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DG Employment, Social Affairs and Inclusion  
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# AIRMULP POLICY PAPER



## Active Inclusion and Industrial Relations from a Multi-Level Governance Perspective (AIRMULP)

Policy Paper No. 2:  
*Active Inclusion and Industrial Relations  
at the National Level in 4 EU Countries*

### The AIRMULP Project

#### Objectives of the research

The AIRMULP Project focuses on the **relationship between the active inclusion strategy and industrial relations**.

More specifically, the project is concerned with the analysis of active inclusion issues – e.g. social exclusion, in-work poverty, labour market segmentation, long-term unemployment and gender inequalities, income support and inclusive labour markets – in the framework of social dialogue and collective bargaining, **at three different levels, namely European, national and sub-national (regional and/or local)**.

The research examines objectives and strategies as well as successes and failures of social partners at these levels. This includes, where possible, the identification of good practices and of comparative lessons. Besides, the Project studies the **interactions between levels**, i.e. the extent to which there is vertical coordination between the three levels. As it is well known, in fact, agreements signed at European level (such as autonomous framework agreements), national-level tripartite social negotiation, territorial pacts and regional collective bargaining are more and more interconnected, and their implementation and functioning depend on how coordination is effective.

The Project is sub-divided into **four work packages (WP)**. In detail, WP A focuses on the European level, WP B on the national level, and WP C on the sub-national (regional and local) level, while WP D is devoted to the analysis of **multi-level governance**.

The analysis concentrates on **six European countries**, each of them showing specific problems of labour market under-performance and/or inequalities: **France, Italy, Spain, Poland, Sweden, and the United Kingdom**.



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<b>Scientific approach / methods</b>	<p>AIRMULP uses a mix of qualitative and quantitative methods of data collection and analysis. In particular, it carries out:</p> <ul style="list-style-type: none"><li>• Analysis of available statistical data;</li><li>• On-desk analysis of scientific literature and official documents concerning active inclusion policies (included the current EU, national and regional legislation, the available texts of social pacts and collective agreements);</li><li>• Interviews with key informants (such as representatives of the social partners at each level, members of EU institutions as well as national, regional and local governments, various stakeholders, and other qualified actors).</li></ul>
<b>Coordinator</b>	Prof. <b>Luigi Burroni</b> , University of Florence (Italy)
<b>Consortium</b>	<p>The Project relies upon a consortium of four academic institutions from four European countries:</p> <ul style="list-style-type: none"><li>• <b>AIAS</b> (Amsterdams Instituut voor Arbeidsstudies), University of Amsterdam (Netherlands), Prof. Maarten Keune;</li><li>• <b>DSPS</b> (Dipartimento di Scienze Politiche e Sociali), University of Florence (Italy), Prof. Luigi Burroni (project coordinator);</li><li>• <b>IRRU</b> (Industrial Relations Research Unit), Warwick Business School (UK), Prof. Guglielmo Meardi;</li><li>• <b>QUIT</b> (Centre d'Estudis Sociològics Sobre la Vida Quotidiana i el Treball), Autonomous University of Barcelona (Spain), Prof. Antonio Martín Artiles.</li></ul>
<b>Duration</b>	<b>24 months</b> (from 15 December 2014 to 14 December 2016)
<b>Funding Scheme</b>	The AIRMULP Project has received funding from the European Commission – DG Employment, Social Affairs and Inclusion, under the Budget Heading 04.03.01.08, “Industrial Relations and Social Dialogue”. Agreement number: VP/2014/0546.
<b>Website</b>	<a href="http://www.airmulp-project.unifi.it/">http://www.airmulp-project.unifi.it/</a>
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<b>For further information</b>	Please, contact the Project coordinator: <a href="mailto:luigi.burroni@unifi.it">luigi.burroni@unifi.it</a>

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## Work Package B (WP B)

## Active inclusion and industrial relations at the national level

### Research unit in charge of the work package

IRRU, QUIT

### Objectives of the work package

WP B focuses on the relationship between active inclusion and industrial relations at the **national level**, concentrating on **six countries**, each of them showing specific problems of labour market under-performance and/or inequalities: **France, Italy, Spain, Poland, Sweden, and the United Kingdom**.

Existing research on the *European Employment Strategy* has underlined a certain degree of convergence between countries, but also relevant differences in its implementation as well as structural limitations to mutual learning. Moreover, in terms of process, the involvement of social partners in policy making and the intensity of social dialogue has also differed deeply among European countries, with many New Member States leaving little space to it. Yet it has been shown that national social dialogue can have an important role in the process. In general, national social dialogue and industrial relations practices may have both “positive” effects (by increasing legitimacy and the space for expression and participation, as well as the expression of preferences by the involved actors) and “negative” ones (e.g. through the institutionalisation of veto players).

This Work Package compares countries that belong to different clusters of industrial relations and traditions of social dialogue, but have all experienced serious labour market problems: three of them (France, Italy and Spain) are included in the Southern cluster and have been hit severely by the economic crisis, but have shown different trends in social dialogue (increasing in France, decreasing in Spain, erratic in Italy). More specifically, it focuses on national social partners’ different understandings of active inclusion, and on the role they have played in policy making and implementation. A further area of analysis is the specific representation, in the framework of social dialogue, of groups that are meant to be the main beneficiaries of active inclusion (i.e. women, young people, older workers, disabled persons, migrants). Social dialogue practices and collective agreements are, then, selected for deeper analysis in order to detect possible comparative lessons.



