Active Inclusion and Industrial Relations from a Multi-Level Governance Perspective (AIRMULP)
The multi-level governance

AIRMUL Final Report

Report n. 5

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Contents

1. Introduction. Active inclusion and industrial relations: The multi-level governance perspective.

AIRMULP project analyses the relationship between the strategy and implementation of active inclusion and industrial relations, at different levels. The adopted analytical approach, based on the multi-level governance analysis, addresses three levels – European, national and territorial - and studies the objectives, strategies and actions of social partner in this field at these levels. This includes the extent to which there is horizontal and vertical coordination between policy-arenas, between actors as well as between the three levels of governance.

This report, together with the WP D report (n.4), focus on the analysis of multi-level governance. The multi-level dimension 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. The project adopts 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 are analysed through two different perspectives, which are developed in report n. 4 and n. 5. The WP D report (n.4) aims at giving 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, the report n.4 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 report n. 5, instead, the multi-level governance is analysed from a qualitative perspective trough a comparative analysis of the findings from the projects' case-studies. This report 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. Three key issues will be 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 we do 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 analysed 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 involved 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. In particular, 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 have also 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 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 will allow to reflect, in the conclusive part of the report, on some core questions related to the project. The last section discusses the relation between industrial relations and active inclusion and the effective impact of the European level of regulation in this field. We will also argue whether it is possible to identify processes of convergence/differentiation between the countries and what is the impact of the different regulatory architectures in terms of inclusion/exclusion in the European labour markets.

2. Active inclusion from the multi-level perspective: A transversal reading of the case-studies results

The comparative analysis between levels of regulations (vertical), and between the six national and regional case-studies (horizontal), allows to deepen the relation between social inclusion and labour market regulation using qualitative information and focusing on the relationship between active inclusion and industrial relations. This section is based on the information collected at the EU level and at the national and regional levels in six countries - Spain, Sweden, UK,

France, Poland and Italy - and focuses on three key-issues: firstly, the policies for active inclusion and the logics of functioning behind these measures; secondly, the method of regulation and the role played by the state and social partners; thirdly, the coordination between levels, policy-fields and actors.

3.1 The methods of regulation of the policies for active inclusion and the logics of functioning behind these measures

The comparative analysis of the results of the researches conducted at the national and regional levels shows a very weak impact of the EU Active Inclusion Strategy on the countries that we have analysed. However, it is possible to identify both at national and regional levels many policies addressed to "those furthest away from the labour market" combined with income support programs. These policies are based on common working principles and logics. The EU promotes ideas and concepts which are shared at the national and regional levels, and inspire different policies. However, they are often interpreted with different meanings, which depend from a "local reinterpretation" and reconstruction of sense. Such concepts have often ambiguous or a wide sense (Burroni and Keune 2011) which allows them to have diverse attributed meanings and implications. This is true for the concept of "active inclusion", which can be found in all the different contexts and levels with diverse connotations: while in Sweden and France, for instance, the focus appears to be on *excluded people*, and the sense attributed to activation is to expand social inclusion and participation in society through employment and social policies - in a context based on reciprocal engagement where community takes charge of those in need - in the national debates in UK, Poland, Spain and Italy, but also in the EU debate, the focus is shifted specifically towards *unemployed people* and the aim is mainly increasing the participation in the labour market, as tool for economic growth and integration. This "local adaptation" of EU concepts - which is rooted in the political interests and cultural traditions - is true also for cases of recent EU accession, like Poland: although the attentive transposition of EU legislation and the attention to EU discourse, the implementation of activation measure is "adjusted" to national strategies. An "universalistic model of activation" based on an encompassing and redistributive income security together with active measures is opposed to a "selective model of activation" (Johansson and Hvinden 2007) focused on individuals' behaviour and burden on public assistance.

France, Sweden and the UK are examples of national frameworks where the *activation* narrative widely developed in a country-specific fashion, reflecting peculiar features of the social model and employment relations regime in which

are embedded. France displays a longstanding tradition of *insertion* and *accompagnement* in active inclusion strategy; in Sweden the notion of inclusion into the labour market underpins the historical configuration of the whole welfare system; while in the UK, the politics of *worklessness*, *workfare* and '*making-work-pay*' traced its origin back to the 1980s and persisted until nowadays. In the case of Poland active labour market policies have become more important in concomitance with the EU accession. The comparative perspective across these six countries allows us to locate the principles underpinning the logics of functioning of these policies along a continuum between an *individual* and a *collective* approach to unemployment. Perhaps rather unsurprisingly, the UK straightforwardly embodies the ideal-typical 'model of human action that emphasizes individual behavioural explanation for unemployment' rather than a social one (Wright 2005: 91). In Poland, the need to improve employment rates, especially for specific groups such as women and older workers, clashes with a traditional, family-centred view of the economic organisation of society. France is positioned at the opposite end of the continuum, with a stronger emphasis on the *social,* rather than individual explanation to unemployment and labour market detachment. Social and professional inclusion indeed is considered a collective issue: it follows that the state has the obligation to address them. The Swedish economy relies on a full-employment political economy approach that makes activation a core duty of the state. Italy and Spain fall between the two extremes, where a sort of paradigm shift is occurring, tending to move from social responsibility towards the individualization of rights and duties.

(AIRMULP project, WP B report)

Different logics can be found behind also other, more general and transversal concepts, related to different policy arenas (i.e. we find them also in industrial policies), such as "individualisation", "conditionality" and "flexibility". Within the national labour market policies, we find different meanings associated to these principles: individualisation is mainly referred to the "individualisation of responsibility" in the UK, in the sense that the condition of the person depends on his/her individual investment. This is the logic behind the "making work pay" idea, aimed at reducing dependence from subsidies though an individualistic understanding of unemployment. However, individualisation also refers to the measures, the targeted measures adopted, in a framework of shared and public responsibility (i.e. Sweden, FR).

