment at the beginning of their career. Further training takes this situation into account by not requiring an employment relationship for conducting training and by making use of modules and short courses. Without an employment relationship that obliges the employer to pay a wage or training allowance, however, funding of training is shifted completely towards the individual. The Skillset regime enforces a division of the costs for freelance training by

subsidising further training courses through a fund to which broadcasters and production companies contribute. It constitutes a financial joint supply regime which redistributes funds from employers to freelancers who choose courses with training providers. The financial burden of training investments is shared between employers and freelancers, and freelancers can engage in training outside the employment relationship. Conducting initial training within the German dual system constitutes a substantive joint supply regime where employers solve the collective action dilemma of investment in transferable training by employing apprentices and conducting training on a broadly equal level across employers. In the media production industry, such substantive joint supply is structurally at a disadvantage due to freelance employment and project production. German further training initiatives, like the international film school in Cologne, provide training independent of the employment relationship but rely on public funding for their operation. The international film school in Cologne largely externalises training costs to the general public. Through government funding and reimbursement of course fees through the employment agency, the wider public of tax-payers and unemployment insurance contributors carries a large part of the funding burden. The joint supply dilemma is eased by these externally provided funds and reduced to co-operation in organising workplace training for participants. We may call this a dependent joint supply regime as it depends on public funding.

## **JOB TITLES, JOINT SUPPLY AND TYPES OF EMBEDDEDNESS**

### ***Joint Supply and Job Titles***

In order to map similarity and difference across the cases, the concept of an occupational labour market was broken up into its parts, namely joint supply, on the one hand, and job titles on the other hand. Joint supply constitutes the successful overcoming of the collective action dilemma in providing transferable training. Job titles define job boundaries and contents, and co-ordinate the actions of employees and employers in any given labour market. They harmonise labour market exchanges, the organisation of work within companies and the organisation of vocational education and training. In these three areas, job titles are subject to different influences. They may result from the organisation of the labour market, come out of the organisation of work or be defined by vocational training schemes. In a homogenous occupational labour market, all three influences are in harmony and promote the same job titles. In principal, however, they are independent and can advance different job titles, especially if labour markets overlap, as is the case with an industrial labour market that is

distinct from albeit embedded in a national one. The labour market of the media production industry in both the UK and Germany has been transformed from an internal one during the times of integrated broadcasters and public broadcasting monopoly into an expanding external labour market in the present time. The externalisation of the labour market out of broadcasting organisations and into a wider national context has created a situation where the different influences on job titles become salient. The industrial labour market may be governed by one type of job titles, work organisation may promote another one and national vocational education schemes may follow yet another type.

### ***Types of Embeddedness***

The distinction between technological, hierarchical and societal embeddedness described the different influences on job titles and joint supply in the cases examined here. Technological embeddedness denotes the influence of the specific organisation of work in the industry. The high division of labour and the limited employment within production projects may influence the industry's organisation of work and its job title regime. Hierarchical embeddedness captures the influences from the hierarchical dominance of national institutions. It describes the industry's subjection to the regulatory power of national frameworks such as the NVQ or the procedures prescribed by the BBiG, the German federal law on vocational training. Societal embeddedness posed as a kind of residual category embracing all influences from the societal environment. It acquires profile more through its demarcation from the other two kinds of embeddedness than through its own predictive power. It is a vague and broad category that may comprise the societal effect described by Maurice et al. (1986) as much as the invisible hand of efficient complementarities suggested by the varieties of capitalism literature (Hall and Soskice 2001). In contrast to hierarchical embeddedness that enforces institutional reproduction through the rule and resource dependency of the industry, societal embeddedness embodies the elusive factor that makes individual actors adopt existing national structures. I have concentrated in my formulation on two potential manifestations of societal embeddedness. On the one hand, its effect may be due to cognitive maps of actors that affect what they regard as obvious solutions. If these are present, the job title regime of the media production industry should display differences across countries. On the other hand, it may manifest itself as a focal point and a guarantor for credible commitments in organising collective action among many participants. This means a lesser immersion of the individual into societal contexts than the presence of cognitive maps implies. There is also a strategic element involved that is not present in the concept of cognitive maps. The societal

environment is used as a result of its potential to facilitate collective action. Similar to efficiencies embodied in institutional complementarities, societal embeddedness in this connotation would influence actors' strategies. In contrast to the former, however, actors are guided by legitimacy concerns rather than by the search for efficiency gains.

