



Funded by the European Commission
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AIRMULP POLICY PAPER



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

Policy Paper No. 3:
*Active Inclusion and Industrial Relations
 at the Regional and Local Level*

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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Scientific approach / methods	<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"> • Analysis of available statistical data; • 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); • 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).
Coordinator	Prof. Luigi Burroni , University of Florence (Italy)
Consortium	<p>The Project relies upon a consortium of four academic institutions from four European countries:</p> <ul style="list-style-type: none"> • AIAS (Amsterdams Instituut voor Arbeidsstudies), University of Amsterdam (Netherlands), Prof. Maarten Keune; • DSPS (Dipartimento di Scienze Politiche e Sociali), University of Florence (Italy), Prof. Luigi Burroni (project coordinator); • IRRU (Industrial Relations Research Unit), Warwick Business School (UK), Prof. Guglielmo Meardi; • QUIT (Centre d'Estudis Sociològics Sobre la Vida Quotidiana i el Treball), Autonomous University of Barcelona (Spain), Prof. Antonio Martín Artiles.
Duration	24 months (from 15 December 2014 to 14 December 2016)
Funding Scheme	<p>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.</p>
Website	http://www.airmulp-project.unifi.it/
Authors of this paper	Andrea Bellini (DSPS), Luigi Burroni (DSPS), Gemma Scalise (DSPS)
For further information	Please, contact the Project coordinator: luigi.burroni@unifi.it



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Work Package C (WP C)

Active inclusion and industrial relations at the regional and local level

Research unit in charge of the work package

DSPS

Objectives of the work package

WP C focuses on the relationship between active inclusion and industrial relations at the **sub-national level**. The devolution of competences related to active inclusion to either regional or local governments, together with the decentralisation of industrial relations, enlarges the room for manoeuvre for social partners. Despite this trend, there are few studies on the dynamics of industrial relations at these levels, even if the regional dimension of labour market and social integration plays a very important role in many European countries. However, the institutional architecture underpinning the territorial dimension of industrial relations varies considerably across countries, and it is unclear if this masks the existence of shared, cross-national, principles framing industrial relations practices at decentralised level.

This Work Package proposes a cross-national comparison of territorial-level experiences of social dialogue and collective bargaining related to active inclusion. The results are intended to deepen knowledge of the role and efficacy of the various regimes of sub-national labour regulation across Europe and of its relationship with active inclusion.

More in detail, it examines **industrial relations practices undertaken at sub-national level**, in order to bring to light the **relationship with active inclusion**, and contribute to the **identification of a repertoire of good practices**.

The research activity is based on **six case studies**, selected among **larger regions which contain a “second-tier” city**, that is the largest city in a country, excluding the capital. These cases are: **Rhône-Alpes and Lyon** (France); **Lombardia and Milano** (Italy); **Catalunya and Barcelona** (Spain); **Dolnoslaskie and Wroclaw** (Poland); **Västsverige and Göteborg** (Sweden); **Greater Manchester and Manchester** (UK).

The analysis, then, has the purpose of revealing common features and differences between the case studies as well as regional specificities within the selected countries. Furthermore, it aims at identifying different **approaches to active inclusion**, outlining their strong and weak points, and evaluating their outcomes.

In addition, the Work Package gives an important contribution to the **multi-level analysis** of the overall project by studying how the actions undertaken by social partners at regional or local level are influenced by the institutional architecture and by the actors' strategies at national and European level.



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Key findings of the work package

THE CONTEXT. The research, in the first phase, has concentrated on four case studies: Rhône-Alpes and Lyon; Lombardia and Milano; Catalunya and Barcelona; Greater Manchester and Manchester. Among them, two cities, Milano and Lyon, and to a lesser extent their regions, Lombardia and Rhône-Alpes, combine a high GDP per inhabitant and relatively low unemployment. As for Manchester, **growth** remains a major concern, though it has undergone a reconversion to a post-industrial city, driven by the expansion of services, particularly high-qualified services. Lastly, Catalunya and Barcelona appear as “outliers”, with a serious problem of **unemployment**, involving all weak social categories.

THE POLITICAL DISCOURSE. The analysis has outlined **four approaches to active inclusion**, different from each other with regard to focuses, target groups and modes of governance, which nevertheless seem to have a common point in **the emphasis on the dimension of activation and on the personalization of policies and services**. In general, the rhetoric of activation seems to be widely accepted and implemented through the **principle of conditionality**, which in some countries (and regions) is extended to social policies. Among the four cases, however, only in Great Manchester, and since more recently in Lombardia, this principle is associated with **a goal-oriented approach** to the delivery of services. On the other hand, a “pragmatic” attitude of both regional and local actors has emerged with regard to the necessity/opportunity to use EU funds. In this sense, all four cases have shown the key role played by the ESF in conveying the fundamental principles of active inclusion, and therefore inducing isomorphism, but also implying forms of vertical coordination.