"Conditionality" is in same cases used in terms of general proof of means, not directly linked to activation (UK, FR), but it is also directly connected to activation, when subsidies are bounded to training, active job-search and job offer acceptance (Sweden), at national and regional levels. Conditionality is a basic

principle for the access to EU financial support, which depends from certain conditions (i.e. financial support conditioned by detailed reform programs formalised in Memorandums, country-specific recommendations, Troika).
Finally, the concept of "flexibility" appears in the different countries as a general principle addressed to all the participants of the labour market, but sometimes this is addressed, however, to specific groups, such as when flexibility is "at the margins" – when dualisation characterises the labour market - and flexible workers are vulnerable groups like youths (SP, IT, PL, UK, FR), women (IT, FR), immigrants (Sweden, PL, FR, SP) or low skilled people (SP, IT, PL, Sweden, UK).
Some ambiguities and contradictions emerge from the political discourses both in the EU and national/local contexts: the ideals of "equal and good society", "socially sustainable city" and the goal of "combating exclusion" crash with the scope and pragmatic objective of "shorten the way for people to self-sufficiency" in order to unburden the social assistance dependency, based on the general idea that everyone can, if given enough support and coaching, find an employment (Halleröd 2012). There is a tendency, which has been reinforced in the last years by the challenge to the welfare system due to the crisis, austerity and to record numbers of asylum applicants in some countries (i.e. Sweden), in the investigated national policies to implemented activation principles not only in the unemployment insurance (SP), but also in the social assistance system (UK, Sweden).

Beyond ideas and concepts, looking at the active inclusion policies, the multilevel governance emerges when the EU coordinates national economic and employment policies through policy proposals – i.e. through the European semester – recommendations and funding. In particular, the European social fund (ESF) shows a multi-level character (see WP A) since the projects - which follow EU objectives - are co-funded and carried out by local partners (public and third sectors). The presence of the ESF linked to activation measures emerges particularly at the regional level, especially in countries like Italy, Spain, Poland and France, where fiscal austerity, cuts or scarcity of national funds make the EU funds perceived as essential. However, the EU has a double effect: on the one hand, it provides resources in order to support vulnerable groups including them into the labour market, improving education and training; on the other, through the effects of austerity, it encourages the reduction of public expenditure, threats adequate income support – embittering conditionality - as well as the quality services and thus employment opportunities particularly for the most vulnerable.

The ESF has a pronounced multi-level character as overarching goals are set at the European level, country programmes are negotiated between the Commission and national authorities, and individual projects are co-funded and carried out by local partners of both public and third sectors applying for funding. For the programme period of 2014 – 2020, the Commission identified

four main overarching objectives for the ESF: 1) promoting sustainable and quality employment, 2) promoting social inclusion, 3) investing in education, training and lifelong learning, and 4) enhancing the efficiency of public administration (EC 20159. In negotiating the national programme priorities set out in Operational Programmes (OPs) with member states, the Commission took as starting points the Europe 2020 Strategy, CSRs, and the Commission's socio-economic analyses of member states. Although this is a negotiated process, the OPs may be said to reflect Commission priorities somewhat more than country priorities, as OPs must be in line with the overarching goals and the European policies as articulated in the Europe 2020 Strategy and CSRs […].
The identification of a range of prioritized 'vulnerable' target groups is very much in line with the idea of active inclusion as set out in the 2008 Commission Recommendation. Despite the loss of focused attention on vulnerable groups in European policy discourse after the crisis (described in section four), the ESF is very much oriented towards supporting vulnerable groups or preventing people from becoming vulnerable (e.g. by reducing early school-leaving). This is also very much in line with the Recommendation's diagnosis of vulnerability in terms of distance to or exclusion from the labour market. However, it remains largely unquestioned whether inclusion into the labour market is a viable option and sustainable solution for everybody. Identifying vulnerability in terms of the labour market immediately implies that the solution is in the labour market, but sometimes the labour market is the problem. Although some measures point in this direction by addressing for example discrimination and equal pay and opportunities, most of the proposed measures tend to be predominantly supply-side, 'making people fit for the market'.

(AIRMULP project, WP A report)

The EU Active Inclusion Strategy is not a reference for the national and regional policies, however the case-studies show that many measures are implemented both in the national and local contexts in order to enable vulnerable and unemployed citizen to participate in the labour market. Forms of multi-level governance emerges in all countries also between the national and local levels. Although in most of the countries labour market policies are centralised, regions and municipalities are often responsible for the implementation of policies, for services (local offices of public employment service - PES) and for the "last resort" income support. The action of municipal government often supplements the national labour market policy with various initiatives intended to create opportunities and contributing to the functioning of local labour market for

jobseekers and for employers. The initiatives are often run in close collaboration with the national PES, but at the municipal level we found practices of translation and implementation of state-induced policy, where the forms of 'activation' is mediated through established local practices and orientation (IT, SP, Sweden, FR).

Policy measures are implemented locally, though in very different ways. As regards passive policies, in the six cases they are designed at the central level and put into effect by territorial structures that are part of a national system. A remarkable exception is represented by the UK, where local delivery partnerships are built by the central government together with local authorities and third sector organizations. On the other hand, active policies are usually enacted at the sub-national, mostly regional or metropolitan-levels, though they are often designed at the national level. In most cases, social partners are not directly involved in the design of policies nor in the delivery of services. An exception, here, is represented by Sweden, where trade unions are involved in the management of unemployment insurance funds, while in the French case they have representatives in a number of bodies dealing with vocational training at the local level. In the remaining cases, social partners are mostly committed to impact active inclusion influencing policy making through social dialogue or undertaking direct (either unilateral or joint) actions. This latter is the case of Italy, where employers' associations and trade unions provide income support, training and other services through the so-called *bilateralità*, i.e. joint committees and funds.

A higher fragmentation of measures can be found in many countries, though attempts of "reunification" have been made.

- In Italy, for instance, the institutional architecture seems to have favoured a proliferation of policy measures, though usually following a principle of subsidiarity, but with some duplicates at the lower levels. The recent abolition of an intermediate level, represented by the provinces, which were in charge of the management, on behalf of regional governments, of ALMPs, might be seen as part of a process of "re-centralization" of labour policies, with a pivotal role assumed by the central government and a key role played by the regions in implementing policies, whereas local governments continue to play a basically residual role. The result of the referendum held in Italy in December 2016, with the rejection by the Italian people of the constitutional reform promoted by the Renzi government, has nevertheless plunged the governance of ALMPs into further uncertainty, since the maintenance of the current distribution of competences between state and regions endangers the reform of the PES system undertaken in the framework of the so-called *Jobs Act*.

