Enhancing youth employability through social and civil partnership

Edited by Amparo Serrano Pascual
Enhancing youth employability through social and civil partnership

Monitoring the European employment strategy

Edited by Amparo Serrano Pascual

European Trade Union Institute (ETUI)
Contents

Contributors ix
Tables and figures xiii
Foreword by Maria Helena André xv

Introduction: Enhancing employability through social and civil partnership 1
Amparo Serrano Pascual

The concept of partnership

The role of social and civil partnership networks in combating youth unemployment bridging the gap between the European and the local level 13
Amparo Serrano Pascual

Social partnership and the European strategy against youth unemployment 61
David Foden

Evolution of the Third Sector in Europe: new challenges for combating social and labour-market exclusion 69
Jordi Estivill

‘Civil dialogue’, ‘governance’, and the role of the social economy in civil society 93
Isabelle Darmon

Systems of collective action and learning capacity 129
Jean-Michel Bonvin and Fabio Bertozzi

Enhancing youth employability through social and civil partnership v
Factors determining successful partnerships and the origins of contemporary social responsibility 157
Sven-Age Westphalen and Louise Kjar

**Partnership in the framework of the EU employment strategy: case studies**

A ‘new deal’ through partnership, a new approach to employability: the case of the New Deal for Young People in the United Kingdom 173
Colin Lindsay

Sheffield Intermediate Labour Market Programme: a case study 191
Doug Low

Social pacts and boosting youth employment in Spain: work in progress 205
Jorge Aragón

Partnership within the framework of the EU employment strategy for young people: the case of Spain 239
Juan Ignacio Palacio Morena

Partnerships in French youth employment policy 267
Florence Lefresne

The ‘Youth Jobs’ scheme in France: an innovative experiment 285
Richard Sobel and Jean-Pierre Yonnet

Targeting youth unemployment in Germany: current measures and first results 305
Klaus Schömann and Christian Bzinsky
Partnership in combating youth unemployment: the case of Germany
Winfried Heidemann

Partnerships and youth unemployment in Denmark – successes and failures of a presumed best case
Mikkel Mailand

Does Europe have a monopoly on ‘heart’? Youth employment policies in Australia and Canada
Stéphane Le Quex, Dong Biddle, John Burgess, and Diane-Gabrielle Tremblay

Conclusion: towards a multi-level governance?
Amparo Serrano Pascual

Enhancing youth employability through social and civil partnership
Contributors

Jorge Aragón
Director of CC.OO’s ‘Fundación 1 de Mayo’.

Fabio Bertozzi
Associate professor, University of Fribourg, and invited lecturer, University of Leuven.

Doug Biddle
PhD student, Department of Economics and Politics, University of Newcastle (Australia).

Jean-Michel Bonvin
Research assistant, University of Bern.

Christian Brzinsky
WZB, Social Science Research Centre, Berlin.

John Burgess
Associate Professor, Department of Economics and Politics, University of Newcastle (Australia).

Isabelle Darmon
Sociologist at the Gabinet d'Estudis Socials and at the ICAS Institute, Barcelona.

Jordi Estivill
Gabinet d'Estudis Socials S. C. C. L. (GES), Barcelona.

David Foden
Senior researcher at the European Trade Union Institute, Brussels.

*Enhancing youth employability through social and civil partnership*
Contributors

Winfried Heidemann
Hans-Böckler-Stiftung, Düsseldorf.

Louise Kjaer
Programme manager at the Copenhagen Centre, responsible for the Centre’s activities on Local Partnerships in Europe.

Florence Lefresne
Institut de Recherches Economiques et Sociales (IRES), Noisy-le-Grand (France).

Stéphane Le Queux
Lecturer, School of Management, University of Newcastle (Australia) and Professeur adjoint, HEC Montréal (Canada).

Colin Lindsay
Researcher, Employment Research Institute, Napier University Business School, Edinburgh.

Doug Low
Director of Developments, ‘Centre for Full Employment’ (CFFE), Sheffield (UK).

Mikkel Mailand
Employment Relations Research Centre (FAOS), Department of Sociology, University of Copenhagen.

Juan Ignacio Palacio Morena
Department of Spanish and International Economics, Faculty of Economic and Entrepreneurial Sciences, University de Castilla-La Mancha, Albacete (Spain).

Klaus Schömann
WZB, Social Science Research Centre, Berlin.

*Enhancing youth employability through social and civil partnership*
Ambaro Serrano Pascual
Research Officer, ETUI, Brussels.

Richard Sobel
ORSEU, Office européen de recherche, formation et conseil en relations sociales, Villeneuve d’Ascq (France).

Diane-Gabrielle Tremblay
Professor and director of research, Télé-université, UQAM (Canada).

Sven-Åge Westphalen
Programme manager at the Copenhagen Centre, responsible for the Centre’s activities on social partners and the labour market.

Jean-Pierre Yonnet
ORSEU, Office européen de recherche, formation et conseil en relations sociales, Villeneuve d’Ascq (France).
## List of tables and figures

**Amparo Serrano Pascual** (*The role of social and civil partnership networks*)

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Young people as a percentage of the total population</td>
<td>15</td>
</tr>
<tr>
<td>2</td>
<td>Educational attainment of young people by country, 1998</td>
<td>16</td>
</tr>
<tr>
<td>3</td>
<td>Participation in the labour market, 1999</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>Situation of young people by country, March 2000</td>
<td>22</td>
</tr>
<tr>
<td>5</td>
<td>Employment rate, 1999</td>
<td>23</td>
</tr>
<tr>
<td>6</td>
<td>Atypical forms of employment</td>
<td>26</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Young people in education</td>
<td>18</td>
</tr>
<tr>
<td>2</td>
<td>Status of young people aged 15–19 in education</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>Status of young people aged 15–19 not in education</td>
<td>18</td>
</tr>
<tr>
<td>4</td>
<td>Status of young people aged 20–24 in education</td>
<td>19</td>
</tr>
<tr>
<td>5</td>
<td>Status of young people aged 20–24 not in education</td>
<td>19</td>
</tr>
<tr>
<td>6</td>
<td>Employment rate</td>
<td>24</td>
</tr>
<tr>
<td>7</td>
<td>Unemployment rate</td>
<td>25</td>
</tr>
</tbody>
</table>

**Isabelle Darmon**

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Definition of civil society</td>
<td>111</td>
</tr>
</tbody>
</table>

**Jean-Michel Bonvin and Fabio Bertozzi**

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Types of network and types of activity in partnerships</td>
<td>150</td>
</tr>
</tbody>
</table>

**Sven-Åke Westphalen and Louise Kjaer**

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The ‘ideal’ partnership formula</td>
<td>161</td>
</tr>
<tr>
<td>2</td>
<td>The core objectives of actors participating in partnerships</td>
<td>163</td>
</tr>
<tr>
<td>3</td>
<td>Three essential elements of social capital</td>
<td>167</td>
</tr>
</tbody>
</table>

**Jorge Aragón**

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Measures designed to promote the recruitment of young unemployed people, by region (1998)</td>
<td>222</td>
</tr>
<tr>
<td>2</td>
<td>Promotion of new employment opportunities by group and region (1998)</td>
<td>224</td>
</tr>
</tbody>
</table>

*Enhancing youth employability through social and civil partnership* xiii
**Florence Lefresne**

<table>
<thead>
<tr>
<th>Table</th>
<th>Professional integration models</th>
<th>269</th>
</tr>
</thead>
<tbody>
<tr>
<td>Box 1</td>
<td>Offering a fresh start to young people and to out-of-work adults (guidelines 1 and 2)</td>
<td>278</td>
</tr>
</tbody>
</table>

**Richard Sobel and Jean-Pierre Yonnet**

<table>
<thead>
<tr>
<th>Figure</th>
<th>Educational level</th>
<th>289</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure</td>
<td>Situation prior to youth job</td>
<td>290</td>
</tr>
<tr>
<td>Figure</td>
<td>‘In what state of mind do you envisage your future on completion of your period in the ‘youth jobs’ scheme?’</td>
<td>294</td>
</tr>
</tbody>
</table>

**Klaus Schömann and Christian Brzinsky**

<table>
<thead>
<tr>
<th>Table</th>
<th>Distribution of total labour force and young people under 30 across economic sectors</th>
<th>309</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table</td>
<td>Fixed-term contracts by level of education</td>
<td>310</td>
</tr>
<tr>
<td>Table</td>
<td>Fixed-term contracts, 1985 and 1999</td>
<td>311</td>
</tr>
<tr>
<td>Table</td>
<td>Earning equations</td>
<td>312</td>
</tr>
</tbody>
</table>

| Figure | Youth unemployment in relation to total unemployment | 307 |

**Winfried Heidemann**

<table>
<thead>
<tr>
<th>Figure</th>
<th>Youth unemployment in EU countries, 1996 (15–24 year olds)</th>
<th>326</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure</td>
<td>Unemployment after training</td>
<td>329</td>
</tr>
<tr>
<td>Figure</td>
<td>Participation in the JUMP-programme, 1999</td>
<td>333</td>
</tr>
<tr>
<td>Figure</td>
<td>Participation in the JUMP-programme, 2000</td>
<td>333</td>
</tr>
<tr>
<td>Figure</td>
<td>Transition from JUMP to . . . (1999 beginners)</td>
<td>334</td>
</tr>
<tr>
<td>Figure</td>
<td>Unemployment rates</td>
<td>336</td>
</tr>
</tbody>
</table>

**Mikkel Mailand**

<table>
<thead>
<tr>
<th>Table</th>
<th>Key elements in labour-market reform</th>
<th>346</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table</td>
<td>Key elements in the social reform</td>
<td>348</td>
</tr>
</tbody>
</table>

**Stéphane Le Queux, Doug Biddle, John Burgess, and Diane-Gabrielle Tremblay**

| Table | Youth labour-market characteristics in Australia | 370 |
Foreword

The role of social and civil partnership in combating youth unemployment

The implementation of the European Employment Strategy has seen considerable progress since 1997 and the inclusion of the employment title in the EU Treaty, and the subsequent Luxembourg Jobs Summit, that put into practice the principles of this title.

