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AIRMULP POLICY PAPER



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

Policy Paper No. 5:
*Active Inclusion and Industrial Relations:
The Comparative Analysis*

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	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.
Website	http://www.airmulp-project.unifi.it/
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Active Inclusion and Industrial Relations: The Comparative Analysis

Key findings

This policy paper results from the comparative analysis of the research conducted in the framework of the WP A, WP B and WP C of AIRMULP project. It focuses on the analysis of the multi-level governance, which is an outcome of the European integration process, based on the idea of the existence of multiple linkages between the EU level and national/sub-national levels, with increased interdependence between levels and governance mechanisms as well as actors. As such, multi-level governance provides the actors involved in the field of active inclusion - included industrial relations actors- with multiple options for actions and interventions, and for choices between these. The multi-level governance approach goes beyond national-level case studies and allows for the analysis of the interdependence between these three levels – European, national and territorial. Here we adopt a twofold approach to the multi-level governance: on the one hand, it focuses on *horizontal* governance, namely governance and coordination mechanisms among policies in the field of active inclusion and actors involved in this arena, especially industrial relations actors; on the other hand, it is interested in the *vertical* multilevel governance, and analyses both top-down and bottom-up relations between different levels of active inclusion governance and of industrial relations (European, national and territorial).

The multi-level governance of active inclusion and the role played by industrial relations in this arena have been analysed in AIRMUL project through different perspectives. The policy paper n.4 – result of WP D - gives an overview about the relation between social inclusion and labour market regulation in Europe through the analysis of the different forms of inclusive labour markets in EU countries. The “inclusiveness” of EU labour markets is explored through both the quantitative and qualitative dimensions of employment, and the role played by social partners and public policies for the employment quality is also highlighted. Through a quantitative analysis, it demonstrates the direct and indirect impact – via public policies - of industrial relations on the rise or demise of inclusive labour markets. In particular, the analysis shows that: firstly, high levels of employment do not always correspond to a high level of inclusion in the labour market in qualitative terms, even if there is a slightly positive relationship between the two dimensions; secondly, that industrial relations practices have a weight in reinforcing employment quality.

In this policy paper the multi-level governance is analysed from a qualitative perspective through a comparative analysis of the findings from the projects' case-studies. This section interconnects the EU level with the national and regional level-analysis of six EU countries (Spain, Sweden, UK, France, Poland and Italy) and adopts a transversal overlook to deepen the multi-level governance of active inclusion from both a vertical and horizontal perspectives.



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Three key issues are here specifically addressed:

1. The policies for active inclusion and the logics of functioning behind these measures;
2. The method of regulation and the role played by the state and social partners;
3. The coordination between levels, policy-fields and actors.

This comparative overlook of both the horizontal and vertical coordination between policy fields, between actors and the levels of governance allows to argue that:

- Although the project does not find a direct “top-down” impact of the EU Active Inclusion Strategy on the countries that we have analysed, it is possible to identify both at national and regional levels many policies addressed to “those furthest away from the labour market” interviewed with income support programs. Behind these policies we find common working principles and logics, coming from the EU rhetoric and debate. For instance, in every country we find the ideas of “flexibility”, “conditionality” and “individualisation”, which are increasing everywhere. However, different meanings are attributed to these concepts in the diverse contexts, where we find “bottom-up” processes through which they are reinterpreted differently.
 - Concerning the actors, the State plays the most relevant role in the policy-arena of active inclusion, as shown by all the case studies, but it is interesting to note the different types and forms of action of the State. The agency of the State, which takes place in different forms of collaboration with other actors, makes the difference in the adopted activation strategy, through which it can sustain the market regulation or an associative one. At the same time, social partners and new actors have some room of manoeuvre and act in these policy field too. We find different types of action and interaction between the state and social partners. Actors behave differently and follows diverse logics. The case-studies show that social partners sustain active inclusion with a direct action through services, with an indirect influence on policies (lobbying and pressure) and with a direct influence through social dialogue and participation in the policy making.
 - A weak vertical and horizontal coordination have mainly emerged from the case-studies between levels, actors and policies – except for the Swedish case - and a strong fragmentation between policies and measures has been observed. Although the low level of influence of the EU Active Inclusion Strategy, we
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noted a major influence of the EU level on national and subnational regulations which increased during the crisis: the different forms of financial and political support by the EU to national and local actors and policies depend, in fact, on certain conditions. This “governance by conditionality” by the Commission (see WP A), which supports certain predefined activities, affects national and local policies. At the same time, a sort of “Europeanisation from below” shows how nationally and locally “embedded” are the strategies and policies that steer actions in the national contexts. The different forms of inclusive labour markets highlight that it is not possible to find “one best way” related to the active inclusion strategy and that no measure fits well with all contexts and levels.