- As for Spain, the regional government of Catalonia has set up its own version of minimum income, which is anyway supplementary to the national one. Following the model of the French *Revenu Minimum d'Insertion* (RMI), which is however a national scheme, the general objective of this regional program is the social inclusion of families with very low or no income. Spain is characterised by regional differences in benefit levels, in the scope of the programs or in the treatment of beneficiaries (i.e. the Basque Country and Navarra offer slightly higher benefits) and Catalonia differentiates in the treatment depending on the employability of the individual.
- In the case of the UK, instead, a process of "devolution" of functions has enhanced the role of city regions, what allowed, for instance, the Greater Manchester Combined Authority (GMCA) to launch a pilot welfare-to-work programme, intended to be supplementary to the *Work Programme*.
- Quite different is the case of Poland, where the set of labour policies is determined by the *Employment Promotion Act* (EPA) of 2004 and subsequent amendments, which is a national law.
- In France and Sweden, too, labour policies are a highly centralized policy field, which means that policies are designed by the central government and implemented through the territorial structures of the national Public Employment Service. The region in France and municipalities in Sweden are, however, engaged in activities related to social assistance, but are also responsible for providing support to early school leavers and NEETs. This implies that the local regulation is not a mere "implementer" of national policies, but have some autonomy on several welfare provisions and services, which vary from city to city. This configuration, in Sweden, is the result of a re-centralization occurred in the 2000s, after a process of decentralization that had transferred the responsibility for activation policies to the municipal level. This led to the creation of the Swedish Social Insurance Agency (SSIA) and of the Public Employment Service, following a merger between the National and the County Labour Market Boards (see Minas 2011). Re-centralization has, then, involved also the responsibility for youth unemployment, with the creation of the national *Youth Job Programme*, and the integration of migrants.

(AIRMULP project, WP C report)

National and local policies tackle various challenges related to social exclusion, in-work poverty, labour market segmentation, long-term unemployment and gender inequalities and attempts of integrating them have been also found, but only in few cases a coordination between policies and between the active inclusion

"pillars" - adequate income support, inclusive labour markets and access to quality services – have been found, mainly in the Swedish case.

Concerning Adequate income support schemes, the measures are addressed to: 1. support or increment individual or household income (i.e. unemployment benefits); 2. directly to activation (i.e. subsidies bounded to training and active job-search); 3; to low income benefits (i.e. income support addressed to low wage earners).

Adequate income support embodies one of the three pillars on which the European Union strategy for active inclusion is based on. Across the six countries under scrutiny income support has translated into measures tackling unemployed groups on the one side, but also low-income households on the other side.

Differences emerge in the comparative analysis. Italy stands out for not having a nationally established minimum income scheme to combat poverty, in addition to having a relatively limited unemployment insurance system. The debate around the introduction of a national minimum income scheme has increased in recent years, and unemployment insurance has been gradually widened through more universalistic schemes.

The six countries differ in terms of rate of public expenditure for labour market policies and specifically for unemployment insurance and income support benefits. Italy and Spain are the countries that spend the highest share of labour market expenditure of income support, but they are also the countries where unemployment has increased most. In terms of intensity (expenditure per unemployed), Sweden and France spend much more and the generosity of their support is therefore much higher, especially for France. Interestingly, expenditure intensity has increased slightly in Sweden and Poland, but has declined in the other countries and especially in Spain. Rather than EU-led convergence, we can speak therefore of divergence in the amounts and destinations of labour market expenditure.

(AIRMULP project, WP B report)

As for the Inclusive labour market, in all the countries we find policies which can be grouped in four "families": 1. Matching labour supply and demand (implemented by PES); 2. Training and up-grading of human capital; 3. Incentives to firms; 4. Direct creation of employment.
Diverse combination of these measures can be found in the various contexts. For both inclusive labour market policies and income support schemes the national

and regional analysis shows some forms of combination and coordination (Sweden, FR) but, in most cases, a fragmentation (SP, IT, PL, UK) of measures.

As said, in the six analysed countries active inclusion follows diverse principles and is interpreted/adopted in different ways, although the different approaches do not exclude each other: activation is implemented through active labour market policies (i.e. Sweden) or just "making work pay", reducing subsidies and without any specific activation measures (i.e. UK, SP, IT); activation is putting people back into work as quick as possible, or it is conceived as investment in knowledge, capabilities and up-skilling of people (Sweden).
A stress on activation, a gradual increase in conditionality or forms of restriction of eligibility criteria for income support schemes, as well as individual responsibility – the "work first principle" - appear a common trend in all the countries. However, in some case conditionality does not alter benefit levels, the focus on training and investment in tools to support job seekers (Sweden, France); in other cases, on the contrary, conditionality is combined with the reduction of public investment in activation measures and with declining public income supports.

Beyond different policy strategies displayed in the four countries, some common similarities emerge from the overall picture.

Firstly the comparative overview shows a **common tendency to boost conditionality.** Benefits entitlement has been made increasingly conditional on attendance to training programme, active search for a job and periodic meeting with staff from public employment services. Of course the severity of conditionality varies across countries, being particularly harsh in the UK.

A second common feature is the **marked individualization** of active inclusion policies, linked to the above mentioned shift in paradigm to explain unemployment, from social to individual behavioural explanation. Following a transfer of social and poverty risks from the society to each individual unemployed, also activation measures have increasingly targeted single job seekers as a way to make them more responsive and responsible.

A growing **marketization** in the provision of public employment services has been detected, to varying extents, in most countries. Despite different degrees of intensity in outsourcing, where the UK represents an extreme case, other countries such as Italy, Spain and Poland are increasingly making use of private and external providers in this kind of services. Indeed opening public provision to market competition, where providers are rewarded according to the number of unemployed they are able to allocate into the labour market, is seen as a way to improve the effectiveness of employment services. Preliminary evidence

however pointed out that mechanisms such as ‘payment by result’, observed in England, has often led these companies to treat primarily those groups more easily employable (highly skilled, young workers), neglecting job seekers more difficult to employ such as older workers or very-low skilled person. In counter-tendency, in 2006 Sweden has centralised the competences of its Public Employment Service, to ensure uniform implementation of job seeking activities and income support schemes.

Another trend is the establishment of **one-stop shops** to deliver both unemployment benefits and public employment services. Previously separated organisations and agency have been growingly merged in a unique office: the Job Centre Plus in the UK, *Pôle Emploi* in France, the PES in Spain, while in Italy increased coordination between the PES and the national Institute of Social Insurance (INPS) has been promoted. In Sweden, too, traditionally, income support and active labour market initiatives have been carried out by the Public Employment Services.