The Employment Guidelines – addressing the issues of the skills gap, the jobs gap, the partnership gap, and the gender gap – translated into National Action Plans, the peer review, analysing the implementation of the strategy at national level, the recommendations addressed to Member States, and the involvement of the social partners in the process; all these things have certainly contributed to the improvement of the employment situation in the European Union.

The Lisbon European Council on Employment, Economic Reform, and Social Cohesion, besides reinforcing the Luxembourg process, represents a new phase in European policy. After the single market and EMU, Europe must give priority to the objective of full employment, based on stronger and sustainable growth, social cohesion, the creation of a knowledge-based society, and an improvement in the content and better coordination of European and national macroeconomic, structural, and social policies.

The establishment of such a strategy is even more urgent in light of the fact that Europe is still facing a serious unemployment problem, affecting the most disadvantaged groups, especially young people.

The fight against youth unemployment will be successful only if it is based on a wide partnership and on a clear definition of the responsibilities of the different actors. Today’s young people are better qualified than
previous generations and in many cases they are even overqualified for the jobs they occupy. This leads us to say that the problem does not lie with them, but with the functioning of the labour market itself and the attitude of employers in general.

Successful integration into the labour market depends on the quality of education and training systems, on their capacity to respond to the new needs of individuals, in terms of qualifications and competences, of the economy, in terms of their present and future needs, and of society at large, in terms of the new social challenges.

High quality information, counselling, and guidance will play a prominent role. They must support young people in their vocational choices, guiding them to the ‘jobs of the future’, as well as in guiding young women into currently male-dominated professions.

Achieving these objectives also calls for greater responsibility on the part of employers in terms of the necessary links to be established between school and the world of work and of the role to be played by enterprises in the implementation of adequate initial vocational training systems.

The social partners have the joint responsibility of re-regulating the functioning of the labour market, of defining new rights and obligations, in order to achieve a better quality of work. Stability in work, non-precarious work contracts, and the right to social protection and to life-long learning inside companies, are part of the collective bargaining agenda to promote better integration of young people in the labour market.

Also, trade union organisations share an important part of the responsibility as the relevant partner vis-à-vis public authorities, employers' organisations, and organisations of the social economy.

Our capacity to develop strong partnerships at all levels will certainly contribute to the successful integration of young people in the labour market.
This publication addresses the role played by partnerships in improving the employability of young people and the conditions for successful partnerships. We hope that this book will contribute to the debate regarding the evaluation of the European Employment Strategy.

Maria Helena André
Confederal secretary of the ETUC
Introduction: enhancing youth employability through social and civil partnership

Amparo Serrano Pascual

1. Introduction

In November 2000, the European Trade Union Institute (ETUI) organised a seminar at which it set out to assess the role of social and civil partnership in improving the employability of young people on the labour market and to analyse the extent to which the Luxembourg process for developing a ‘European’ policy on youth unemployment has had an impact in enhancing partnership at different levels. The overall goal of the seminar was to compare different national approaches to the fight against youth unemployment and to evaluate the main initiatives taken in this area at European level. More specifically, the seminar sought to explore the part played by the Luxembourg Summit in the emerging process of convergence of EU Member States’ policies, and to discuss the role of the trade unions and organisations representing the Third Sector in implementing a co-ordinated European strategy for combating youth unemployment. The role of the players participating in the implementation of this strategy proved especially important for its assessment. This seminar was a follow-up to the collective research described in a recent publication (Serrano 2000).

2. Major issues arising from the debate so far

A wide variety of issues were raised as a result of the exchange of ideas in the context of the abovementioned publication. There was in-depth discussion of a number of concepts that tend to be taken for granted, such as the overly simplistic causal relationship that is sometimes drawn between technological change and the need for training, which leads to a lack of training being posited as the reason for youth unemployment (see Serrano 2000); the questionable connection between reducing young people’s
wages and improving their job prospects (Salverda 2000); and the legislative principle of viewing flexibility in labour-market regulation both as a panacea for solving the labour-market crisis (see Aragón et al. 2000) and as a means of getting vulnerable groups into employment (see Lefresne 2000; Ouali et al. 2000). Tackling youth unemployment in Europe contains a detailed analysis of these themes. Some of the main issues arising from the group’s discussions are detailed in the following paragraphs.

The first important point is the questioning of the role of ‘employability’ as the cornerstone of Europe’s strategy for combating unemployment. If we deconstruct the concept of ‘employability’ as it is understood by EU institutions, we are able to identify three strategies that are being promoted under this banner: (i) improving training, (ii) introducing guidance, information, and support measures to help people during their transition to work, and (iii) activation-based employment programmes.¹

A considerable number of doubts have been expressed about this interpretation of youth unemployment as a phenomenon attributable to the failings of young people, as well as about the way that some things are taken for granted in most discussions of the problem. Among the questions that arise are: whether the problem of youth unemployment is different to that of unemployment in other age groups; what the best way of identifying and defining the problem is; and whether youth unemployment is due to a lack of employability or a lack of jobs.

Policies which concentrate exclusively on the supply of labour are not merely inadequate, they can actually have very harmful consequences. And yet the European strategy of concentrating exclusively on ‘employability’ as the key to fighting youth unemployment is an example of exactly such

¹ These three approaches express an understanding of youth unemployment in which the problem is blamed on the individual, that is, on the personal failings of young people themselves. According to this interpretation, the particularly high level of unemployment among young people can be put down to a lack of skills in three different areas: (i) general and technical skills (lack of training), (ii) methodological or procedural skills (lack of job-seeking skills), and (iii) behavioural skills (lack of motivation to work because of the existence of other financial ‘incentives’) (Serrano 2000).
a policy. It has served to justify the way in which many young people have been placed in ‘parking slots’ for surplus labour; it has led to them becoming demotivated and being blamed for their own predicament; and it has also had the effect of legitimising the polarisation of the labour market. This type of approach overlooks the fact that the fundamental problem lies not with the individual, but rather in the lack of jobs. An employability-based approach such as that adopted by the EU needs to be accompanied by measures aimed at job creation.

Secondly, the prevailing mismatch assumption, according to which training should be geared towards the requirements of industry in order to achieve the dual objective of adapting the workforce to the new needs of industry whilst solving youth unemployment, is not as self-evident as it seems. As de Pablo (1994) points out, there are serious flaws in the simplistic view that establishes a causal relationship between the introduction of new technologies, changes in work patterns, and an increased need for training amongst the workforce. What new technologies actually bring is ‘potential’ which may or may not be fulfilled, depending on how they are used. A number of different studies (for example, Martín Artiles and Lope 1999) have shown that most companies are still adopting highly Taylorist work patterns, which makes it very unlikely that any skills that the workforce may acquire through training will be utilised effectively. Whether the potential which new technologies create is fulfilled depends not so much on the workers (or at least not exclusively so), as on the existence of an environment which makes the necessary skills available to these workers.

Questions have also been raised about what these skills should be and how they should be acquired, and in particular whether training should take place outside the workplace or whether it should be based on practical work experience within industry. Finally, the proliferation of training courses has had a number of serious negative consequences, such as overqualification, the worsening of the situation of less well-qualified young people (as a result of their becoming more stigmatised), and so on.

Thirdly, a number of criticisms can be levelled at the paternalistic and authoritarian attitude, especially towards young people, of those who
advocate the activation approach and talk of unemployment ‘traps’. For example, we need a better understanding of the extent to which the system of benefit sanctions has an effect on an individual’s activation or motivation to find work. Likewise, it is necessary to find out more about how these sanctions influence people to move not only from unemployment to employment, but also from inactivity to work, from unemployment to the black market, or from unemployment to inactivity. Furthermore, the effect of these sanctions on the quality of the transition to work needs to be evaluated (type of employment, extent to which the job is appropriate in terms of the individual’s prior training, job satisfaction, and so on).

Fourthly, it became clear from the discussions that the highly popular approach of deregulating the labour market for young people does not work. Deregulation has involved both reducing the minimum wage for young people and offering them atypical contracts which lack any form of social protection. Flexibility and atypical contracts have indeed been the main elements of measures aimed at reducing youth unemployment. Measures of this type base their explanation of the problem on the ‘Euroscerosis’ theory, according to which the European welfare state model is to blame for the high rate of youth unemployment. However, whilst these measures have done almost nothing to bring down youth unemployment figures, they have done a lot to increase both young people’s exclusion and the prevalence of temporary contracts among them.

A number of authors have expressed doubts about the effectiveness of cutting wages, including the minimum wage, in order to improve young people’s employment prospects. Not only does the effect of such measures vary according to the group of young people in question, but they also have a number of indirect consequences which tend to do more to help employers control the workforce than to combat social exclusion (by making workers submissive and promoting a culture of insecurity). Consequently, where measures based on flexibility are used, they should concentrate on improving job prospects.

The fifth point concerns the non-profit sector, which has been seen as an important area for the creation of new jobs. Evidence regarding the ghet-
toisation, stigmatisation, and polarisation of the labour market that can result from initiatives of this type suggests that the promise offered by such measures may be rather limited. Other doubts have been raised, including the long-term viability of jobs created in this way, the possibility of deadweight effects, and so on.

3. Some preliminary conclusions

As described in *Tackling youth unemployment in Europe*, the discussions that took place during the conference raised a number of issues, but also led to three conclusions:

1. institutional and social arrangements can be key to the success of a particular measure rather than the content of the measure itself;
2. it is important to adopt a complementary approach;
3. job creation in the non-profit sector is a promising area.

When it comes to identifying ‘best practices’ which could be reproduced in other countries, an approach which forms the cornerstone of the post-Luxembourg process of co-ordinating European employment policy, more emphasis should be placed on the institutional and social environment which allows them to be successfully implemented, rather than on the content of the practices. It is indeed true that the success of a programme is something that should be viewed in relative terms and is often not so much a result of the programme itself as of the combination of social, economic, and institutional conditions that have enabled particular practices to emerge. This is demonstrated by the example of the dual system. The experience of a number of European countries has shown that the popular dual system which is responsible for Germany having one of the lowest rates of youth unemployment is much harder to implement in countries with different institutional and social environments. Another case in point is the policy of promoting flexibility which has been adopted by various countries with the aim of helping young people into work. The results of this policy have varied widely between countries such as Spain, the UK, the Netherlands, and Germany, where the institutional and social backgrounds are very differ-
ent (OECD). Consequently, it is important to identify the conditions that lead to the success or failure of a given practice, rather than the content of the practice itself.