The UK has a post-war history of organising apprenticeship training in a corporatist manner and through craft unions, but its reputation as liberal market economy stems from its current training regime that discontinues this tradition. In line with economic theory, the NVQ framework imagines job titles as signalling devices on the labour market that inform about the kind and quality of skills held by a worker. Standardised job titles are believed to make labour market transactions more efficient by reducing information costs. NVQs are based on a horizontal and vertical segmentation of jobs that provide such standardised information. On five skill levels, the framework allows the documentation of acquired skills across all economic sectors. In Germany, vocational education and training in the dual system of workplace training governs job titles and joint supply. The regulatory framework of developing and decreeing apprenticeship schemes by a federal agency, the BiBB and two federal ministries together with the *Länder* and the regional chambers of industry and trade, the IHKs, establishes an elaborate system for governing vocational training in Germany.

With the three described types of embeddedness, a list of mechanisms for the adoption of national job titles and the formation of industry specific job titles is available. Job titles can either be designed according to performed tasks or according to production functions. These two forms of job titles allow us to map diversity and resemblance. While national labour market institutions in Germany generally promote the functional design of jobs, the NVQ framework and traditional job demarcation in the UK endorse the task orientation. Due to the required task certainty in project production, technological embeddedness was expected to result in task-centred job titles as well.

### ***Types of Embeddedness in the Cases***

The empirical test of the hypothesised mechanisms produced noteworthy results. The outcomes of the institutional formation processes in the media production industry are shown in table 8.1 vis-a-vis their national systems. For job titles, a close cross-national resemblance was found. The German media production industry produces an unexpected result as it deviates from its national parent. For joint supply, the UK case is the unexpected outcome. Despite the UK's classification as a liberal market economy in the varieties of capitalism literature, its media production industry has managed to introduce an industry-wide joint

supply regime. In table 8.2, the causal mechanisms responsible for this result are depicted, taking up the embeddedness hypotheses displayed in table 5.1 of chapter 5.

Institutional outcomes		D		UK	
		NS <sub>D</sub>	MI <sub>D</sub>	NS <sub>UK</sub>	MI <sub>UK</sub>
Job Titles	task		+	+	+
	function	+			
Joint Supply	defection			+	
	co-operation	+	+		+

Table 8.1: Outcomes of institutional formation (NS=national system; MI=media production industry)

		Nested Game Analysis	Technological Embeddedness	Societal Embeddedness	Hierarchical Embeddedness
<b>Causal Mechanisms</b>		Evolutionary co-ordination	Transaction cost efficiency in production [co-ordination]	Strategically or cognitively caused adoption	Rule boundedness/ Resource dependence
Job Titles	D	-	+	-	-
	UK	-	+	-	-
Joint Supply	D	-/-	-/-	+	+
	UK	-/-	-/-	+	-

Table 8.2: Causal mechanisms found in institutional formation (- not found; + found; -/- not applicable)

Contrary to expectations of societal embeddedness, the media production industry follows the task-principle both in the UK and in Germany. Job titles are based on the typical equipment in media production, both in the UK and in the German industry. Jobs are organised into departments such as camera, sound, editing or costumes. Within departments, jobs are hierarchically segmented into the chief responsible position and assistants with specific responsibilities. This job classification according to the tools of the trade is found in project production and in broadcasting alike. The focus on production equipment confirms the hypothesis on the technological embeddedness of actors in defining job titles. In contrast to initial expectations, however, it is not project production that promotes task orientation. Broadcasters engaging in permanent production share the same job titles as the production

branch that is marked by project production. Instead, job titles appear to be traditionally linked to production equipment, which is largely identical across countries. It was argued that this may simply constitute the most obvious way of unambiguously distributing the responsibilities in the synchronous exercise of production. This runs counter to a long string of comparative research in the tradition of the societal effect literature that has shown that differences in industrial organisation between countries exist and continue to exist, despite identical technology or technological progress. Rather than confirming Kerr et al.'s projection (1962), however, that progress in technology will eventually eliminate differences in industrial organisation across industrialised countries, the media production industry is likely to have always been an outlier in otherwise coherent national patterns of organising work. Although the historical evidence to sustain this claim is still to be supplied, I have proposed that this industry has always been different from other industries in its idiosyncratic organisation of work and in the focus on its particular technology for defining jobs.