(AIRMULP project, WP B report)

3.2 The method of regulation and the role played by the state and social partners

This research shows that the state still plays a very important role influencing the trajectory of labour market inclusion and growth. This influence emerges looking not only to labour market policies but also to other kinds of policies that influence directly the level and the quality of employment, such as policies for innovation or in education that can influence the quality of employment.
Taking into account the Nordic model of capitalism, it emerges that the state has invested more in policies in support of research and development: Iceland, Sweden and Finland are respectively first, third and fourth (second is Austria) in terms of public investment in support of research and development. A proactive state that has deliberately fostered the activities innovation. A State also states that chose to develop, more than in other models, policies oriented to what is defined as 'social investment', through high public investment in education: Denmark, Iceland , Sweden, Norway and Finland are in the top six of the countries studied here in terms of public spending on education. At the same time, the State invest massively on active labor market policies. In this model the action of the state followed a logic that had a "preventive" measures which reduced the level of unemployment - and therefore the need to make passive labor policies - and even interventions in terms of social protection.

In continental countries, the state has followed a logic of intervention to encourage the consolidation of the larger firms, especially in the field of financial services activities, logistics, communications and transport, but also, especially in Germany, manufacturing, with support that goes through massive funding for research and development activities that are crucial for the competitiveness of these sectors (especially in Austria, France, Germany). Regarding employment policies, in the Continental model has chosen to invest more than the European average in both active policies (especially in France, Germany and the Netherlands) and in the passive ones (Belgium, Netherlands and Germany). It is important to consider that this investment in labor policies went hand in hand with a process which led to a substantial flexibility at the margins through the use of atypical contracts for specific groups, with the overall effect of producing new jobs but also to increase dualism in the labor market.

The Anglo-Saxon model is different: it is characterized by low public intervention, a low spending on active and passive policies, and intermediate levels of spending on education. A model that, even in the face of such general characteristics, also has important internal diversity, with the UK spends more on social protection - while remaining at very low levels compared to other European countries - while Ireland spends more in active and passive labor market policies.

Public spending in Mediterranean countries is low in the field of policies for innovation, active and passive labor market policies, policies for social protection, and education. Such a low level of financing constitutes a "historic" feature of this model which in recent years has been reinforced by the growing pursuit of macroeconomic stability through the austerity strategy that has led to a notable reduction in public spending.

If we focus more directly on the action of the State related to the active inclusion strategy in our six case studies we see that its role is even more important. The comparative analysis of the multi-level governance of active inclusion shows that the State (central and also through its local institutions) has the most relevant role in this field: although the EU, as we have seen, has an impact on national policies, as well as regional governments have some autonomy in this arena, especially for the implementation of policies, and other important actors, like social partners and organisation of the third sectors, intervene in the making active labour labour market measures, all the case studies highlight that it is the State that steer the strategies of inclusion in the labour market in every countries. The agency of the State, together with other actors, makes the difference in the adopted activation strategy.

The comparative analysis shows that the State acts in different ways: 1. *It can adopt a pro-market logic and sustaining the market regulation* (UK, PL); 2. *The State can support a regulation where there is some space for the third sector* (UK, SP, IT); 3. *The state can also support an associative regulation, by sharing the political space with social partners* (Sweden, SP, IT); 4. *The State can act in favour of the public regulation* (FR). In many countries labour market policies are

becoming a very centralised (or re-centralised) arena steered by a strong executive. This is the case in UK, Poland, Sweden and France, but also recently in Italy and Spain, where the central government is playing a pivotal role and a centralised approach is adopted in the decision making. The method of regulation in these countries is mainly a unilateral policy-making, with weak consultation with social partners (UK, PL, SP and IT in the last years), or mostly formal and with little effectiveness (FR). After the 2007 modernisation of social dialogue, however, the French "étatism" opened to consultation, bilateral collaboration and partnership. The intensification of social dialogue did not produce, however, tripartite agreements. On the contrary, social partners are directly involved in a concrete and institutionalised social dialogue in Sweden, where they are promoter of initiatives in the field of active inclusion both at the national and local level.

The state plays a prominent role, though the regional government is a key actor, above all in the field of ALMPs. Furthermore, trends towards the re-centralization of labour policies can also be observed, but this is generally compatible with a consolidation of the role of regions. In effect, these two processes seem to develop in parallel, with no apparent contradiction. Differences between the six cases can nevertheless be identified.

- As regards the French case, for instance, the state is dominant, also at the territorial level, though the regional government and local authorities play a relevant role, especially in the field of vocational guidance and training, and in the delivery of services.
- In Italy and Spain, the state is also a prominent actor, but the regional governments have higher degrees of autonomy. In Spain, in particular, the state and autonomous communities are in competition with each other, as the duplication of employment services shows.
- In Italy, instead, the creation of ANPAL reveals the will of the government coalition to exert a stronger coordination of ALMPs. On the other hand, the Lombardy Region has succeeded in preserving its role and its model of PES, probably due to the strength of its economy and, consequently, of a stronger bargaining power, but also because the DUL system seems to have inspired the recent reform of PES enacted at the national level.
- Quite different are the Polish, British and Swedish cases. In Poland, the state plays a crucial role as an employer, a legislator and a mediator (see Eurofound 2015). Labour policies are determined by the national legislation, while the central government, and specifically the Ministry of Family, Labour and Social Policy, allocates resources from the Labour Fund, and regulates and coordinates PES. At the lower levels, then, the Regional Labour Office designs and implements regional policies, allocates resources to District Labour Offices and plans the use of the ESFs, while District Labour Offices, in turn, implement policies at the

district level and deliver basic employment services; municipalities, instead, play a marginal role, since they are not responsible for the implementation of labour policies, except for *public works*.

- In the UK, too, the state is the most relevant actor in this field, since policy programmes are enacted at the central level, and DWP and JCP play a pivotal role in their implementation.
- As for Sweden, as said Labour market policy is a centralized policy field: policies are articulated by the national government and implemented by the local offices of PES. Municipalities, however, have autonomy on many welfare provisions and services. Gothenburg municipality is responsible for providing a significant proportion of LM services and have independent powers of taxation.