Countries where young people’s employment prospects are better, such as the Netherlands, Austria, Germany, Denmark, and Sweden, can all be seen to have integrated the transition to work into institutionalised policies, as well as to share a culture based on co-operation and working together (Auer 2000). It appears that one of the most important conditions required for programmes to be successful is the existence of effective partnership networks.

Furthermore, the EU’s strategy for tackling youth unemployment, as expressed in the employment guidelines, is based almost exclusively on the concept of employability, thereby seeing the problem in terms of individual failings and placing the blame for their difficulty in finding work on the shoulders of the young people themselves. However, for youth employment policies to be successful, specific structural conditions are necessary as well as personal motivation. Young people have difficulty in finding work not (or not exclusively) because of a lack of employability, but because of the selective way in which the labour market operates and the uneven distribution of employment. It is thus important to adopt a comprehensive and complementary approach which addresses both the supply of labour and issues relating to the demand side (job creation measures).

It is also important that measures should be complementary in terms of the levels at which they are implemented. As such, micro-level programmes

---

2 The same policy of flexibility was implemented during the 1980s in both Spain and Germany with a view to promoting the use of temporary contracts, but with very different results. Whilst in Germany only very limited use was made of these contracts and they were confined to people entering the labour market for the first time, in Spain they were used much more widely and across all sectors of the workforce (OECD 1999). One possible explanation for these differences is the well-established tradition of social partnership that exists in Germany, unlike in Spain, which made it possible to establish stable, long-term relationships with employers (OECD 1999). Hence, in Germany temporary contracts are used as a way of testing the suitability of a worker before offering them a permanent contract, whereas in Spain they are seen more as a means of adjusting the numbers of workers employed to the changing needs of production.
(such as training and guidance) should be complemented by macro-level measures aimed at net job creation (measures geared towards economic development, promoting employment and creating jobs, distributing jobs more evenly, and so on). A stable economy is thus a precondition for boosting the demand for labour.

The strong point of the Dutch model, for example, is the way in which a number of complementary measures (fiscal and budgetary measures, job sharing and training) have been combined. The polder model is based, amongst other things, on the principle of complementary and co-ordinated measures at a number of different levels. These include both the macroeconomic level (reducing public spending and taxation, wage restraint, reduction of working hours) and the microeconomic level (policies aimed at groups that have particular difficulty in finding work) on the one hand, and measures geared towards both the supply of labour (training, guidance, and activation) and the demand for labour (flexibility measures) on the other. The supply and demand–based measures have often formed part of the same package: for example, there have been measures promoting training, guidance, and activation all at the same time, or measures that combine flexibility with job security. The success of combining complementary measures in this way can be seen in the fact that the Netherlands has managed to achieve one of the lowest unemployment rates in Europe without working conditions deteriorating as much as in other countries.

The areas of intervention should also be complementary. The multifaceted nature of the problem of finding work for young people (with educational, economic, and social factors, and so on, all playing a role) requires an interdisciplinary approach to social intervention, in which a number of different areas are integrated: guidance, development of social skills, self-confidence, training, work experience, and so forth. This requires complementary co-operation between the different social players. The complex nature of the problem of social exclusion means that we need new forms of intervention based on personalised and decentralised measures that adopt a multidimensional approach which addresses the different aspects of the problem in a complementary fashion.
This complementary approach should also characterise the criteria used to evaluate the success of programmes. Thus, criteria measuring efficiency should be combined with criteria measuring fairness; short-term goals should be accompanied by long-term goals; the impact of a measure on the number of jobs created should be evaluated in tandem with its impact on the quality of the jobs; and so on.

An approach that seeks to improve the effectiveness of policy by combining various aspects in this way is highly dependent on the creation of partnership networks between the different players, so that the different sides of the problem can be considered in a complementary way.

In light of the preceding paragraphs it is clear that a detailed analysis of the concept of ‘partnership’ is necessary. The principle of participatory pluralism is in fact the cornerstone of the European social model, and partnership networks certainly favour the use of tailored to the specific needs of each individual, complementary measures to tackle the different aspects of the problem. Nevertheless, what appears to be an approved ‘method’ of intervention used by the majority of European countries is not without its weaknesses, such as the risk of no one accepting ultimate responsibility for a measure, the danger of a lack of clarity with regard to goals, the absence of overall control inherent in consensus models, and so on.

4. Aim of the research and structure of the contributions

Insofar as partnership does appear to play a central role in fostering the employability of young people, the question discussed in this publication concerns the extent to which this alternative paradigm for social intervention has been promoted in the context of the employment guidelines and with what effects. The publication thus consists of two parts. The first contains contributions which discuss the concept of partnership, particularly social partnership, as well as ‘civil’ partnership with organisations representing the Third Sector. The topics discussed are as follows: the role of partnership in promoting the employability of young people (Serrano); social partnership and its links with the European Employment Strategy.
Introduction

(Foden); civil partnership and its links with the European Employment Strategy (Estivill); a critical discussion of the European concept of ‘governance’ (Darmon); forms of partnership (Bonvin and Bertozzi); and factors influencing the success of a partnership network (Westphalen and Kjar).

The second part contains a set of case studies from five European countries – United Kingdom (Lindsay; Low), Spain (Aragón; Palacio), France (Lefresne; Sobel and Yonnet), Germany (Schömann and Brejinsky; Heidemann), and Denmark (Mailand) – and also includes a comparative contribution from Australia and Canada (Le Queux; Biddle, Burgess, and Tremblay) in an effort to ascertain the extent to which these developments are exclusively ‘European’. The various contributors present their subject matter on the basis of a similar structure but from contrasting standpoints (academic or trade union; theoretical or predominantly empirical): a first section gives a brief description of young people on the labour market; a second section introduces the principal measures applied to young people to increase their employability in the framework of the NAPs; a third section focuses on the role played by partnership in these measures in the framework of the NAPs; and a final section examines the strengths and weaknesses of these partnership networks.

The book ends with a series of conclusions based on the preceding analyses (Serrano).

Translated from the Spanish by Joaquin Blasco
References


The concept of partnership
1. Introduction

One of the most significant processes currently taking place in the area of social policy is the redefinition of the levels at which social regulation and social cohesion are being addressed. Trends such as economic globalisation, the crisis of the welfare state, and the increasingly competitive and selective nature of the labour market are leading to a dual process comprising administrative decentralisation and the Europeanisation of economic policy. This has had an especially significant impact upon social policy, and on employment policy in particular, with the result that there is now a variety of different players at European and local level, all of whom play an important role in implementing these policies. This is particularly true in the case of policies aimed at young people.

It can be said that, whilst on the one hand the process of decentralisation has been accompanied by a renewed emphasis on the non-profit sector and on local partnerships that contribute to the fight against young people’s exclusion from the labour market, on the other hand the process of co-ordinating employment policy at European level has stimulated recognition of the important role of the trade unions in combating unemployment.

A number of studies have shown that the trade unions and the non-profit sector are playing a key role in redefining and improving the effectiveness of social policy with a view to helping to build a Social Europe. Given that social policy is now being implemented at a number of different levels, the partnership networks that serve to co-ordinate these different levels are becoming increasingly significant. We are witnessing a redefinition

_Amparo Serrano Pascual_
of the role of players from different levels in a (not always) co-ordinated attempt to tackle issues such as youth unemployment. Consequently, it is more important than ever to ensure proper co-ordination between the different levels and to strengthen the role of intermediate organisations that can act as links between them (Aragón et al. 2000 and Spineux et al. 1999).

In this context, the role of central government in promoting employment is being redefined. Many of the employment-policy measures aimed at young people are the result of regional agreements, territorial pacts, or either social pacts with the government on the one hand, or National Action Plans (NAPs) which are partly based on the employment guidelines on the other. Rather than blurring the boundaries of national structures designed to achieve social cohesion, the process whereby national-level policy is being implemented, via either macro-level structures such as the European level or micro-level structures such as the regional level, has led to a proliferation of the levels at which social cohesion is addressed. This dual process has not led to a weakening of the state’s role in regulating employment since it has been accompanied by a renewal of dialogue at the central level and the establishment of national agreements on employment, as well as legislation which has acted as a framework for all employment policy measures.

This redefinition of roles is a consequence of the desire to combat unemployment more effectively. Nevertheless, it is a process that has received little attention and it is very rarely mentioned explicitly in evaluations of Europe’s employment strategy. The principle of partnership, in all its different forms, could be considered the cornerstone of the process of adapting social policy to new structural challenges, and it has indeed become one of the main areas of debate in European social policy.

Particularly significant in this respect are partnerships with the social partners and those formed with grass-roots and non-profit organisations. Before we come to consider that, however, in section 2 I provide a brief description of the situation of young Europeans in the labour market, with a view to classifying them into different groups. This will make it possible for us in the subsequent discussion to concentrate on countries that
are representative of each category, allowing comparisons to be made without the risk of losing focus. A later section will identify the areas in which these networks have had particular success in combating youth unemployment.