This raises the question of how an idiosyncratic industry with a peculiar job title regime and similar needs for developing a joint supply regime fares in two rather different labour market environments. What effect, if any, does societal embeddedness have on the formation of joint supply regimes in the industry? Does hierarchical embeddedness influence the existing job title regime?

In the UK, an altogether unexpected joint supply regime is in operation. Neither the classification of the UK as a liberal market economy in the varieties of capitalism literature nor any of the embeddedness types have suggested its constitution. However, the Skillset regime revitalises the corporatist tradition of Industrial Training Boards. Both the redistribution mechanism and its governance are copied from ITBs which were in existence in the industrial sectors of the UK until the late 1970s. A levy on production budgets and contributions from broadcasters provide funding for initial and further training of freelancers. The redistribution of funds is governed jointly by the trade union, broadcasters and production companies who are represented on the board of Skillset. Adding a historical dimension to societal embeddedness that takes account of dormant institutional structures, the concept may thus well explain the outcome in the form of the Skillset regime.

The Skillset regime of a training levy, subsidised further training and monitoring of training providers is based on an adoption of the NVQ framework for the industry. The NVQ framework, segmenting jobs narrowly according to tasks, was easily compatible with the

technologically determined traditional job titles of the industry. In the implementation of the NVQ standards, however, a conversion of the initial idea behind the framework took place. Instead of making labour market transactions more efficient by standardising and certifying skills, the NVQs became primarily a means of regulating the market for further training. Freelance workers in the industry engaged in subsidised further training opportunities but largely ignored the possibility of documenting their skills through NVQ assessments. The documentation seems to appear superfluous to freelancers for improving their chances on the labour market and finding employment more easily. The dominance of social mechanisms in governing the industry's labour market, i.e. the repeated use of the same freelance personnel and the communication of reputation through personal networks, corroborates this finding. In contrast to standardised labour market exchanges, the described social mechanisms represent highly idiosyncratic exchanges that attempt to reduce the uncertainty about the mutual fit of worker and job, in particular by the employing production company, and of finding future employment. Instead of making the labour market into an atomistic allocation mechanism that operates on standardised information, the high volume of labour market transactions that results from project production creates strategies that use and continuously reinforce the structural embeddedness of actors within networks of colleagues. Social mechanisms appear superior to formal certification in controlling the uncertainty involved in fluctuating labour markets and recurrent contracting for new projects.

In Germany, the introduction of dual apprenticeship schemes for the industry is due to an initiative of the public broadcaster NDR in Hamburg and the local producers' association VFFV in Cologne. Both actors approached their local IHKs in order to probe into ways of conducting structured training in the technical media occupations. Instead of continuing established practices of internal training within public broadcasting houses or relying exclusively on further training initiatives, both actors conceived of the dual system of vocational training as an attractive solution for organising skill provision in the industry. In contrast to expectations of hierarchical embeddedness, it was not the consensus procedure within the BiBB which was responsible for the functional design, but rather the broadcaster NDR promoting a functionally designed apprenticeship scheme that would fit its own requirements best, the media designer. In fact, the consensus procedure is the only reason that there is a task-centred apprenticeship scheme, the assistant editor, for otherwise the editors' guild would have been outvoted. Ironically, the institutional procedures that are generally

accredited with promoting the functional scope of apprenticeship schemes were, in this case, responsible for a more narrow task design that replicates the industry's job titles.

In the implementation phase of the two apprenticeship schemes another twist is added to this plot of unexpected institutional developments. What was expected was that the IHKs would be instrumental in enforcing training activity of companies, as predicted by hierarchical embeddedness. It is indicated in table 8.2 as the only instance of rule boundedness. What was unexpected was that the assistant editor, reproducing the job titles of the industry, would be unsuccessful in the implementation phase. In contrast, the media designer, with a functional design that runs counter to the job title regime in the industry, is a relative success. The reason, apart from retraining initiatives sponsored by the federal employment agency, lies in the training co-operations already mentioned above. For conducting training, a number of companies join their resources and collectively train media designer apprentices. In order to be able to cover all required workplace training, companies specialising in different production stages usually come together. In contrast, training assistant editors requires a specialised company large enough to offer all aspects of editing. Thus, the disadvantage of the media designer's encompassing design has unexpectedly become an advantage relative to the assistant editor scheme by allowing for training co-operations where non-competing firms of different specialisation combine resources for training. Unsurprisingly, media designers progress into one of the industry's traditional jobs of editing or camera after their training. The apprenticeship scheme offers a valuable basis for entering the industry but has not yet affected its job title regime or its division of work. Whether that will happen in the longer term is an interesting question with respect to competing influences from the organisation of work and vocational training on job titles within the industry.