(AIRMULP project, WP C report)

The space of action of industrial relations' actors can increase depending on the different types of the state's intervention and behave (at national and local levels), but the general trend both at national and regional level is that beyond forms of consultation of social partners, policies are generally unilaterally approved. However, the reports underline the importance of industrial relations, that is also related to historical feature in term of associative governance of European countries

To explain the multiple equilibria between quality and quantity of employment it is also necessary to take into account the key role played by the actors of industrial relations, particularly highlighting three main aspects. First, strong unions and employers' associations are compatible not only with high levels of job quality, but also with high levels of quantity of employment. Second, having strong unions and employers associations is not, however, guarantee of competitiveness and inclusion: there are countries with large and influential trade unions which recorded a growth of labour market exclusion or segmentation. Third, if you want to understand the relationship between quality and quantity of employment it is important to look at the 'structural' features of the system of industrial relations: collective bargaining coverage, ability to influence and inclusion in policy-making and the membership rate. A high coverage of collective bargaining, in fact, is often associated with a reduction labour market exclusion; a high influence of representative associations in the policy-making mechanisms can promote the development of effective policies to combat social exclusion and support inclusion in the labour market; high membership can foster an encompassing attitude of unions and employers associations. But focusing on these structural features, as

does much of the comparative political economy is not enough. It is also important to deepen the logics of action of collective actors: if these actors adopt the logic of most encompassing type, representative organizations follow 'including' strategies and tend to create minor conditions 'dualism' and segmentation in terms of guarantees and rights; while associations that follow the logic of protection of specific interests, even if they are influential, can favor the production of inequalities.

As is well known, the countries of Northern Europe share a long historical tradition of neo-corporatism founded on a strong labor movement, a few representative organizations, very inclusive, with a very large number of subscribers, connected to the sectors most exposed to competition, constantly involved in relating to the labor market adjustment processes, tax policy, welfare, provision of services and to their organization with consolidated participating institutions at central and decentralized levels. The logic of action of such unions are always of type 'including', to protect the general interests as well as sectoral. This structure has encouraged the consolidation of rights and protections that rely on principles of universalistic, and consequently a massive investment in social policies devoted to trigger the reduction of inequalities and to favour the rise of inclusive labour market. At the same time, the choice of trade unions and employers' associations to pursue proactive action has strengthened the competitiveness of the economic system. These characteristics of the industrial relations system are confirmed by the involvement of associations in policy-making practices that is very high in all five Nordic countries. Such participation in the political arena has also been favored by high levels of membership: unionization in these countries is around 70% (Denmark, Sweden and Finland) and in Norway, the country with lower union density in this model, amounted to 55%. As for the extension of collective bargaining, the countries of Northern Europe model are characterized by a centralized bargaining which favored extensive coverage, well above the European average, around 90% in Finland and Sweden, 80% in Denmark and 70% in Norway. Such a structure, however, did not rule out the presence of mechanisms that favored labour market decentralization. In these countries, therefore, the logic of action of the associations have favored both the rise of employment level, quality of employment and the emerging of inclusive labour market.

The institutional framework and the historical tradition of the continental countries have fostered a strong participation of representative organizations within the policy-making mechanisms: a system of regulation based on a combination of a 'state activator' of consultation on the one hand and organizations representing interests with a quasi-public connotation. The inclusion of trade unions is in the highest continental model over other models, despite the unionisation rate is not higher than the European average - with the exception of Belgium. Medium and low levels of membership, together with a high ability to influence the policies and also a high coverage of collective bargaining,

equal to that of the Nordic model. However, it should be remembered that in some countries of the continental model the organizations representing the interests followed a strongly sectoral logic of action, which has given great importance to the interests of the strongest sectors of the workers, thus promoting a segmentation of protection in the labor market, with the emerging of a process of flexibilisation at the margins.

Industrial relations in the Anglo-Saxon model are characterized by a medium-low unionization, by bargaining that takes place mainly at company and individual level, and by the absence of social consultation. It is a pluralist model, where interest organizations have developed into a kind of 'organizational free market' and not of participation in the political area (Crouch 2001; Schmitter 1974). In this model it has gradually decreased the contribution of organizations representing the interests of developing policies for inclusion and competitiveness. Since time is also an ongoing process of decentralization. This is why the UK was defined as a 'model collective bargaining disintegrating'. Collective bargaining, when present, is focused on the enterprise level and not of the sector, with the result that industrial relations in these countries have a dimension of 'micro-adjustment'. In the Anglo-Saxon model is, by historical tradition, a clear distinction between the regulation of wages and working conditions on the one hand and the regulation of issues related to social protection and the rights of citizens on the other; the consequence is that the social partners have addressed these issues rarely, and for this reason the level of inclusion in policy-making processes is less than that found in other models of capitalism. In terms of agency, representative organizations have therefore followed the logic of more specific action, sectoral and 'company-based' and less oriented to protect interests of a general nature. The effect of such associative adjustment and logic of action has been to open spaces to market adjustment, which has been able to support high levels of employment but much less inclusion in the labour market in term of employment quality.

An intermediate level of inclusion in policy-making practices is what we find in the Mediterranean model: during the 90s there was a heavy reliance on consultation practices. For example, both in Italian and in the Spanish case, the State has often delegated to a number of important decisions the social partners in the labor market and welfare. The representative organizations in these countries have sometimes tended to protect specific interests, but at the same time, the low institutionalization of consultation practices has encouraged their involvement in a very unstable way with peack and decline of social trilateral negotiation: by this point of view, consultation experiences mainly aimed to the preparation of measures and policies to reduced public spending and not to the development of tools and rights for those who have been exposed to new social risks in the labour market. The mix between a sectoral representation and limited space for the consultation has indirectly favored the emergence of different protection regimes. Even so, in recent years, there has been a substantial abandonment of trilateral

negotiation also joined to a weakening of the social consensus in respect of these organizations. As for unionization, the weight of representative organizations, in comparison to other European models, is intermediate, higher in Italy and lower in Spain. Finally, with regard to collective bargaining, even in this model, the sectoral level is the most important and the coverage is medium-high. It should be noted the growth in the use of opt-out practices in collective agreements and the emergence of decentralization processes; this process occurs in the presence of relatively weak trade unions at company level, and for that reason did not favor a virtuous circle of participation, competitiveness and inclusion in the workplace.
As for central Europe, limited and weak institutional framework of industrial relations have not created the conditions for a strong support to inclusion in the labour market.
In conclusion, the differences between the various models confirm that strong unions are not only compatible not only with high levels of labour market participation but also with a high level of employment quality, as shown by the capitalism of northern Europe.