2. Being young in Europe

Demographic trends, education, and young people in the labour market

In most European countries, the number of young people as a percentage of the population is falling. This is especially true in Denmark and Germany, as can be seen from Table 1. The 15-24 age group is getting smaller in the majority of Member States. However, the trend is reversed in Ireland, Portugal, and Spain, where the percentage of young people is still rising. The European baby-boom did not hit these countries until the

Table 1 Young people as a percentage of the total population

<table>
<thead>
<tr>
<th></th>
<th>Total population (000s)</th>
<th>Population aged 15-24 (000s)</th>
<th>15-24 year-olds as percentage of total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>10 239</td>
<td>1 244</td>
<td>12.1</td>
</tr>
<tr>
<td>Denmark</td>
<td>5 298</td>
<td>613</td>
<td>11.6</td>
</tr>
<tr>
<td>Germany</td>
<td>811 07</td>
<td>8 871</td>
<td>10.9</td>
</tr>
<tr>
<td>Greece</td>
<td>10 321</td>
<td>1 363</td>
<td>13.2</td>
</tr>
<tr>
<td>Spain</td>
<td>39 116</td>
<td>5 836</td>
<td>14.9</td>
</tr>
<tr>
<td>France</td>
<td>57 763</td>
<td>7 235</td>
<td>12.5</td>
</tr>
<tr>
<td>Ireland</td>
<td>3 787</td>
<td>660</td>
<td>17.4</td>
</tr>
<tr>
<td>Italy</td>
<td>570 38</td>
<td>6 730</td>
<td>11.7</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>430</td>
<td>49</td>
<td>11.3</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>15 667</td>
<td>1 861</td>
<td>11.8</td>
</tr>
<tr>
<td>Austria</td>
<td>7 942</td>
<td>908</td>
<td>11.4</td>
</tr>
<tr>
<td>Portugal</td>
<td>9 987</td>
<td>1 537</td>
<td>15.4</td>
</tr>
<tr>
<td>Finland</td>
<td>5 154</td>
<td>641</td>
<td>12.4</td>
</tr>
<tr>
<td>Sweden</td>
<td>8 864</td>
<td>1 022</td>
<td>11.5</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>58 389</td>
<td>6 879</td>
<td>11.8</td>
</tr>
<tr>
<td>European Union</td>
<td>371 102</td>
<td>45 450</td>
<td>12.2</td>
</tr>
</tbody>
</table>

1970s, and consequently young people still make up a high percentage of their populations.

The fall in the percentage of young people in the population as a whole is matched by an increase in the level of school attendance by young people. Young people are tending to stay in education for longer. This tendency is especially significant in Finland, the Netherlands, and Denmark, as shown in Table 2.

Table 2 Educational attainment of young people by country, 1997

<table>
<thead>
<tr>
<th>Country</th>
<th>Young people aged 15-19 in education %</th>
<th>Young people aged 20-24 in education %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>94.2</td>
<td>41.1</td>
</tr>
<tr>
<td>Denmark</td>
<td>83.7</td>
<td>51.4</td>
</tr>
<tr>
<td>Germany</td>
<td>93.0</td>
<td>38.5</td>
</tr>
<tr>
<td>Greece</td>
<td>82.3</td>
<td>31.9</td>
</tr>
<tr>
<td>Spain</td>
<td>80.8</td>
<td>45.0</td>
</tr>
<tr>
<td>France</td>
<td>92.9</td>
<td>43.9</td>
</tr>
<tr>
<td>Ireland</td>
<td>81.2</td>
<td>28.5</td>
</tr>
<tr>
<td>Italy</td>
<td>76.7</td>
<td>35.8</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>92.7</td>
<td>34.9</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>80.7</td>
<td>49.4</td>
</tr>
<tr>
<td>Austria</td>
<td>82.8</td>
<td>31.7</td>
</tr>
<tr>
<td>Portugal</td>
<td>73.8</td>
<td>40.5</td>
</tr>
<tr>
<td>Finland</td>
<td>90.2</td>
<td>50.5</td>
</tr>
<tr>
<td>Sweden</td>
<td>76.2</td>
<td>30.7</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>70.6</td>
<td>24.3</td>
</tr>
<tr>
<td>European Union</td>
<td>83.2</td>
<td>38.0</td>
</tr>
</tbody>
</table>


Attendance of initial training courses by young people between the ages of 15 and 19 has increased, with an average of 83.2 percent across the EU
Member States (see Table 2). This trend is particularly marked in Belgium, Germany, France, and Luxembourg. It is considerably lower in the United Kingdom, however, standing at 70.6 percent for those under the age of 20. For young people in the 20–24 age group, the percentage varies from highs of 51.4 percent in Denmark and 50.5 percent in Finland to a low of 24.3 percent in the United Kingdom. The percentage of young people with initial training or who are continuing their studies has increased, although this increase has been minimal in the Netherlands and the Nordic countries (where it was already high) and the United Kingdom (where the percentage has remained low). The increase is particularly significant in Spain, Belgium, and France. Whilst most young people in the Netherlands1 and the Nordic countries (with the exception of Sweden) are well educated, in some countries, including Spain, the situation has become somewhat polarised. There is a relatively high proportion of young people who have only completed the compulsory part of secondary education, but there is also a high proportion of young people in higher education (Fina 1999).

The average level of education among young Europeans is considerably higher than among older people and in particular higher than that achieved by older women. In 1997, around 70 percent of women aged 25–29 had completed education at least up to the upper secondary level, while a little more than 50 percent of women aged 40–49 had similar qualifications (Eurostat 1997).

Figures 1 to 5 show that the major differences between young people in different countries are to be found not only in the overall level of education but also in the specific way in which education and work are combined.

---

1 In 1996 only 8 percent of the Dutch population had only a basic secondary education qualification, whereas 25 percent had a higher education qualification (Hartog 1999).
**Figure 1**
*Young people in education*
*Source: OECD, Education Database, 1999.*

**Figure 2**
*Status of young people aged 15–19 in education*
*Source: OECD, Education Database, 1999.*

**Figure 3**
*Status of young people aged 15–19 not in education*
*Source: OECD, Education Database, 1999.*

18  
*Enhancing youth employability through social and civil partnership*
Figure 4
Status of young people aged 20–24 in education

Source: OECD, Education Database, 1999.

Figure 5
Status of young people aged 20–24 not in education

Source: OECD, Education Database, 1999.
Young people and the labour market

Participation of young people in the labour market

Because of the fall in the size of this age group as a proportion of the overall population and the increase in the rate of inactivity resulting from the longer time spent in education, the number of young people who become economically active is decreasing. Young Dutch and Danish people are the exception in that they retain a particularly high rate of labour-market activity. Finland and the United Kingdom also have relatively high rates of activity among young people. At the other end of the scale, Belgium, France, and Luxembourg have the lowest rates of activity, which

Table 3 Participation in the labour market, 2000

<table>
<thead>
<tr>
<th>Overall activity rate (15-64 years)</th>
<th>Activity rate of young people (15-24 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxembourg</td>
<td>64.1</td>
</tr>
<tr>
<td>France</td>
<td>68.8</td>
</tr>
<tr>
<td>Belgium</td>
<td>65.2</td>
</tr>
<tr>
<td>Italy</td>
<td>59.9</td>
</tr>
<tr>
<td>Greece</td>
<td>62.9</td>
</tr>
<tr>
<td>Sweden</td>
<td>75.3</td>
</tr>
<tr>
<td>Spain</td>
<td>63.7</td>
</tr>
<tr>
<td>Portugal</td>
<td>71.0</td>
</tr>
<tr>
<td>Germany</td>
<td>70.9</td>
</tr>
<tr>
<td>Ireland</td>
<td>67.3</td>
</tr>
<tr>
<td>Austria</td>
<td>71.2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>75.4</td>
</tr>
<tr>
<td>Finland</td>
<td>76.8</td>
</tr>
<tr>
<td>Denmark</td>
<td>80.0</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>74.9</td>
</tr>
<tr>
<td>European Union</td>
<td>68.9</td>
</tr>
</tbody>
</table>

is partly due to the prolonged period of time young people spend in education. The activity rates of young women are tending to increase in all these countries.

The fall in participation in the labour market reflects the increased number of young people who remain in education. The activity rate for young people is therefore significantly lower than the overall activity rate, as is illustrated by Table 3.

In Belgium, France and Luxembourg the activity rate for young people is almost half as low as the overall activity rate. At the other extreme, the activity rate of young people in Denmark and the Netherlands is relatively close to the overall activity rate.

Employment trends

Young people are particularly affected by the crisis in the labour market, which has both quantitative and qualitative dimensions. Young people face high unemployment. The average unemployment rate of young people has risen and the employment rate has fallen. This unemployment rate is particularly high in comparison with other age groups in almost all countries in Europe. This situation varies widely from country to country.
Table 4  Situation of young people by country, June 2001

<table>
<thead>
<tr>
<th>Country</th>
<th>Unemployment rate %</th>
<th>Youth unemployment %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>11.1</td>
<td>29.5</td>
</tr>
<tr>
<td>Italy</td>
<td>9.5</td>
<td>27.9</td>
</tr>
<tr>
<td>Spain</td>
<td>13.1</td>
<td>25.1</td>
</tr>
<tr>
<td>Finland</td>
<td>9</td>
<td>19.5</td>
</tr>
<tr>
<td>France</td>
<td>8.5</td>
<td>18.4</td>
</tr>
<tr>
<td>Belgium</td>
<td>6.8</td>
<td>17.2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>5.1</td>
<td>12.0</td>
</tr>
<tr>
<td>Sweden</td>
<td>4.8</td>
<td>9.9</td>
</tr>
<tr>
<td>Germany</td>
<td>7.9</td>
<td>9.6</td>
</tr>
<tr>
<td>Portugal</td>
<td>4.2</td>
<td>9.6</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>2.4</td>
<td>7.1</td>
</tr>
<tr>
<td>Denmark</td>
<td>4.5</td>
<td>6.8</td>
</tr>
<tr>
<td>Ireland</td>
<td>3.8</td>
<td>6.0</td>
</tr>
<tr>
<td>Austria</td>
<td>3.8</td>
<td>5.7</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>2.3</td>
<td>4.1</td>
</tr>
<tr>
<td>European Union</td>
<td>7.6</td>
<td>15.1</td>
</tr>
</tbody>
</table>


Some EU Member States have experienced an increase in the number of jobs, especially the Netherlands, where the base-line level of unemployment was not particularly high. Although Spain has experienced a very favourable change in the employment situation over the last two years, its level of unemployment remains one of the highest in the EU. Employment in the EU has increased during recent years. However, the decline in unemployment has been modest for women under 25.
Table 5  Employment rate, 2000