### **SOCIETAL EMBEDDEDNESS, INSTITUTIONAL REPRODUCTION AND CHANGE**

The analysis of the formation of labour market institutions in the UK and Germany has described a complex process of adoption of national institutions on the industry level, the creation of new institutions on the industry level, and continuity of informal social mechanisms.

The propensity to adopt existing national institutional patterns varied between job titles and joint supply, as is visible in tables 8.1 and 8.2. For the design of its job titles, the industry follows the path of its own technological embeddedness. Despite the embeddedness in a functional environment in Germany, the German industry follows the same tools of the trade



principle as its counterpart in the UK. In contrast, the organisation of joint supply guided actors in both countries to existing national institutional arrangements in a societally embedded way. In the UK, institutional arrangements lay dormant and their revitalisation is surprising considering the UK's present reputation as a liberal market economy. The hierarchical execution of power by broadcasters vis-a-vis the rest of the industry played a crucial role in creating the financial joint supply regime; and it continues to play an important role in its enforcement. However, without the template of the ITBs of the 1970s, the Skillset regime may not have taken shape at all, or in another form. In Germany, in contrast to expectations of hierarchical imposition, industry actors themselves sought to develop and adopt apprenticeship schemes in a societally embedded mode. In parallel developments, further training initiatives have been created that follow the traditional job titles of the industry but rely on public assistance for funding. This duality of developments suggests that a crucial motivation for adopting existing institutions instead of creating new ones is the search for solutions to a substantial collective action dilemma that carry the mark of legitimacy and fairness. In the case of the international film school Cologne, firms' contributions to collective action were comparatively minor so that participants did not worry about the distributional consequences of their involvement. This seems to have eased institutional creation. In contrast, in the case of Skillset and the dual apprenticeship systems, contributions by companies for joint supply are more significant and need legitimisation. In comparison to newly created joint supply institutions, existing ones provide the supposition of fairness and legitimacy. This may be an explanation for their adoption instead of the creation of new, and possibly more suitable, ones with respect to the industry's production model. Only a greater number of cases would, however, make it possible to make a meaningful statement. The case study evidence suggests, however, that societal embeddedness appears as a strategic rather than a cognitive concept. Existing institutions were used as focal points wherever collective action dilemmata had to be resolved. The technologically embedded design of job titles, where distributive conflicts are largely absent, confirms that societal embeddedness is not cognitively comprehensive and can be dominated by industry specific work-place characteristics.

In contrast to both institutional reproduction and institutional creation, traditional entry routes to the industry's labour market continue to exist alongside joint supply institutions. The gradual progression within departments through work experience and assistant positions will continue to be a common way of acquiring skills in the industry. The dominance of social

mechanisms in governing the labour market and the attractiveness of the industry as an employer will continue to promote informal ways of training in the UK and Germany alike. The multiple routes for conducting training in Germany, the revitalisation of dormant institutional practices in the UK, and the resemblance of job titles and traditional entry routes into the industry across the two countries suggest that the supposed path for institutional developments in both the UK and Germany is not as unidirectional as suggested by the varieties of capitalism literature. National institutional configurations seem to be able to permit far more variability than is commonly hypothesised. Although we can observe institutional reproduction, it is only partial or entirely unexpected. The case studies do not sustain the assumption of coherent institutional configurations that inter-lock with each other in order to produce unambiguous incentives for action. Instead of constituting one overarching rationale that is determined by institutional complementarities and points in one direction, societal embeddedness represents an institutional roundabout where multiple turns can be taken. If we know where the driver wants to go, we can make a good guess about which turn he will take. In the cases examined here, the double interest in the efficient organisation of work and in joint supply required the German drivers to decide between two turns that point in different directions. The VFFV and the NDR decided to take the large and popular road of joint supply within the dual system. Only a lateral back alley, the training co-operations, guided the small production companies back to the street where they came from. Whether they will take another round or return home is difficult to predict. The British driver, supposedly driving on the wrong side of the road, found a hidden street which was on nobody's map anymore. For the time being, it allows him to travel comfortably.