(AIRMULP project, WP D report)

This research shows that a cooperative model of active inclusion governance can be identified in some cases (mainly in Sweden, in Gothenburg and in Lombardia) where different actors intervene on active inclusion and social partners play an important role as economic institutions, carrying out industrial relations by means of negotiations more than legislation. Often local government is involved in network building with the business community and representatives. The local governance processes reflect, on the one hand, the nation-state system, which play an important role in shaping the urban governance, but on the other the method and the degree of inclusion of organized interests in urban governance are embedded in the local institutional, normative and organisational context.
The multi-stakeholder involvement in cooperation, decision-making and service delivery in active inclusion policies primarily consists of public bodies and agencies, but also non-public actors. Although the Public Employment Services (PES) is mainly the principal authority for LM policies (directly under the Ministry of employment), the city public authority is often responsible for providing a significant proportion of LM services and in some contexts has a considerable degree of autonomy due also to independent powers of taxation (SP, IT, Sweden).

Social dialogue institutions and actors play a very different role across the six countries under investigation in the definition of activation strategies, mirroring national traditions of employment relations.

- In France social dialogue has undergone a process of institutionalization, culminating in the Law no.130/2007 on the Modernisation of Social

Dialogue (*Loi de Modernisation du Dialogue Social*) which entitled unions and employers' organisation to bargain upon issues relating to labour market reforms and employment-related topics. Until then the main decision-making method was based on informal consultations between the government and social partners, within an arms' length bargaining framework.

- The evolution of French social dialogue is specular to that of Italy and Spain, where an institutionalized tradition of social dialogue was undermined by the economic crisis. In both countries the collective voice of unemployed has been funneled by third sector organisations and charities which emerged as prominent new actors, filling the gap left by social partners.
- By contrast, in the UK active labour market policies stem directly from central government, who generally introduces new programmes unilaterally. Social partners have only a marginal role, limited to informal consultation or merely information.
- In Sweden and Poland, consultation between the state and the social partners takes place before the implementation of reforms. However, while in Sweden this is based on a long standing tradition of mutual recognition and dialogue in employment-related matters, in Poland such social dialogue is much more volatile and fragmented, and dependant on contingent political conditions.

(AIRMULP project, WP B report)

The case studies show also the increase of participation of private actors for intermediation and "new actors" which, together with social partners, have some room of manoeuvre and act in this policy field, especially for the implementation of measures. EU social partners put into practice a multi-level governance through, for instance, supra-national framework agreements, which are then implemented and promoted through their national and local affiliates. As for the Framework agreement on Active inclusion shows (see WP A), EU trade unions and business associations tend to agree on general agreements but often maintain different opinions on the specific content. Moreover, many agreements are little known in the national and local contexts.

Social partners play a role in the implementation of active inclusion policies at the national and regional level, where we find different types of actions. Social partners sustain to active inclusion mainly consists of: 1. *direct action through services*: both trade unions and employers' associations offer services directly linked to active inclusion (training, foreign-born integration measures); 2. *political influence*, through lobbying, pressure (Sweden, IT, SP), direct political influence (Sweden), social mobilisation (FR); 3. *direct action through participation to policy-making*: social dialogue, collective bargaining, planning and implementation of

specific measures, bilateral bodies. In particular, social dialogue is enforced in three different ways: 1. *Information:* when the State informs social partner about its plans, but there is not a cooperation or exchange on the content of its policies (UK, SP); 2. *Consultation*: when the state asks social partner for advices but there isn't any obligation (FR, PL, IT); 3. *Participation*: it is an effective social dialogue which is implemented through and brings to co-decision making (Sweden).

The highly deregulated and decentralised industrial relations system in the UK, allows the State to have a pivotal role in active inclusion policy. Here social partners play a marginal role, limited to formal consultations through green and with papers and rare informal consultations. There are no formally institutionalised body or channel for dialogue.

A fragile and non-institutionalised social dialogue characterises also the Polish case-study, where although some positive input from social partners and attempts of tripartite negotiation, these practices are still very weak and recent, and industrial relations suffer of the lack of a rooted tradition of inclusion in the policy making and of commitment of employers.

As already said, an antithetical situation characterises the Swedish case study, where social partners play a proactive role in their respective sectors adopting activation strategies and signing collective agreements.

A little space for social dialogue is reported in the Italian and Spanish cases, especially in times of crisis. Here the State weakened social dialogue and the legitimacy of social partners, also for the financial constraints and the reduced capacity of negotiation. Especially in Spain, social dialogue has a secondary role in promoting active inclusion policies after 2008.

Finally, we find social partners involved in institutionalised national bodies and committees in France, that the State convenes and consults. Negotiations have become more frequent, but it did not produce tripartite agreements on active inclusion or important labour market reforms (see WP B).

In UK, Spain and Italy new actors entered the arena of social and labour market policy-implementation, gaining more and more importance. This is the case for NGOs and charities in the UK, and third sector associations in Spain and Italy, new players which respond to the emergence of social suffering related to job insecurity and long-term unemployment.

Other actors, playing a relevant role, have also emerged in almost all cases.

- In Rhône-Alpes, for instance, there are development agencies, public interest groups, and other organizations of local stakeholders, often including social partners among their members, with a mere role of advisors (e.g. the *Agence Rhône-Alpes pour la valorisation de l'innovation sociale et l'amélioration des conditions de travail*, ARAVIS), of development of services (e.g. the *Pôle Rhône-Alpes de l'orientation*,

PRAO), or even involved in the draft of local strategic plans (e.g., again, *Allies*).