<table>
<thead>
<tr>
<th>Country</th>
<th>Overall employment rate %</th>
<th>Employment rate for young people %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>53.4</td>
<td>26.1</td>
</tr>
<tr>
<td>Greece</td>
<td>55.9</td>
<td>26.9</td>
</tr>
<tr>
<td>France</td>
<td>61.7</td>
<td>28.3</td>
</tr>
<tr>
<td>Belgium</td>
<td>60.9</td>
<td>30.3</td>
</tr>
<tr>
<td>Spain</td>
<td>54.7</td>
<td>31.8</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>62.7</td>
<td>31.9</td>
</tr>
<tr>
<td>Sweden</td>
<td>71.1</td>
<td>36.9</td>
</tr>
<tr>
<td>Portugal</td>
<td>68.1</td>
<td>41.9</td>
</tr>
<tr>
<td>Finland</td>
<td>68.1</td>
<td>45.4</td>
</tr>
<tr>
<td>Germany</td>
<td>65.3</td>
<td>46.1</td>
</tr>
<tr>
<td>Ireland</td>
<td>64.4</td>
<td>47.8</td>
</tr>
<tr>
<td>Austria</td>
<td>67.9</td>
<td>52.5</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>71.2</td>
<td>55.9</td>
</tr>
<tr>
<td>Denmark</td>
<td>76.4</td>
<td>67.1</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>72.9</td>
<td>68.4</td>
</tr>
<tr>
<td>European Union</td>
<td>63.1</td>
<td>39.9</td>
</tr>
</tbody>
</table>


Youth unemployment has declined in recent years. As already mentioned, this is partially explained by the fact that more young people are remaining in education. Nevertheless, youth unemployment in Europe is almost twice as high as adult unemployment, with an average level of 15.1 percent for the EU as a whole (Eurostat 2001). Various reasons explain the high incidence of unemployment among young people: segmentation of the labour market; technical and organisational changes that have created a demand for higher qualifications; and the labour market crisis coupled with tougher conditions under which workers are employed. These conditions particularly affect newcomers to the labour market, such as young people. The overall unemployment level in these countries largely explains
the seriousness of the youth unemployment problem, which tends to be higher in those countries where overall unemployment is also high (see Figure 7). Likewise, although youth unemployment levels mirror fluctuations in the overall unemployment rate, they rise more sharply than the overall rate in times of recession and fall more rapidly in periods of economic growth. The incidence of unemployment among young people is not the same in all European countries: in Italy, Greece, and Spain, for example, it is particularly high.
Figure 7 Unemployment rate

The rate of unemployment among young people does not fully reflect the extent of the problem. For example, Figures 1 to 7 do not show the qualitative deterioration of working conditions in EU countries, particularly Spain and the United Kingdom. Although young people are better qualified, most still find it difficult to get work, and even when they are successful, they often have only temporary contracts and have to undertake tasks that do not correspond to their qualifications. Many young people experience unstable working conditions (falling wages, considerable insecurity, poor employment prospects, and the impact of atypical forms of work). In sum, the integration of young people into the labour market at the present time is characterised by intermittent employment, high turnover rates, and prolonged uncertainty. The general labour market crisis has placed serious obstacles in the path of young people who are trying to find regular employment. In addition to high levels of unemployment, young people attempting to enter the labour market rapidly discover
that most of the jobs on offer are insecure and characterised by continually worsening working conditions. The problem is therefore not confined to a lack of job opportunities, but also includes the nature of the social and occupational sectors into which young people are moving. Moreover, inequalities among and within the young population have increased considerably in most countries.

The increased frequency of part-time work and temporary contracts are two features of labour-market development in almost all EU Member States (see Table 6). Moreover, the additional jobs created in recent years

Table 6 Atypical forms of employment

<table>
<thead>
<tr>
<th></th>
<th>Fixed term contract</th>
<th></th>
<th>Part time contract</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total population</td>
<td>Population aged</td>
<td>Total population</td>
<td>Population aged</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>under 25 years</td>
<td>%</td>
<td>under 25 years</td>
</tr>
<tr>
<td>Belgium</td>
<td>9</td>
<td>31.0</td>
<td>20.6</td>
<td>17.9</td>
</tr>
<tr>
<td>Denmark</td>
<td>10.2</td>
<td>29.8</td>
<td>21.4</td>
<td>46.8</td>
</tr>
<tr>
<td>Germany</td>
<td>12.8</td>
<td>51.9</td>
<td>19.1</td>
<td>12.0</td>
</tr>
<tr>
<td>Greece</td>
<td>13.2</td>
<td>28.7</td>
<td>4.3</td>
<td>8.4</td>
</tr>
<tr>
<td>Spain</td>
<td>32.8</td>
<td>68.6</td>
<td>8.1</td>
<td>13.5</td>
</tr>
<tr>
<td>France</td>
<td>14.6</td>
<td>53.9</td>
<td>16.8</td>
<td>22.1</td>
</tr>
<tr>
<td>Ireland</td>
<td>4.6</td>
<td>10.5</td>
<td>16.6</td>
<td>22.1</td>
</tr>
<tr>
<td>Italy</td>
<td>10.2</td>
<td>26.1</td>
<td>8.7</td>
<td>11.4</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>3.0</td>
<td>13.3</td>
<td>11.2</td>
<td>8.8</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>13.6</td>
<td>34.2</td>
<td>41</td>
<td>61.5</td>
</tr>
<tr>
<td>Austria</td>
<td>7.9</td>
<td>33.1</td>
<td>16.7</td>
<td>9.6</td>
</tr>
<tr>
<td>Portugal</td>
<td>20.6</td>
<td>41.5</td>
<td>8.1</td>
<td>6.0</td>
</tr>
<tr>
<td>Finland</td>
<td>17.9</td>
<td>50.0</td>
<td>11.9</td>
<td>32.8</td>
</tr>
<tr>
<td>Sweden</td>
<td>14.5</td>
<td>45.2</td>
<td>21.8</td>
<td>38.3</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>6.4</td>
<td>12.8</td>
<td>24.0</td>
<td>32.5</td>
</tr>
<tr>
<td>European Union</td>
<td>13.4</td>
<td>38.7</td>
<td>17.6</td>
<td>22.7</td>
</tr>
</tbody>
</table>

have predominantly been part-time and temporary ones. The number of part-time workers is particularly high and in many cases people are not working part-time by choice. Another trend across EU Member States is the concentration of problems (such as unemployment and deteriorating working conditions) among particular groups of young people (ethnic minorities, those who have dropped out of education, women, and people living in particular urban areas): for instance, unemployment among young women has not fallen in most European countries since 1994.

**Categories of transition to work in Europe**

Based on the criteria which are considered to be indicators of ‘good results’ in the labour market (education level, activity rate, unemployment rate, and so on), the labour market situation of young people in the European Union can be classified in terms of five groups:

**First group:** Belgium, France, and Luxembourg. These countries have a high educational enrolment rate and a low labour-market activity rate. The employment rate for young people is also quite low. The transition of young people to the labour market in this group of countries is characterised by a high level of social welfare and one of the highest levels of schooling in Europe. In contrast to the second group (see below), however, the labour market for young people in France is characterised by high rates of inactivity and a low rate of employment.

**Second group:** The Netherlands and Denmark. These countries share with the first group a prolonged period in school, but differ from it in that the activity and employment rates for young people are particularly high and the unemployment rate is very low. Young people in this second group have in common with the fourth group of countries a high labour-market activity rate, but are better educated and trained, and benefit from the greater importance given to the social role of the state. These countries have a very high proportion of people working on part-time contracts. Access to the labour market is relatively quick and secure, but varies widely in nature, depending on the young person's social background.
Third group: Sweden, Finland, Germany, and Austria. Young people in these countries have a high educational rate and a quite high activity and occupational rate (although considerably lower than that of the second group). The unemployment rate is quite low (with the exception of Finland).

Fourth group: Portugal, United Kingdom, and Ireland. Young people in these countries enjoy a high rate of labour-market participation and a high level of employment, although they spend less time in education than those in other European countries. They are in a relatively favourable situation because of the low rates of unemployment. The small number of long-term unemployed makes finding work relatively easy. However, the working conditions of the available jobs are characterised by a high degree of insecurity arising from the advanced deregulation of the labour market. The United Kingdom especially is an example of a country with rapid and easy access to work, but also of very poor employment conditions.

Fifth group: Italy, Greece, and Spain. This group has a high unemployment rate and a low rate of activity and occupation. Young people belonging to this group have particular difficulties in finding employment. In contrast to the situation in the first and second groups, the social role of the state is relatively undeveloped. This partly explains the acuteness of the problem and the insecure and uncertain nature of the transition from school to work for young people.

Section 3 concentrates on six countries, each of which represents one of the typical situations of young people in Europe: Spain, France, the United Kingdom, the Netherlands, Germany, and Denmark. These countries have very different institutional models, as well as their own specific social and economic traditions. Indeed, if we follow Visser’s (1999) classification of industrial relations models in the EU, Spain and France would belong to the so-called ‘Latin confrontation model’,2 the United Kingdom

---

2 This model describes relations characterised by a high degree of conflict, often requiring state intervention. Labour legislation plays an important role in defining fundamental individual rights.
to the ‘Anglo-Saxon pluralism’ model, countries like Germany and the Netherlands to the ‘central social partnership’ model, and countries such as Denmark to the ‘northern corporatism’ model. Consequently, this selection of countries enables us to cover the whole range of institutional models in Europe.

3. Social and civil partnerships

It appears that the approach based on a partnership between various players benefits from many of the advantages mentioned above, without suffering from the disadvantages. Far from being restricted to the employability pillar, the role of partnership in helping young people to find work forms part of an holistic approach to the problem, something which is particularly important when combating youth unemployment. Given the wide diversity of players and the complexity of the problem, co-operation between the different players is essential for public policy to be effective. Recognition of the importance of partnerships has been accompanied by recognition of the key role of both local and regional players and of the social partners in the EU’s employment strategy.

3 In this model, relations between employers and the workforce have come to be based on the principle of negotiation. Whilst both sides still have conflicting sets of values, they nevertheless accept the established procedures. Representative structures are fragmented and there is a lack of effective co-ordination. The state tends to assume that the market will regulate itself. Industrial relations are not regulated by legislation and the trade unions are not protected by a system of rights, whilst the welfare state is seen as a safety net to be used only as a ‘last resort’.