POLICY MEASURES. Despite the political discourse does not refer openly to active inclusion, key elements of this strategy can be found in policy plans and measures adopted by either regional or local governments. In all four cases, for instance, there are **mechanisms that link minimum income schemes to activation policies**, with an increasing extension of the principle of conditionality to welfare policies as a whole. Besides, almost all initiatives examined refer to the principles of **personalization and tailoring of services**, and on the other hand follow **a welfare-to-work logic**, whereby all those that have the potential to work must be helped to move into employment, above all in the prospect of **reducing the number of benefit claimants**, though this is far more accentuated in the British case. A convergence in the design of policies and in their underpinning principles can be observed particularly between the cases of Greater Manchester and Lombardia, for example with regard to the reference to the principle of **goal orientation** and to the recourse to **payment-by-result** mechanisms. More generally, among the strands of active inclusion, poor attention is paid to promoting quality jobs. In this sense, the approaches to welfare policies in the four regions appear strictly mainstream, with some exception at local (sub-regional) level.



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MAIN ACTORS. The **regional government** is a key actor, above all in the field of active labour market policies, though the **State** is still dominant in France (despite decentralization) and in the UK (despite “devolution” to city-regions), while Italy is facing a process of re-centralization of labour policies (but Regione Lombardia has succeeded in preserving its role as well as its model of service delivery); on the other hand, in Spain, State and Autonomous Communities are in competition with each other. As for **social partners**, they continue to play a critical role in Lombardia, where they are involved in an intense social dialogue, which often leads to the making of negotiated policies, though it is a case of “pragmatic” negotiation, mostly aimed at the *implementation* of policies. In France, and particularly in Rhône-Alpes, where they have little legitimacy, they are increasingly involved in social dialogue, though in a merely formal manner. In Spain and Catalunya, instead, since the acute phase of the crisis, they play a marginal role, with no room for negotiation, while in the UK and Greater Manchester they are traditionally excluded from policy making. On the other hand, **new actors** have entered the political space, eroding the room for manoeuvre for social partners. These are: **third sector organizations**, increasingly important in the Catalan case, but also in Lombardia (where they play a subsidiary role), and in Greater Manchester (as “delivery partners”); and **formalized “alliances”**, which include also social partners in the case of Rhône-Alpes, while take the shape of **public-private partnerships** or **institutionalized (employer-led) interest groups** in Greater Manchester. What is noteworthy, in the end, is that in none of the four cases social partners are involved in the phase of agenda setting. This means that they have not the power to influence the definition of policy priorities, but are pragmatically engaged in the implementation of policies and/or the delivery of services.

METHODS OF REGULATION. In general, **unilateral policy-making** seems to be prominent in at least three cases. Even where it is stronger, as in Lombardia, **social dialogue** seems to be more an important means to ensure legitimacy and create consensus around policies than a method for the joint construction of the political agenda. On the other hand, it is to be said that in Lombardia social partners and social dialogue have played a relevant role in improving the system of labour policies. Where social dialogue is instead present, but in a softer version (Rhône-Alpes), or simply weaker (Catalunya), mechanisms of **deliberative democracy** are also adopted, which nevertheless are often of a ritualistic nature.

COORDINATION. Both vertical and horizontal coordination are generally weak. A robust social dialogue (Lombardia) or a formal social dialogue associated with a muscular role of public actors (Rhône-Alpes) have not translated into a strong coordination between actors at different levels, nor has it favoured the integration of policies. On the other hand, in Greater Manchester efforts have been made in this direction, though the degree of policy integration is still relatively low.



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CONCLUDING REMARKS.

- **Industrial relations matter, but do not play a crucial role**, not in conveying, nor in contrasting the rhetoric of active inclusion (and its translation into practice).
- **Social dialogue** seems to be above all an important means to create consensus around policies.
- A trend can be observed towards the reshaping of social dialogue and the growing recourse to **deliberative mechanisms**.
- Antithetical positions concerning the relevance of social dialogue, such as those represented by Lombardia and Greater Manchester, have not impeded these regions to develop **common features** (e.g. increasing use of conditionality, goal orientation, payment-by-result, openness to private providers).
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- No echo of the **European social dialogue (ESD)** can be heard at the regional or local level. Few key informants, for example, reported that they were well informed about the *Autonomous Framework Agreement on Inclusive Labour Markets* (2010). This reveals that the relationships between the European social partners, associate members and their territorial structures are extremely loose.