- In Lombardy, agencies have played an increasingly important role. Among them, Italia Lavoro Spa, that is a state agency, owned by the Ministry of Economy and Finance, gives technical assistance to regional policy makers, while the role of the *Agenzia Regionale per l'Istruzione, la Formazione e il Lavoro* (ARIFL) is actually unclear. Besides, third sector organizations, particularly Caritas Ambrosiana, are of a growing relevance, since they play a subsidiary role, by addressing marginality and extreme poverty. Quite peculiar is, instead, the case of the Fondazione Welfare Ambrosiano (FWA), a not-for-profit organization owned by local authorities and trade unions, which provides social financing (e.g. microcredit and *Anticipazione sociale*), with the support of the *Associazione Bancaria Italiana* (ABI), based on cooperation agreements with single banks.
- Even more important are third sector organizations in Spain and Catalonia. Here, actors such as Caritas and Cruz Roja play an active role in the field of social policy. In Barcelona, particularly, there is an extensive network of organizations that are involved in public consultations and in the management of projects aimed at the occupational and social integration of the most vulnerable.
- Third sector organizations play a growing role also in Lower Silesia, particularly in the delivery of services, since they are nowadays the main applicants for the ESFs. Furthermore, they have own representatives in institutional bodies such as Labour Market Councils, playing an advisory role, in support of decision making. Among others, academic institutions are more and more involved in social dialogue and have become, more generally, important interlocutors of public authorities.
- In Greater Manchester, then, a huge number of "non-conventional" actors take part in policy making. An important role is played by public-private partnerships, such as the Local Enterprise Partnership (LEP), including the so-called "business leaders", which basically supports the GMCA in the delivery of the *GM Strategy*. Besides, there are groups representing private interests, in the form of advisory bodies that support the GMCA and the LEP, within the framework of a complex system of governance (for further information, see AGMA, 2009; GMCA 2014; GM LEP, 2015).
- A case apart is, again, represented by the Swedish case. Any direct and institutionalised participation and involvement of third sector organisations in local deliberation and decision-making procedures on ALMPs have emerged. The city has some forms of cooperation and coordination with the voluntary sector, but rarely are institutionalised, and especially in other fields like homelessness, disability, elderly, youth.

Generally speaking, the political space is thus filled by a plethora of subjects, whose core business is not being involved in social dialogue – though in some cases, as we will see, they are – but which can give a contribution to the development of policies in terms of technical support and legitimacy. Peculiar cases are those of Greater Manchester and Rhône-Alpes, where we observed an institutionalization of interest groups as basic elements of the local governance, though only in the case of Rhône-Alpes these include social partner representatives among their members.

(AIRMULP project, WP C report)

3.3 The coordination between levels, policy-fields and actors.

One of the main challenges of the research project has been the understanding of the different forms of coordination between the territorial levels, the policies and the actors involved in multi-level governance of active inclusion.
Although the low level of influence of the EU Active Inclusion Strategy at national and regional level, as we said, there is an important impact of the EU level on national and subnational regulations, which increased during the crisis, related to the different forms of political influence and financial support to national and local policies bounded on strict EU conditions. The EU "governance by conditionality" (see WP A), however, cannot be defined as a form of vertical coordination between policies, rather an attempt to direct goals and tools in EU countries, aiming at the integration of objectives and results. In this framework, national and local actors carry on their own strategies, shaping their policies by re-interpreting the input "from above" and producing different outcomes which depend on the national and local contexts. Therefore, more than a vertical coordination between the levels of governance, bi-directional dynamics have emerged: top-down and bottom-up processes take place in a dialogic dynamic, where concepts and practices move both from the EU to the national and regional levels but also from below to the European level. The different outcomes and forms of inclusive labour markets in Europe highlight that it is not "one best way" related to the active inclusion strategy and that any measure fits well with all contexts.

Overall the link between domestic activation programmes and supra-national recommendations is weak: national policies turned out to be unrelated or only indirectly connected with the European Commission recommendations. The EU appeared as a source of policy ideas and funds which were transposed in country-specific programmes shaped by policy priorities and goals within national boundaries. Internally, the degree of vertical coordination between

national and decentralized levels of government is low as well. This is particularly the case of Italy and Spain where a process of centralization of spending decisions came along decentralization of responsibilities for social risks and poverty. In Poland, the accession to the European Union led to more attention to European initiatives. At the opposite end, in Sweden national actors consider their domestic policies as a role model, rather than the EU's.

(AIRMULP project, WP B report)

Concerning the coordination between policies, vertical coordination between the national and the local levels is differentiated in the diverse countries, depending especially from the institutional organisation, division of competences between administrative levels and efficiency of institutions: is weak in some cases (IT, SP, PL) and stronger in some others (Sweden, UK, FR). In some countries, we find a process of re-centralisation of coordination and reinforcement of the national control over the implementation of measures (IT, SP, Sweden, UK).

- As regards vertical coordination between national and regional level, Rhône-Alpes and Lombardy belong to different institutional architectures, though they can count on similar mechanisms of coordination. The former case is, in fact, characterized by a strongly centralized policy making, with a vertically integrated system of public policies, whereas the latter benefits from the higher autonomy of Italian regional governments. Nevertheless, in both cases there are mechanisms of coordination between central and regional governments. These are: the *Contrats de Plan État-Régions* (CPER) in the case of France; and the *Conferenza Stato-Regioni*, in that of Italy. Within these frameworks, important inter-institutional (public-public) agreements have been signed. The *Contrat de plan entre l'État et la Région Rhône-Alpes 2015-2020*, for example, is a multi-year plan aimed at financing projects of public interest and promoting sustainable development. In Italy, instead, two national agreements on passive and active policies have been reached in recent years between state and regions, followed by two specific agreements between the Ministry of Labour and Social Policies and the regional government of Lombardy, of which the latter one (2015) allows Lombardy's PES system to continue to operate with no substantial changes, notwithstanding the current national regulations.
- As for Lower Silesia, policy making in the field of labour policies maintains, in Poland, a highly centralized character, though a process of decentralization has taken place in the 2000s and sub-national

authorities have gained an "operational" autonomy from the central government, which since 2004 does not exert any direct influence on the functioning of labour offices. The main source of regulation is, in effect, a national law – the EPA of 2004 and subsequent amendments – and the allocation of resources follows a top-down (basically "hierarchical") process, and is determined mechanically, by algorithms.

- The British case is also characterized by a still centralized policy making, despite that the UK has recently started a process of further administrative decentralization. Also in this case, decentralization was the result of a process of inter-institutional negotiation, and took the form of "devolution" of powers and resources to sub-national authorities such as the city regions (see the *GM Devolution Agreement* of 2014). As such, this process is nevertheless reversible and may be temporary. At the same time, however, the state has set up mechanisms of "control", although implicit, over sub-national authorities. The *Public Service Reform*, for instance, has given responsibility to local authorities, since they are required to submit local implementation plans, but, in the meantime, has caused huge financial losses to them, which imply a better use of resources and, generally, cost reductions. Furthermore, funding mechanisms have been set up that imply a "negotiation" between central government and local authorities (e.g. *Growth Deals* and *City Deals*). In the case of *Growth Deals*, specifically, this process is highly formalized, with the central government responding to the offers made by the LEPs based on LEPs' *Strategic Economic Plans*. Finally, it is worth noticing that the central government itself is always present in local partnership agreements, either as a partner or through JCP.
- On the other hand, Spain has an extremely low level of vertical coordination between national and regional level, basically due to a process of "disorganized" decentralization. As already noticed, in fact, the state and autonomous communities are in competition with each other in both fields of passive (e.g. minimum income schemes) and active (e.g. the delivery of PES) labour policies. This arrangement means that training and LM programmes may be duplicated. It also risks creating confusion among recipients regarding where to look for support.