4 Collective bargaining tends to be carried out and regulated by organisations made up of representatives of both employers and the workforce, based on integrated value systems where the interests of both sides partially overlap. Bargaining is usually backed up by consultation through national political institutions and works councils or joint committees. The state acts largely as a facilitator of these negotiations. There are two sub-models, the Nordic or Scandinavian one and the central or continental European one. The trade unions tend to be much stronger in the first case, with labour law that establishes collective rights as opposed to individual ones. Consultation and participation in the workplace has been developed through the use of a single body for collective bargaining and the representation of the workforce. The central model, on the other hand, is more typically divided along ideological lines, between Christians and Socialists.
EU institutions have repeatedly emphasised the key role of the local level in implementing European policy. Consequently, the structural funds have been used to support the EU’s employment strategy, specifically through the promotion of local development. At the same time, the EU’s institutions have also been supporting the non-profit sector, focusing in particular on its ability to reach the most disadvantaged groups which do not receive sufficient assistance through the existing social welfare channels (Commission discussion paper 2000). The chapter on young people in the 1999 employment guidelines contained little that was new compared to the 1998 guidelines. One of the few changes was the increased emphasis on tackling the problems of at-risk groups who are particularly vulnerable in the labour market. The guidelines for the year 2000 stress the importance of the local level (guideline 12). Furthermore, a recent communication from the Commission identified the significant potential of local action for creating jobs.5

Several European countries have decentralised their employment services with a view to making the local level more independent. This has enabled social partners and local authorities to come together in order to adapt service provision to the specific needs of the target group. Decentralisation based on the creation of local partnerships is a particularly attractive model since it offers a high degree of flexibility in the management of employment policy (OECD 1998). It enables better use to be made of the skills and potential of local players from the public, private, and non-profit sectors, so that local needs can be met more effectively on a case by case basis.

The recognition and establishment of social dialogue is a process that has gone hand in hand with the administrative decentralisation promoted by the European Union. As indicated by Aragón et al. (2000), the growing

---

The role of social and civil partnership networks

involvement of the social partners in the design of employment policy at local level has served not only to help adapt policy to the specific characteristics of different sectors and regions but also to maintain social cohesion throughout the country (an interregional convergence of goals [Aragón et al. 2000]).

Consequently, one possible method of evaluating the development of employment policy would be to examine the different approaches to and types of partnership in various countries. Like ‘employability’, the concept of ‘partnership’ is giving rise to a new approach to social policy, far removed from the more bureaucratic approach of the past (de Munck et al. 1997). The concept of partnership could have an important role to play in finding solutions to the employment crisis and the crisis of the welfare state, acting as the driver for a revitalised social economy.

The concept of partnership, however, covers a wide variety of situations. These range from agreements which vary considerably in scope to more or less stable networks promoting relations and co-operation, and from very formal relationships between organisations to more informal types of co-operation (Barbier 1997). As a result, the way in which the idea of partnership is transformed from a political concept into reality varies depending on country and type of programme. This means that the functions of partnerships are different from one country to the next and may include flexible regulation of the labour market, promotion of new skills, adapting occupational skills to the needs of industry, rationalisation of intervention and restructuring of the relationships that exist between different players who share the same goal, limiting the ability of employers to use particular employment policies in an exploitative manner, creating new jobs, and so on. The next section looks at some examples.

3.1 The role of partnerships in promoting employability

3.1.1 Adapting training to the needs of industry

Background context. One of the main ways in which the EU has sought to increase young people’s employability is training. This approach is a continuation of the already established tradition in Europe of seeing educa-
tion as one of the keys to making industry more competitive and young people more employable. This policy has been reinforced since the Lisbon Summit, with the so-called ‘knowledge-based society’ becoming the cornerstone of Europe’s new employment strategy. Our ability to adapt to new technologies is fundamentally dependent on the skills level of the population, hence the importance of human resources. However, training in itself is not enough; if full advantage is to be taken of workers’ training and professional skills, this requires them to be accompanied by new, more democratic and autonomous, forms of work organisation.

In Tackling youth unemployment in Europe (Serrano 2000) we questioned the view of training as a panacea for the problems of finding work for young people. Nevertheless, training can play a very positive role in a number of cases since it can increase the options available to a worker, boost economic growth, increase the overall number of high-skilled jobs, contribute to the development of new work patterns, and so on. There are two aspects which are important if training is to be made into a socially effec-

6 The increase in training and the proliferation of training courses does not in itself appear to have provided an effective solution to the problem of youth unemployment, for the following reasons: (i) Education systems very often fail to meet the needs of people with difficulties, leading to high failure and dropout rates. (ii) There is no clear overall relationship between how educated a person is and how hard they find it to get a job. (iii) More and more emphasis is being placed on procedural or methodological skills (problem-solving skills, higher-order thinking skills, ability to analyse information, organisational skills, communication skills, and so on), rather than on technical or occupational skills. Rather than being acquired at school, in an environment which bears no relation to the world of work, these skills are acquired through real work experience. (iv) Companies are increasingly employing skilled workers to perform tasks that do not require a high skill level, making it possible for them to underpay and manipulate the workforce. (v) The increase in the time spent in education has had a harmful effect on less-skilled people: since they are now fewer in number, the stigma associated with their lack of qualifications is greater. (vi) Due to the proliferation of qualifications they are less highly valued. (vii) Particularly in countries with very high youth unemployment, training often becomes a kind of ‘parking slot’ for keeping young people out of the way and out of trouble. (viii) The emphasis on training can lead to inequalities and difficulties in young people’s attempts to find work being legitimised and seen as a natural consequence of their failure to achieve good results in the training system.
tive tool. First, it is necessary to create links between training and the workplace so that technical and general skills can be combined with and complemented by methodological and procedural skills. Secondly, training needs to be accompanied by new ways of organising work, so that it is used to its full potential in the interests of both the worker and the so-called ‘new economy’.

Social partners and training. Efforts at co-ordination between different social players (education authorities, job centres, social services, social partners, government, labour-market institutions, and so on) have contributed to improving employment opportunities among particularly disadvantaged groups. However, partnership networks between the social partners aimed at helping young people to find work have in many countries been restricted almost exclusively to the field of training. One of the main principles championed by the trade unions is the need to increase the priority given to education and vocational training, not only with a view to promoting economic growth but also in order to make the most of workers’ potential. Indeed, in many cases, the unions have been able to make training into something that benefits the worker rather than a simple means of managing the dole queue. However, while the trade unions have played an important role in the fields of lifelong learning and vocational training, their role has been far less significant with regard to initial education and training (CEDEFOP 1993).

Vocational training is a subject that appears in collective agreements in the majority of Member States, including Germany, Spain, France, and the Netherlands, usually with the aim of promoting vocational training in industry (Spineux et al. 1999). Agreements designed to promote employment amongst less-skilled young people have been signed in countries such as Germany and Spain. In France, however, this issue is less important than it used to be, since the French have been concentrating on reducing working hours. In the United Kingdom, training does not play such an important role in collective bargaining (Spineux et al. 1999).

Whilst it is true that the different countries have all prioritised the creation of some form of partnership network between the trade unions and
government institutions in order to combat youth unemployment, the evaluation of training programmes demonstrates the particular importance of union involvement in the following areas:

Design of skills requirements and monitoring of training quality. As already described, training has in many cases become little more than a waiting room: the courses are often redundant, bearing no relation to the needs or experience of the worker. The trade unions in the different countries have sought to tackle this problem by offering different types of support measures, usually in the form of consultation, official courses, or involvement in the evaluation of the guidelines, the programmes, and their results. In this context, the role of the unions is especially important with regard to matters such as the status of trainees during work experience placements, working and training conditions, and so on.

In an environment characterised by rapid organisational and technological change, the nature of work is also changing rapidly. New types of job and new training requirements are appearing. The social partners are very much in touch with these developments and are consequently well placed to make a contribution. In some instances the social partners have been involved in the design of skills requirements in the context of the creation of a qualifications system based on a modular approach to skills in and outside the workplace.

**Partnerships and training system planning**

In the Netherlands, since 1980, the social partners have participated in the administration of vocational training as well as in decision-making regarding its form and content, the aim being to improve co-ordination of both aspects. Government involvement, meanwhile, has been limited. A national vocational qualifications authority has been created to ensure co-ordination between training, work experience, and nationwide recognition of the qualifications awarded. The funding of this training is also determined by collective bargaining. However, the role of collective agreements in the field of vocational training continues to be limited, since it is influenced by economic fluctuations and wage negotiations.
Structures for the validation and certification of skills. Changes in the organisation of work and technological progress have meant that traditional job classifications are no longer valid. The new job categories require new approaches to the certification of skills. For example, there is a need for social recognition of the skills and knowledge acquired through work experience.

Social partnerships and skills certification

In a reform of its vocational training system, Spain is introducing a module-based system for recognising skills acquired through work experience and training, together with a set of regulations governing certification and recognition of these qualifications. The social partners have also been heavily involved in the regulation of training outside the formal sector, especially since 1992, playing an important role in the financing of these programmes and in the monitoring of the actions carried out under the FIP plan (Training and into Work Plan). A number of national agreements have been signed to promote the involvement of the social partners in the design and planning of the vocational training system and in the development of the training programmes (FIP plan). These agreements also provide for new types of job categories to be agreed through collective bargaining, based on the existing national qualifications system. The social partners and the Spanish government signed an agreement in 1997 which brought together all the different branches of the education system under a single structure, the aim being to improve the status of vocational training and to ensure consistency between the training provided inside and outside the education system.

Certification procedures can be drawn up in such a way as to allow for skills to be recognised. Some qualifications systems do not necessarily require a course to have been completed, allowing skills to be evaluated irrespective of how they were acquired (training, courses, work experience, and so on), based on agreements between the social partners. The idea is that practical experience should be valued just as highly as formal training.

Getting employers to accept their responsibility. In most countries, agreements and partnership strategies provide for the funding of lifelong vocational training. But whilst the social partners normally play an important role in the
administration of the financial resources, they have little say as to their quantity.

This second aspect is particularly significant. The emphasis placed on high-quality training is in stark contrast to the way in which public funding for training has been slashed. Training measures backed up by legal recognition and institutionalisation of the social partners’ involvement could prevent the apprenticeship system from being based on the principle of voluntary participation.

