Implementing European Social Fund programmes: the role of national industrial relations in the field of continuous vocational training

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Josua Gräbener
Researcher in political science
PACTE Research Centre, Université Grenoble-Alpes
josua.grabener@umrpacte.fr
Presentation outline

During the next 30 minutes I will...

- Frame the problem and the paradox
- Look for explanations in the scholarship
- Explore two situations (France and Italy)
- Open the black box of industrial relations reactions to ESF
- Propose some interpretations and conclusions
- Suggest specific and broad policy challenges...

- Open the room for collective discussion!
The Continuous Vocational Training agenda, successfully mainstreamed

Since policy measures against unemployment are focused on labour supply (Lahusen, 2013), CVT has become a tool to optimize labour market matching.

Key words have become hegemonic:

« Activation » of labour market policies (Heidenreich and Graziano, 2014) : CVT becomes crucial.

« Employability » : workers have to constantly refresh their skills (Hake, 2003 ; Fejes, 2014)

« Flexicurity » ? Higher flexibility, but security remains weak (Berglund, 2013 ; Heyes et al, 2016)

+ echoes global trends (OECD, Shanghaï...), albeit with specific features (Casey, 2004)

Implications → recommodification of labour (Papadopoulos, 2005) AND social agenda (Huo et al, 2008). Some categories are particularly vulnerable to flexicarity (Hansen, 2007).
Inequalities remain high according to « usual suspects » variables

Evidence of large investigations conducted at European (CVTS, Cedefop, EIRO, Eurostat) and national (ISFOL, CEREQ, DARES…) levels:

Collective factors
- Company size: SME workers have lesser access to CVT, and rather on-the-job CVT
- Type of activity / sector: polarization within broad « services » sector (eg. IT vs. tourism or care)

Individual factors
- Type of worker: blue collars have less access than engineers
- Type of contract: self-employed, short-term contracts, interim…
- Initial training: people with lower initial education have lower access to CVT (« effet Matthieu »)
- Not really surprising because encouraged by academia: according to HR scholarship, investment in « human capital » has better returns for educated / stabilized white collars
Efforts have been made to increase access to Life Long Learning.
Gap between policy outputs (female access to CVT is good)...
...and policy outcomes (gender pay gap remains high in 2014)

(1) Enterprises employing 10 or more employees; NACE Rev. 2 B to S (-O).
(2) Provisional data
Source: Eurostat, (earn_gr gpgr2wt)
Why such a gap between ideas and policy outcomes? An exploration

EES & CVT / « europeanization » → unequal institutional capacity
- Problems of institutional fit / misfit due to path dependence and inertia
  Superficial adaptation, just « talking the talk » (Salgado, 2013)
- Just as any other non coercive policy, EES has limited impact (Copeland et al, 2013)
- Where have « social partners » gone? (Mailand, 2008)

Political economy → industrial relations eroded (Baccaro and Howell, 2013 ; Holst, 2013)
- EMU = threat for social security systems, race to the bottom, liberalization of EMC. « European social model » further weakened by crisis and austerity (Barbier et al., 2015 ; Bordogna et al, 2015)
- Wages under attack, particularly indirect wages… including training taxes (Keune, 2015)

- Collective bargaining play a central rôle for developping access to CVT (EIRO)
Case studies and methods to compare French and Italian IR

France & Italy: « less different cases » according to key variables

- Two post-dirigist, hybrid market economies (Caune, 2013; Clift, 2012).
- Similar IR structures: high collective bargaining coverage tradition, similar CVT formal institutions (Cognard, 2013). Italian FPI inspired by the French OPCA (Galvan, 2014).
- Italian State is weak, IR and business associations overexposed to erosion and opt-outs (Ferrera et al., 2012; Graziano and Jessoula, 2013), particularly in CVT (Cimaglia, 2006).

- Focus on French OPCA (Organismes Paritaires Collecteurs Agréés) and Italian FPI (Fondi Paritetici Interprofessionnali): collect and distribute training taxes, paid by employers.
- Board = employers and workers representatives


Research funding provided by RhoneAlpes Regional Council grant (ARC 8)
French and Italian training taxes compared: gross amount and internal distribution

<table>
<thead>
<tr>
<th>Unequal degrees of wage socialization</th>
<th>Gross amount, depending on company size</th>
<th>Mutualized part</th>
<th>Privatized part</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>France (before 2014 reform)</strong></td>
<td>Less than 10 workers: 0,55 %</td>
<td>0,15 % (professionnalisation)</td>
<td>0,4 % (« Plan de formation »)</td>
</tr>
<tr>
<td></td>
<td>10 – 19 workers: 1,05 %</td>
<td>0,15 %</td>
<td>0,9 %</td>
</tr>
<tr>
<td></td>
<td>Over 20 workers: 1,6 %</td>
<td>0,5 %</td>
<td>0,9 %</td>
</tr>
<tr>
<td><strong>Italy: FPI are in competition to collect training taxes!</strong></td>
<td>0,30 %, indifferent to company size</td>
<td>0,09 % (« conto di sistema »)</td>
<td>0,21 % (« conto aziendale »)</td>
</tr>
</tbody>
</table>
Why the ESF hardly changes structural trends : IR tend to resist

« Soft » resistance : what is done ?
- Specific skills with no employment guarantee : the case of Préparation Opérationnelle à l'Emploi
- Skills acquired for short term projects : the example of « Milano Expo 2015 »
- General but non authoritative : the rise of « soft skills » (Segal, 2006)

« Hard » resistance : who’s concerned ?
- Who’s part of an « SME » ? Who’s an « unqualified worker » ?
- Dilution of the gender mainstreaming into management priorities.
  ⇒ The price to pay of higher rates of adult participation to CVT : shorter periods (CÉREQ)

Avoidances of ESF raise questions on its attractiveness
- The example of Fondimpresa. FPI related to Confindustria, collects half of training taxes !
- Employers’ avoidance of policy tools, encourages policy maker to sprinkle public subsidies…
Conclusion: how does IR erosion impact the implementation of ESF?