This comparative analysis allows to reflect on some core questions related to AIRMULP project, to focus on the relation between industrial relations and active inclusion and on the effective impact of the European level of regulation in this field. The analysis also shows both processes of convergence and differentiation between the countries that can be discussed, related to the different regulatory architectures and their impact in terms of inclusion/exclusion in the European labour markets.

At the EU level the social partners have an interest in active inclusion, which has been identified as key to strengthening the labour market position of the weaker. Active inclusion is considered as an area of importance which includes youth employment, gender equality, training and lifelong learning, inclusion of migrant workers and labour market analysis. As demonstrated by the autonomous framework signed in 2010 by ETUC, BUSINESSEUROPE, UEAPME and CEEP and by the Work Programme 2012-2014 of the European social partners, there is a shared aim of putting forward solutions to EU labour markets problems to contribute to employment and social cohesion. The promotion of such agreement and work program, however, has been weak. This is due to, as said, their difficult implementation which depends strongly on national and local/regional social partners in the member states, and to the restricted room for manoeuvre of social dialogue related to the austerity policy in the period of the economic crisis. Also EU social partners, however, didn’t achieve their objectives of cooperation between themselves, of influencing European and national policy makers, and cooperating with social partners at the national and regional levels. Anyhow, “active inclusion” elements and concepts are present in the different policy instruments adopted by the EU and the central idea associated with it – the need to increase labour market participation through activation, conditionality of benefits and active labour market policies as the best way to include vulnerable people – is at the core of the European social and labour market policy, with an important



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influence on national employment policies. The European level of regulation has an impact in this field, which grew in importance since the end of the '90s, through the hard and soft policy tools of the EU. The emphasis on getting people into work and limit public expenditure increased with the economic crisis, which reinforced the economic perspective on the goals of the European social policy. This supranational influence on national social and employment policies is evident in the tools adopted by the EU, i.e. the Troika programs, the European social fund, the European semester process.

The implementation of EU policy and recommendations varies in the national and regional contexts. This is important to note if we want to reflect on the possible processes of convergence and differentiation between the countries and on the impact of the different regulatory architectures in terms of inclusion/exclusion in the European labour markets.

Forms of convergence in the adoption of some concepts (i.e. conditionality and individualisation) or in the actions carried out by the State can be found, but many elements and forms of divergence are also highlighted in the country-studies about the measures, policies, logics of action, actors involved etc. Looking deeper through the case-studies we can observe that convergence is limited, and although processes of hybridisation are taking place, national distinctiveness in labour market and social policies as well as the endurance of national institutional architectures and systems of industrial relations prevail.

The diverse models of active inclusion have differentiated impacts in terms of inclusion/exclusion in the labour market. As both the quantitative (policy paper n. 4) and qualitative (policy paper n. 5) analysis show, there are different outcomes in terms of quantitative and qualitative inclusion in the European labour markets. Obviously, there are many elements that affects these outcomes (i.e. level of expenditure in the different policies) but the role of industrial relations' actors, the adopted activation measures and their logics as well as the coordination among levels of regulations help to explain some of the dynamics taking place in the countries and gives us important element to better understand the multiple relationships between the EU and national and regional levels in the field of active inclusion.