**Partnership and the administration of training**

British training measures such as the Youth Training Scheme or Youth Training are an example of the poor quality that results from training programmes being forced to adopt a short-term approach as a consequence of major funding cuts and restrictive criteria for allocating funds, based on results, or in other words on the number of people on the course. The effect of this has been to create cheap and simple courses geared towards the most ‘employable’ students.

In the United Kingdom, collectively agreed measures for the promotion of vocational training have been voluntary in nature. Although there are several collective agreements on the subject of training, the role of the trade unions has diminished considerably since 1979. The abolition of most of the tripartite Industry Training Boards and the Area Manpower Boards during the 1980s and the introduction of TECs (Training and Enterprise Councils) as the bodies responsible for training had a negative impact. Past UK governments’ hostility to union involvement and their ideological assumption that market forces would suffice to ensure a well-trained workforce have meant that training has been voluntary in nature: in other words, its funding has been left to employers. Since neither industry nor the state has invested in this area, the development of vocational training has been severely restricted, resulting in a training and education system which suffers from major flaws compared to other European countries. This situation has started to change in recent years. In 1996, the TUC and the TEC National Council agreed a joint work programme. As a result, most TECs today benefit from trade union input (participation of union officials on TEC boards and subcommittees, co-operation, and so on).
However well designed a training programme is, it still needs genuine commitment in terms of resources and staff. Trade unions are well placed to remind companies of their responsibility in this respect: after all it is the companies which benefit directly from a trained workforce. An established institutional framework and an organisational infrastructure are necessary to regulate the role of companies in vocational training for young people (de Pablo 1994).

Social responsibility of enterprises

The programme launched by the Danish government to promote enterprises’ social responsibility is of particular interest. The programme is centred on a government campaign aimed at creating job opportunities for disadvantaged groups, based on a preventive approach. It involves a diverse range of often complementary measures which are regulated, financed, or implemented by companies. This campaign, which was designed to promote co-operation between different players, has enabled partnership networks to be created at a number of different levels.

Building links between school and industry. The dual training system appears to have been central to improving the employment prospects of young people in Germany and Austria. However, the same model has failed to achieve similar results in countries such as France and Spain. This is because its success is due not so much to the model itself as to the overall institutional and social environment that enables it to succeed. A key reason for the success of the dual model is the role of the social partners, combined with the culture of participation and negotiation shared by everyone involved and the institutional links between the two sides. For example, the social partners are often involved in the joint running of training bodies. Young people in countries with this type of integrated tripartite training system usually have less difficulty in entering the labour market. Conversely, it is very hard to introduce the dual system in countries that do not have a tradition of strong links and co-operation between the government, employers, and trade unions (Bowers, Sonnet, and Bardone 1999). In France and Spain, for example, the system has failed to take off as a result of the considerable distance between the social partners.

Enhancing youth employability through social and civil partnership
The dual system in Germany

The system is based on a combination of on-the-job training and more general and theoretical education in technical colleges. The in-service training is funded mainly by companies (who benefit from tax reductions), while the vocational education is funded by local and regional government. The regions are responsible for legislation pertaining to training provided in the technical colleges, whereas on-the-job training is the responsibility of the federal government. A federal law regulates the responsibilities of the institutions involved in vocational training provision and sets out the rights and duties of both trainers and trainees. The system is regulated for each profession via a complicated co-ordination process involving the social partners, the federal state, and the Federal Vocational Training Institute. This system is responsible for the fact that in Germany the difference between youth unemployment and the overall unemployment figure is one of the smallest in Europe. However, it seems that the system has been going through a crisis in recent years (fall in the number of training places offered by companies, fall in the number of young people getting a job through the system, lack of upward mobility, jobs failing to be appropriate to the worker's skills level [Schoeman and Hilbert 1998], proliferation of education courses, continued imbalance between the supply of and the demand for training, fall in the standard of schooling and vocational training, high dropout rate, lower expectations in terms of pay and career prospects [Mayer and Konietzka 1998], and so on). Reform of the dual system has been one of the central issues in the German NAPs.

When it is combined with work experience it is possible to adapt training to the specific skills required in the workplace. The fact that the trade unions are involved in monitoring both the sandwich courses themselves and the social recognition of the training provided outside school to the young people who participate in them means that the system acts as a way of creating social and occupational links with the labour market and the public and private sectors.

3.1.2 Promoting 'new' skills

Background context. Informal skills – such as the ability to analyse complex situations, to cope with uncertainty, or to act independently – are essential in the new post-Fordist economy. A further type of skill which is increas-
The role of social and civil partnership networks

...ingly important, especially in the case of disadvantaged groups, is the capacity to take control of one’s own destiny. This is something which is crucial in the context of the current labour-market crisis and the growing complexity of society and increasing diversity of lifestyles. The particular problems of disadvantaged groups mean that guidance and personal support are fundamental tools for enabling them to be successful in their search for a job. A lot of the work in this area has been carried out locally, in many cases through decentralised associations which have played an important role in giving young people a sense of control over their own destiny.

Nevertheless, as already mentioned, personalised measures aimed at stimulating and developing an individual’s initiative are likely to be of little value if they are not accompanied by measures at an institutional level. Young people’s problems cannot simply be put down to some psychological failing or lack of initiative on their part, at least not exclusively so: the fact that there aren’t enough jobs to go round is also to blame. Consequently, whilst it is important to offer young unemployed people support and guidance so that they can find the motivation to improve the quality of their lives and their employment situation, this is not enough on its own. It is also important to promote the active participation of young people in the various social, educational, and political institutions and to make sure that they are represented on these bodies. The creation of a ‘forum’ where young people can negotiate and participate in school life and in society is central to encouraging young people to feel involved.

The key issue is therefore how vulnerable groups can take on a more active role with regard to the policies that affect them. Local authorities and the non-profit sector have been important in providing instruments that achieve this goal by promoting the active participation of the groups in question. Unlike the popular ‘activation’ approach, the ‘empowerment’ approach (active involvement of individuals in their local community and in the areas that affect their lives [Fresno 1999]) is based on recognition of the rights and not just the duties of the individuals at whom employment policy is aimed. Thus, ‘empowerment’ means that both individuals (or
associations representing them) and local players should have the
resources and opportunities needed to allow the individual to take control
of his or her own destiny, this being the first step towards integration in
society. In order to achieve this, it is necessary that information be avail-
able regarding the opportunities for each young person, their rights, and
the decision-taking process, as well as instruments for participating in local
development and influencing the decision-making process; collective sup-
port networks should also be developed. The psychosocial work under-
taken in order to help young people regain their self-confidence and self-
esteem and recognise their skills and abilities should be complemented by
mechanisms that enable them to come together and work collectively
towards finding and implementing solutions. In other words, they should
be provided with instruments that empower them and enable them to
transform their social situation.

Social and civil partnerships and finding jobs for disadvantaged young people. In sev-
eral European countries, the specific policies aimed at disadvantaged young
people have come about as a result of partnership networks between local
authorities, the economic and social partners, and grass-roots associations.
One example of this is provided by Local Missions in France.

However, the popular ‘empowerment’ approach pursued by these organi-
sations cannot succeed unless it is backed up by real mechanisms that
allow people to put their personal development plans into practice. As

<table>
<thead>
<tr>
<th>Local Missions</th>
</tr>
</thead>
</table>
| These frequently work together with multidisciplinary teams comprising repre-
sentatives of the education ministry, the employment ministry, the legal care
agencies for young people, regional players, and so on. Bringing together various
players in this way is intended to allow an individual personal development plan
to be drawn up for each individual, taking into account their specific needs, as
well as to provide guidance and, in some cases, to give the young people the
chance to communicate with and express their opinions to decision-makers and
gain support for their individual and collective goals. In this way, the participants
work together to support their own efforts to find work and contribute towards
the recognition of their rights whilst also assuming the role of active citizens. |
such, the local players have been greatly assisted in their work by central
government’s provision of instruments such as ‘Nouveaux services, emplois
jeunes’ in France, which has enabled many young people to start up their
own business, or to find work in innovative sectors which are often much
better suited to their new needs (social mediation work, artistic work, and
so on). A number of studies have shown that the nature of the work pro-
moted by these schemes has made some of the young people involved feel
that they are in control of their work and consequently also of their lives
(Chibout et al. 1999; Yonnet in this volume). This demonstrates the impor-
tance of co-ordinating measures in which several players are involved, a
process in which partnership arrangements have a central role.

In order for career guidance to be successful, it is essential that the social
partners should be involved in partnership agreements with local associa-
tions. Both local players and the social partners have been particularly
active in providing young people with the methodological skills needed for
managing their personal development. Decentralised support and guid-
ance systems tend to be much more successful if they are well informed
as to the requirements of the labour market. Furthermore, the involve-
ment of the social partners can also be very useful in helping young peo-
ple to decide on their personal goals and in creating local guidance net-
works. The social partners know about the quantitative and qualitative
requirements and development trends of different professions, and their
close links with the workplace enable them to put across the day-to-day
reality of life on the shop floor. Similarly, they can allow young people to
test the extent to which different types of job fulfil their personal goals,
by offering them the chance to go on short work placements. This type of
approach is working well in countries with a tradition of social co-opera-
tion, such as the Netherlands, Germany, and Denmark.

Information on worker rights. Another important reason for creating partner-
ship networks between NGOs and the trade unions is to prevent

---

7 For example, the youth section of the CNV union is implementing a seriou...
employment measures from concentrating on workers’ duties (as seen in the activation approach) and to provide information on their rights, as well as to ensure that these rights are respected and not abused. As already described, it is especially important that education should be seen not just as a means of preparing people for work but also as a way of teaching them about their role as citizens and their rights as future workers. In this respect, it is vital that different forms of co-operation with the trade unions should be established, so that young people can understand their role as a means of collective protection and learn how to use their rights as citizens in a democratic society. This can help to prevent the feeling of powerlessness and the antisocial behaviour caused by the isolation felt by so many young people (Crespo et al. 1998).