**APPENDIX A*****Experts interviewed:*****UK**

- GB20 Bob Nelson, controller, Development and Training, BBC, London
- GB21 Roger Bolton, secretary general of BECTU, London
- GB22 Helen Bagnall, training officer of PACT, London
- GB23 Kate O'Connor, development officer, Skillset, London

**Germany**

- D21 Gerald Mechnich, Abteilung Aus- und Weiterbildung, NDR, Hamburg
- D22 Mathias Laermanns, KoordinationsCentrum, Ausbildung in den Medienberufen (AIM), Köln
- D23 Dr. Feil, Vorstandsmitglied, Bundesverband Deutscher Fernsehproduzenten, Köln
- D24 Herr Van Meerbeck, IHK Köln
- D25 Werner Stüttem, Amt für Stadtentwicklung und Statistik der Stadt Köln, Köln
- D26 Peter Völker, Fachgruppe Rundfunk/Film/AV-Medien der Gewerkschaft Ver.di, Stuttgart
- D27 Ursula Höf, Bundesverband Filmschnitt, Hamburg
- D28 Herr Holz, Vorsitzender der Bundesberufsgruppe Kunst und Medien in der DAG, Hamburg
- D29 Frau König, Geschäftsführerin, VFFV, Köln
- D30 Oliver Dreher, Bundesgeschäftsführer, Bundesverband Produktion, München
- D31 Herr Heigl, Referat Berufsausbildung, IHK München und Oberbayern, München
- D32 Petra Ludwig, verantwortliche Sachbearbeiterin, BIBB, Berlin/Bonn
- D33 Roland Gießler, freier Produktionsleiter, München

**APPENDIX B:*****Postal questionnaire for German camera and set co-ordination professionals*****Fragebogen für Medienschaffende in Deutschland**

1. Beruf/Tätigkeit ( z.B. Kameraassist., Kameramann, 1. Aufnahmeleiter etc.):  
\_\_\_\_\_
2. Geburtsjahr: \_\_\_\_\_ 3. Geschlecht: männlich  weiblich
4. Höchster Bildungsabschluß:  
Hauptschulabschluß  Realschulabschluß  Abitur  Abgeschl. Studium  Promotion
5. Berufsausbildung (Lehre)? Wenn ja, in welchem Beruf? \_\_\_\_\_
6. Studium? Wenn ja, in welchem Studiengang? \_\_\_\_\_
7. Gewerkschaftsmitglied? Ja  Nein
8. Mitglied in einem Berufsverband? Ja  Nein
9. Arbeiten Sie vorwiegend oder ausschliesslich an einem Ort (etwa Berlin, München, Köln, Hamburg)? Wenn ja, an welchem?: \_\_\_\_\_ Ständig verschiedene Orte
10. Derzeitiges Beschäftigungsverhältnis (maßgeblich sind die letzten 12 Monate):  
Selbständig  Arbeitnehmerähnlich beschäftigt (Feste Freie Beschäftigung)  Fest angestellt
11. Arbeit- bzw. Auftraggeber (mehrere Antworten möglich):  
Öffentl.-rechtl. Rundfunkanstalten  Private Rundfunkanstalten   
Film-/Fernsehproduktionsunternehmen  Dienstleister (Studio, Postproduktion etc.)   
Andere, und zwar: \_\_\_\_\_
12. Momentanes Genre (mehrere Antworten möglich):  
Talk-/Spielshows  Aktuelles / Sport  Daily Soaps / Serien  90-Minüter   
Kinofilm  Dokumentationen  Werbung  Anderes, und zwar: \_\_\_\_\_
13. Wie verlief Ihr Einstieg in die Medienbranche?
  - a. Jahr der ersten Beschäftigung in der Branche: \_\_\_\_\_
  - b. Erste Tätigkeit:  
Auszubildende(-r) / Volontär(-in)  Praktikant(-in)  Fahrer(-in)  Assistent(-in)   
Bereichsleiter(-in)(z.B. Kamera, Aufnahmeleitung)  Andere Tätigkeit: \_\_\_\_\_
  - c. Tätigkeitsbereich:  
Produktionsmanagement  Aufnahmeleitung  Kamera  Ton  Licht   
Schnitt/Bildbearbeitung  Kostüm/Maske/Kulisse  Anderer, und zwar: \_\_\_\_\_
  - d. Damaliges Genre:  
Talk-/Spielshows  Aktuelles / Sport  Daily Soaps / Serien  90-Minüter   
Kinofilm  Dokumentationen  Werbung  Anderes, und zwar: \_\_\_\_\_