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## Key findings of the work package

**THE CONTEXT.** Across France, Italy, Spain and the UK, the four countries analysed so far, active labour market policies are deeply rooted in national traditions that predate the European Commission's *Active Inclusion* policy of 2008. Our 54 interviews with labour market experts and social partner representatives reveal that **engagement with EU-level initiatives is generally superficial or subordinated to domestic political priorities.** This is not surprising as previous research on implementation of EU policies in the employment sphere has classified these four countries as cases of limited compliance (according to Gerda Falkner's authoritative analysis, Spain and UK prioritise domestic politics, France disregards EU policies, and Italy limit itself to 'dead-letter' implementation).

The different employment regimes are apparent in the different expenditure on income support and active labour market policies: the UK spends much less than the other countries, while in the other three countries expenditure per unemployed person is roughly similar, but it is spread over more participants in France while it is concentrated on certain categories in the more segmented Italian and Spanish cases. Italy stands out for not having introduced a national minimum income scheme.

**THE DISCOURSE.** National differences are particularly visible in the **different discourses on active inclusion.** The impact of the recent crisis has even deepened the gaps in this regard. In particular, in Italy and Spain the discourse is focussed on the long-standing issues of flexibility and age segmentation, which are given even more prominence in the context of the recent crisis. By contrast, in France and UK there is a persistent attachment to national approaches to labour market inclusion, which can be defined as, respectively, insertion-focussed and workfare-focussed. In France we find a stronger emphasis on the social, rather than individual explanation of unemployment and labour market detachment, and current government proposals of labour market reforms meet widespread resistance. In the UK, unemployment is understood as an individual responsibility. The national differences allow us to conclude that the EU discourse on active inclusion has been much less successful than that on flexicurity in stimulating and framing debates and policy innovation.

**POLICY COORDINATION.** All cases display **weak vertical coordination** with supra-national (EU) and sub-national levels. EU recommendations on active inclusion appear as more influential in France, but even there in a very politically-mediated form. Italy and Spain are too focussed on structural reforms within the Eurozone governance to allow much attention to other issues. The coordination with subnational levels is particularly difficult in Spain, where a contradiction between centralisation of financial control and decentralisation of risks occurs.

**Horizontal coordination among policy fields is also limited,** despite moderate positive effects of EU-demanded National Plans against



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poverty and social inclusion, which are most visible in France. UK policies appear as particularly disconnected horizontally, although the benefit system is being integrated into one universal credit system.

**CHANGES IN EMPLOYMENT SERVICES.** Despite enduring differences and the low incisiveness of EU initiatives, some common trends are discernible. First, a **rise in conditionality** of income support. Of the four countries, the UK is where conditionality is most strictly enforced. Secondly, with the exception of Italy, there has been a **move towards a 'one-stop shop'** system of job seeking assistance and unemployment benefits management. Thirdly, overall **marketization processes** have affected public employment services across the four countries. This last trend is associated with evidence, in particular in the UK and France, of the negative tendency to 'cream and park' different categories of job seekers, resulting in further exclusion for those groups that are more difficult to allocate in the labour market.

**SOCIAL DIALOGUE.** Central governments play the core role in the definition of activation strategies, but social dialogue institutions and actors have had varying levels of impact depending on the country. In this regard there has been **considerable change in comparison to the 1990s**, when social 'concertation' on employment policy was frequent in Italy and Spain, e.g. through 'social pacts', but nearly inexistent in UK and France, characterised by more centralised governments and by low trust among social partners. In the period since the launch of active inclusion policies, social dialogue has been marginalised in the countries where it used to be strong, but are now hit by economic crisis and requests of structural reforms. It has by contrast increased in France, following the Law on the modernisation of social dialogue of 2008, with a number of tripartite agreements and with intensive consultation, even if the government maintains the right to ultimately decide. The UK has not followed the same path as France and consultation of social partners remain limited to the arm-length collection of opinions on policy proposals. It appears therefore that **employment has the potential, as in the 1990s, to vitalise social dialogue** as a 'positive-sum' game even in countries where it was previously weak, but that **the framework of hard budgetary constraints introduced by the new Eurozone governance leaves less space to it.**

Our interview and documentary materials point however to a growing interest of social partners – and in some cases, of the Third Sector of non-governmental organisations and charities - in social dialogue on employment policies and particularly on the inclusion of marginal groups. The weakness of social dialogue seems therefore linked more to structural and governmental factors than to social partners' neglect of outsider groups.



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## CONCLUDING REMARKS.

- The EU-level policies and agreements on active inclusion still have limited incidence on national employment policies. To involve national actors more, a more complex process of translation and adaptation to national conditions and priorities is needed, alongside the recognition that labour market inclusion of excluded groups is a goal not to be subordinated to other financial and regulatory targets.
  - Horizontal and vertical co-ordination of active inclusion policies remain weak. In particular, different policy areas - education and training, employment services, income support - refer to different ministries and departments, with largely insulated decision processes.
  - In all countries – although most visibly in the UK – processes of marketization and increased conditionality of services are associated with processes of ‘creaming and parking’ of different categories, which ultimately contradict the objectives of active inclusion.
  - Social partners display an important potential of social dialogue for elaborating and implementing active inclusion policies, but this potential remains largely untapped because of the subordination of employment policies to financial and regulatory objectives.
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