• (1) the more coordinated, the easier implementation of ESF. French OPCA are more coordinated than Italian FPI: less avoidance, more social objectives. Confirms strong path dependency of national IR in the field of CVT (Winterton, 2007)

• (2) the more the State focuses on unprivileged workers and certifications (Maillard, 2013), the easier implementation of ESF social justice objectives. What really matters, is whether the State regulates the training tax management structures and criteria.

⇒ interesting developments in the 2014 reform in France:

the RNCP (Registre National des Certifications Professionnels) reinforced through the CPF (Compte Personnel de Formation)

Increased corrosion of industrial relations shall lead to less governance capacity, and growing inequalities (Keune, 2015).
The implicit, underlying assumptions of ESF on CVT... and their limits

- Too frequently, public and private evaluation of ESF focuses on its bureaucratic complexity. National and regional policy makers seek to optimize the ESF consumption rates (« dégagement d’office » : Lebrou 2015).

- « Qualification of work » is a social construction. Far beyond workers’ « skills » chimera (Zarifis, 2014), it depends on power games within the companies and the society (Freysinnet, 2005). In capitalism, processes of negation and dispossession of workers’ abilities through (authoritarian) labour division (Naville, 1957 ; Marglin, 1974).

- Public policies merely aimed at promoting the « transferability » and « portability » of workers’ skills, are rather resolving a business collective action. Echoes a wider problem in the scholarship on « varieties of capitalism » (Culpepper, 2003)

- « Best practices » (such as CQP or CQPI : sectoral or intersectoral authoritative certifications) can be shared through OMC mechanisms. But impact is structurally limited and depends on domestic power games! (Sisson et al., 2003)
How to strengthen the impact of ESF on CVT?

Many interesting political proposals and administrative tools in the ESF to be exploited

- Consider IR actors (e.g. OPCA and FPI) as institutions in charge of implementing collective bargaining strategies, not as brokers for labour market policies which can be « adjusted » (Schömann, 2014). Have a look at foreign examples of deregulated CVT (Cooney, 2010).
  → Support collective bargaining over CVT: such institutions are often weak (Heyes, 2007).

- Encourage authoritative certifications, beyond the « general » versus « specific » debate (Zimmerman, 2004; Busemeyer, 2009).

- Facilitate the recognition of non-formal education outcomes

Risks which need to be taken into account for policy making

- Risks of « non-formal education » and « digitalization » agenda
  → developed to encourage training « on the job » and commodification of CVT « market »

- Risks of amplifying IR decentralization, through the encouragement of regionalized CVT structures. Example of Lombardy: split between collective bargaining and ESF

- Full employment and better jobs ONLY through higher skills is an illusion!
Categories of low-skilled jobs will continue to grow 2013-2025 (CEDEFOP forecasts)

<table>
<thead>
<tr>
<th>Category</th>
<th>Replacement Demand</th>
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</thead>
<tbody>
<tr>
<td>Managers</td>
<td>7,247</td>
</tr>
<tr>
<td>Professionals</td>
<td>18,738</td>
</tr>
<tr>
<td>Technicians and associate professionals</td>
<td>10,084</td>
</tr>
<tr>
<td>Clerks</td>
<td>12,748</td>
</tr>
<tr>
<td>Service workers and shop and market sales workers</td>
<td>15,284</td>
</tr>
<tr>
<td>Skilled agricultural and fishery workers</td>
<td>8,057</td>
</tr>
<tr>
<td>Craft and related trades workers</td>
<td>8,783</td>
</tr>
<tr>
<td>Plant and machine operators and assemblers</td>
<td>4,393</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>12,601</td>
</tr>
</tbody>
</table>
Broader and sensitive questions that deserve to be discussed

- Conflicting agendas: rely on employers’ « freedom » to foster « competitiveness » (Hay and Rosamond, 2002) or « educate capitalists » ? (Streeck, 2004)
- Labour market hegemony in the definition of « skills » (Hirtt, 2013)
- To sum up: think beyond employment (Supiot, 2016) and fordist nostalgy (Trentin, 2012)
- Illusion of « lifelong learning » as an opportunity of artificial consensus for conflicting interests.
  ⇒ politics of training taxes and transformation of social security into insurance (Ramaux, 2007).

Why not encourage a radical split between four different areas currently confused?

- Public and associative educational structures → Citizenship and non formal education
- Public-driven, national training structures → Authoritative certifications
- Sectoral training structures, with collective bargaining → Authoritative certifications
- Employers, with employees representatives control → Compulsory adaptations to job transformations and legal evolutions
Thank you!

Comments and questions are most welcome, anytime

→ josua.grabener@umrpacte.fr