(AIRMULP project, WP C report)

Horizontal coordination between policies appears meanly weak in all the analysed contexts (with the only exception of the Swedish case-study, where however overlaps and mismatches have also been found), due to a strong fragmentation of policies, measures, and of involved actors. In some cases, it is the State that plays

a major role in coordinating the policies and although actors and measures are fragmented and conflicting, policies result rather coherent (FR).

Horizontally, coordination between policy programmes and reforms is very limited: different policy areas - such as education and training, employment, social policies - refer to different ministries and departments which constitute detached arenas of decision-making. The analysis points to the need to boost horizontal links between policy areas: the issue of national plans might address social and employment issues jointly and more efficiently. While this is relatively less problematic in well-established systems of welfare and active measures, like in France and Sweden, horizontal coordination seems more urgent in cases such as Poland and the Southern European countries.

(AIRMULP project, WP B report)

More common are the forms of horizontal coordination at local level around regional- or city-plans or around singular projects, upon which different national and local actors agree. At local level, we find an integrated approach to active inclusion and coordinated measures across policy areas in Sweden. Here horizontal coordination between central and local levels of regulation is implemented by the collaboration and regular consultation among the municipal Labour Market and Adult Education Committee, national PES and the social welfare office (in charge to decide on entitlement to welfare benefits). These actors work in close cooperation also horizontally, around the programs participants and with employers. A high central and formal regulation is associated with a certain degree of local informal autonomy: established practices of local policy and local traditions of collaboration also play a significant role.

- The Swedish case also presents peculiar features regarding horizontal coordination. At the local level, in fact, we find an integrated approach to active inclusion as well as coordinated measures across policy areas. High degree of horizontal and vertical coordination helps to avoid duplication in the national and local activation programs and income supports and coordination between public agencies at different levels and between policies facilitates the referral of individuals to appropriate programmes, whether they are run by the PES or by municipalities. Coordination around individual clients takes place routinely at case-worker level but there are also more structured forms of inter-agency cooperation. An important institution for coordination is the so-called Coordination union, which is a collaborative structure which has been set up by the municipality, following initiatives from the national level, as multi-party partnerships for work rehabilitation (consisting mainly of

the Swedish Social Insurance Agency (SSIA), the PES, the health and medical services, and the municipality, but open to regional actors and stakeholders consultation). This tool is used for vertical and horizontal coordination and decision-making in the field of activation (Barberis et al. 2010), in policy implementation and service delivery. The coordination union supports inter-agency coordination and an integrated approach to activation and social cohesion, allowing the municipalities to decide on priorities and policies.

- Greater Manchester also displays a certain degree of horizontal coordination. This can be seen in the use of local strategic plans, examples of which are: the *GM Strategy 2013*, setting out the strategic priorities for economic growth and public service reform; the *Manchester Strategy 2015*, establishing the vision and the objectives for the development of the city, following a public consultation, which was a pilot practice of deliberative democracy; and the *Manchester Family Poverty Strategy 2012-2015*, addressing the risk factors that can lead to poverty, by combining initiatives in local areas. Other possible means for coordination in the phase of delivery of services are, then, the so-called local delivery partnerships and service hubs. In general, attempts have been made to integrate labour and social policies.
- In the Polish case, labour offices play a key role. District Labour Offices, particularly, can be seen as "one-stop shops", since they gather together passive and active policies. Nevertheless, as previously noted, this is not enough to guarantee an effective application of conditionality and related sanctions, which remains a matter of concern. On the other hand, labour and social policies remain two separate policy fields, which are under the responsibility of different authorities, the latter being a competence of municipalities, though an attempt of integration has been made through the *Programme for Activation and Integration* (PAI). This programme, addressed to the "third category" unemployed, was set up by the 2014 Amendment to the EPA and implemented at the district level.
- As for the other cases, Lombardy has pursued a higher integration between passive and active policies, through the DUL system, though accredited service providers are in competition with each other and no real mechanism of coordination between public and private providers has been put in place.
- Catalonia and Rhône-Alpes are, instead, characterized by the presence of a multitude of actors and a fragmentation of policies; hence, the degree of horizontal coordination remains relatively low, though some tools for the coordination of labour policies do exist at the local level, e.g. the *Plan local pour l'insertion et l'emploi* (PLIE) in Lyon.

> Fragmentation of policies and services is the challenge that the local governments have to tackle, especially in Catalonia.
>
> Here, again, some remarks must be made concerning the role of social dialogue. If we exclude the Swedish case study, even where social dialogue is robust and is supported by the presence of tripartite bodies, like in Lombardy, or is associated with a strong role of public actors and the involvement of social partners in several bodies and committees, like in Rhône-Alpes, this has not translated into a strong coordination between the actors at different regulation levels, nor has it favoured integration between policies. In Lower Silesia, and in Poland overall, social dialogue bodies at the regional level, even in their renewed shape, are not likely to be proper tools for coordination, due to the high degree of centralization of policy making. In all these cases, in effect, the involvement of social partners often appears to be merely ritualistic. In the French case, particularly, the flourishing bodies and committees are mostly focused on specific policy areas, such as vocational training, hence reproducing rather than reducing the fragmentation of policies. In Lombardy, instead, social dialogue has proved to play a critical role above all in the phases of implementation and of adjustment of policies.
>
> *(AIRMULP project WP C report)*

Horizontal and vertical coordination between policies and public agencies appears a tool to avoid mismatch problems or duplication of programs in the national and local activation programs and income supports. Attempts of reinforcement of the articulation between labour market and social policies are taking place especially through the conditionality system, but the link between income support and inclusive labour market policies remain weak, due to the feeble integration between labour market and social policies, which often follow different logics. This is happening especially in the Mediterranean countries which have been here studied, Italy and Spain, but also in Poland the UK, where major problems of social exclusion have been observed. Here activation and inclusion are disjointed and labour market and social policy-solutions are not complementary.

4. Conclusion

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 discusses, 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 particular 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 in order 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 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 (section 2) and qualitative (section 3) 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.

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