- e. Auf welchem Weg sind Sie zur ersten Tätigkeit in der Branche gekommen? (nur eine Antwort)
- Blinde schriftl. Bewerbung
- Bewerbung auf Stellenanzeige
- Durch persönliche Kontakte von bekannten/verwandten Branchenoutsidern
- Durch Vermittlung von Brancheninsidern
- Durch direktes Ansprechen des Arbeit- bzw. Auftraggebers
- Durch direkte Rekrutierung durch Arbeit- bzw. Auftraggeber
- Anderer Weg, und zwar: \_\_\_\_\_
- f. Bei welchem Arbeit- bzw. Auftraggeber war Ihre erste Tätigkeit?
- Öffentl.-rechtl. Rundfunkanstalt  Private Rundfunkanstalt
- Film-/Fernsehproduktionsunternehmen  Dienstleister (Studio, Postproduktion etc.)
- Anderer, und zwar: \_\_\_\_\_
- g. War erste Tätigkeit bezahlt oder unbezahlt? Bezahlte  unbezahlt
14. Wie ist Ihre Karriere in der Medienbranche bis heute verlaufen?
- a. Welche Tätigkeiten (Fahrer(-in), Assistent(-in) etc.) haben Sie zwischen Ihrer ersten und Ihrer jetzigen Tätigkeit in der Branche ausgeübt? \_\_\_\_\_
- b. In welchen anderen Tätigkeitsbereichen (Kamera, Ton, Schnitt etc.) als denen Ihrer ersten und jetzigen Tätigkeit haben Sie gearbeitet? \_\_\_\_\_
- c. In welchen anderen Genres (Aktuelles, Serie, Kinofilm etc.) als denen Ihrer ersten und jetzigen Tätigkeit waren Sie bereits tätig? \_\_\_\_\_
- d. Für welche Arbeit- bzw. Auftraggeber haben Sie dabei gearbeitet?
- Öffentl.-rechtl. Rundfunkanstalten  Private Rundfunkanstalten
- Film-/Fernsehproduktionsunternehmen  Dienstleister (Studio, Postproduktion etc.)
- Anderer, und zwar: \_\_\_\_\_
- e. Welche Vermittlungswege waren bei Ihren bisherigen Tätigkeiten am gebräuchlichsten? (Bitte klassifizieren Sie alle Antworten entweder mit "1"=häufiger Weg; "2"=gelegentlich genutzter Weg; "3"=selten genutzter Weg; oder mit "4"=nie genutzter Weg)
- Blinde schriftl. Bewerbung
- Bewerbung auf Stellenanzeige
- Vermittlung durch (Fach-) Agenturen
- Vermittlung durch Brancheninsider (Kollegen / frühere Arbeit- bzw. Auftraggeber)
- Direktes Ansprechen des Arbeit- bzw. Auftraggebers
- Direkte Rekrutierung durch Arbeit- bzw. Auftraggeber
- Anderer Weg, und zwar: \_\_\_\_\_
15. Welche Kriterien sind aus Ihrer Sicht in der Branche maßgeblich, um eine Anstellung / einen Auftrag zu bekommen bzw. um beruflich voranzukommen? (Bitte klassifizieren Sie die Kriterien mit "1" = sehr wichtig; "2" = wichtig; "3" = weniger wichtig; "4" = nicht wichtig)

- Berufsausbildung  Praktische Produktionserfahrung in TV/Film  Persönl. Auftreten   
Empfehlung von etabl. Kollegen an Arbeitgeber  Persönl. Bekanntschaft mit Arbeitgeber   
Berufl. Talent  Bescheidene Gehalts-/Gagenforderung  Andere: \_\_\_\_\_

16. a. Wieviele Stunden arbeiten Sie im Durchschnitt pro Woche?

10-19  20-29  30-39  40-49  50-59  60-69  70-79  80+

b. Wieviele werden Ihnen davon in der Regel als Überstunden bezahlt? \_\_\_\_\_

17. Wie hoch ist Ihr monatlicher Bruttoverdienst aus der unter Punkt 1. angegebenen Tätigkeit?

1.000-1.999 DM  2.000-2.999 DM  3.000-3.999 DM  4.000-4.999 DM

5.000-5.999 DM  6.000-6.999 DM  7.000-7.999 DM  8.000-8.999 DM

9.000-9.999 DM  10.000+ DM

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