Guidance programmes are thus a valid tool as long as they are designed to increase workers’ options rather than simply to keep them under control whilst they remain in the holding pattern of involuntary exclusion from the labour market. The creation of partnership networks with the social and civil partners is of key importance since it makes it possible to establish a link between the training of employees and the raising of the skills level required to perform the jobs offered by employers. This is important for several reasons. First, an improvement in the skills level of the workforce will be productive from the employer’s point of view only if the jobs

(continues from previous page)

solutions for their needs and demands. Experts in communicating with young people are specially trained to provide advice, support, and information designed to help them take the right decisions.

8 One interesting example of union involvement in career guidance initiatives is the conference organised by the UGT union in a province in southern Spain. The conference offered young people the opportunity to learn about current labour law, with a view to preventing them from being exploited by employers: confusion as to their rights is one factor which makes them more likely to accept exploitative working conditions. As a result of this campaign, a number of employers were taken to court by young employees who were working in unacceptable conditions. The situation is particularly serious in the case of young people working in department stores, either without a contract or having signed a blank contract (Unión, May 1999). It would be desirable to institutionalise this type of initiative, for example by including social citizenship classes in the school curriculum.
being performed require workers to be more committed and skilled. Secondly, providing more demanding jobs would meet the needs expressed by many young people today, who look at work differently from previous generations: for many young people, self-fulfilment, personal development, and the ability to use their own initiative are at least as important, if not more so, than, for example, a steady job or stable working conditions (Devillechabrolle 2000).

3.2 Flexible regulation of the labour market

Definition of the problem. Together with promoting employability, another popular approach in measures aimed at young people is creating jobs by increasing labour market flexibility. According to this interpretation of the problem, institutional inflexibility supposedly makes it hard for the economy to adapt to the new trading environment, with the result that it is particularly difficult for the most vulnerable groups – such as young people and low-skilled workers – to find a job. The much-touted flexibility approach has proved especially popular as a solution to the problems of young people in the labour market. The free marketeers criticise three aspects of labour-market regulation:

- **Inflexibility of the minimum wage and labour costs (salaries).** This inflexibility is held to be one of the principal causes of youth unemployment, with the result that one of the main policies aimed at young people has been the reduction of labour costs. However, serious doubts have been raised regarding the effectiveness of measures that seek to create jobs by cutting young people’s wages (Salverda 2000; TUC 1996). Furthermore, there is little evidence to suggest that such measures serve to promote economic growth and employment. Whilst they may offer temporary relief to small and medium-size enterprises fighting for survival, in the long term they endanger the competitiveness of the local economy (Alvarez Aledo 1995).

- **Institutional flexibility** is regarded as another obstacle to the smooth functioning of the labour market, and young people have been the main target of labour-market deregulation. However, there is
not enough evidence that strict regulation of employment or greater protection of workers causes higher unemployment (Nickell 1998; OECD 1999), or that labour-market deregulation leads to the creation of significant numbers of new jobs (Barbier 1997). Indeed, deregulation of the labour market has contributed to an increase in the number of temporary jobs, without any long-term impact on the net creation of new jobs. Finally, it has also led to a rise in underemployment (together with low levels of social security, worker protection, and trade union membership), as well as to a polarisation of the labour market, greater inequality, and the promotion of a 'culture of temporary jobs' amongst employers (Aragón, Cachón, and Serrano 2000).

- **Financial disincentives.** Taxation and social security systems are seen as a third obstacle, yet once again this alleged proof is highly debatable. Taxes and salaries in Denmark, for example, are among the highest in Europe, yet it has a very strong welfare state and an extremely dynamic labour market.

The free marketeers, then, believe that any interference in the labour market, including regulation through the social partners, is an impediment to making it more flexible rather than a means of making the necessary adjustments to it. We would argue that the opposite is the case. Collective bargaining via a partnership network with the social partners is a highly suitable method of increasing the flexibility of the labour market in an appropriate fashion, in terms of both economic efficiency and social benefits.

**Deregulation or re-regulation?** There are two approaches to adapting the social welfare and employment model to modern requirements. One way of achieving flexibility would be the method mainly adopted by the United Kingdom, which involves deregulating the labour market and reducing labour costs. However, this way of pursuing flexibility fails to respond to

---

9 It is common practice, when discussing this issue, to contrast the American model with the European one. The inefficiency of the European labour market, especially in the case of young people, has led to the European model being accused of suffering from a severe case of ‘Eurosclerosis’. Whilst it is true that the need to adapt (cont. on next page)
the modern requirements of industry: increasingly, workers’ skills, initiative, and commitment are just as important as their manual labour. Lower salaries and the proliferation of atypical contracts offering little job security are hardly the best way of ensuring a motivated and loyal workforce. Moreover, people working under these conditions are unlikely to be very interested in participating in the ongoing training which is essential if flexibility is to be implemented properly. ‘Numerical’ or superficial flexibility simply serves to segment and polarise the workforce, to control people and educate them to be obedient rather than creative, and to reduce both their commitment to their work and their motivation — all of which is the exact opposite of what is needed if a flexible approach to work is to be promoted amongst the workforce.

Flexibility can also be interpreted as a means of promoting new types of social and organisational regulation of industry in order to adapt the labour market to the new socio-economic reality (promotion of workers’

(cont. from previous page)

to social and organisational changes has come to be accepted as self-evident, there is a danger in seeking adaptability at any price. Much of the criticism of Europe is due to the fact that the problem has not been properly defined, with a reduction in official unemployment figures becoming the only goal of employment policy. Based on unemployment and activity rates, the ‘flexible’ American model is supremely efficient. However, this is achieved at the cost of a rise in poverty (12 million workers in the US are classed as poor [Reich 1999]), a rise in crime (2 percent of people between the ages of 15 and 25 are in prison, which is more than the percentage of long-term unemployed for the same age group [Syfus-Arnaud 2000]), a greater disparity in income levels (the top 1 percent of the population in the US earns more than the bottom 38 percent [CBPP, Reich 1999]), less job security, and so on. Thus, when evaluating specific European models, qualitative indicators should be used as well as quantitative ones. This also applies to the United Kingdom which has come to be viewed as a model for the rest of Europe in light of the spectacular reduction of unemployment that has been achieved. What this indicator fails to show, however, is that although unemployment has fallen, there has been a significant rise in inactivity. Furthermore, some research (Labour Research 1997) has questioned the official unemployment figures, suggesting that the underlying demand for work is at least twice as high as that measured by conventional indicators in the United Kingdom. Thirdly, the quality of the jobs created has been very poor, and there has been a significant rise in poverty, exclusion, and social inequality.
skills and the ability to cope with changing and unexpected circumstances),
and to develop the full potential of human resources. In this approach to flexibility, human resources are seen as a competitive advantage: they are viewed as an opportunity rather than a cost. This emphasis on organisational change rather than on the unemployed themselves constitutes a complete paradigm shift in the strategy for fighting unemployment.

The fact that northern European countries such as Denmark and the Netherlands have been able to reduce unemployment without suffering the dramatic increase in inequality seen in the United States and the UK is due to their collective bargaining systems (corporatist regulation) and the efficiency of their social welfare systems. The major reforms of the labour market and social welfare legislation in these countries came about as a result of agreements between the government and the social partners (Auer 2000).

No change or modernisation programme can hope to succeed if the workers affected do not accept it and buy into it. Social consensus is essential for successful reforms, and this means that strong and well-organised national associations are needed. Being involved in the decisions that affect them boosts workers’ self-confidence and their commitment to their work, as well as making them more receptive to learning new skills and better able to deal with major organisational changes. Consequently, it is important for the different organisations that represent individuals to participate actively in these changes.

The question, therefore, is not so much whether or not flexibility is necessary in order to adapt to the needs of modern industry, but rather what is the best way of achieving this flexibility. Two aspects of making the labour market more flexible are especially important to workers: first, employment regulation that combines flexibility with job security, and

---

10 Social partnership is a social method of conflict mediation which allows different world-views to come together. As has been demonstrated in several countries, it makes it possible to reach a consensus on how organisational changes should be approached, whilst avoiding excessive social costs.
secondly, the promotion of new ways of working which are more in keeping with the new needs of people in today’s society.

The role of social partnerships in regulating new work patterns. These new ways of working have met with widespread rejection. This is because atypical contracts are concentrated in very specific sectors of the labour market and they are not a form of contract that is always voluntarily accepted by workers, since they offer very little job security in exchange for the loss of social rights and social security cover. If it were possible to offer all workers the same cover irrespective of their type of contract, and to create atypical contracts that were voluntarily accepted by workers across all sectors of the labour market, then these contracts might become more attractive and it might be possible for them to be made compatible with other social goals. The key question that arises from the experiences of different countries is how to reconcile flexibility (more open-ended and flexible legislative frameworks) with job security; in other words, how to square the pressure from the market to promote flexibility with the social pressure for security and dignity.

Recognition of the importance of social consensus in regulating the labour market explains the re-emergence during the 1990s of centralised national agreements or social pacts.¹¹ There are several reasons for this. In Spain, for example, it came about as a result of the realisation that the excessive deregulation of the labour market in that country had had a number of negative consequences, and that it was therefore necessary to reduce the exceptionally high percentage of temporary jobs. In the Netherlands, on the other hand, the aim was to reduce the gap in social

¹¹ The establishment of the employment guidelines at the Luxembourg Summit has accelerated this process, since they stipulate that the social partners should be involved in drawing up the national action plans. However, the degree to which the social partners have actually participated has varied considerably from one country to another. In countries such as the United Kingdom, France, and Germany they have merely been consulted, whereas in the Netherlands, Denmark, and Spain, for example, a consensus has been reached with the social partners regarding the content of the NAPs, and they have been fully involved in drawing them up along the lines of a social pact for employment (Spineux et al. 1999).
security protection between temporary and permanent staff. The Dutch have agreed a series of consensus-based social pacts that have served to encourage wage restraint, to promote competitiveness, and to reform the welfare state.

Whilst both countries are heading in the same direction, the process in Spain has involved resuscitating a social dialogue which had previously come to a standstill, whereas in the Netherlands it has developed as part of a long-standing tradition of social dialogue. As in Spain, the dialogue with the social partners in the United Kingdom is currently being revived, although as yet this has not resulted in any concrete policies to address the high level of flexibility characteristic of the UK labour market.

The Dutch have been able to carry out a major reform of their social policy and labour market, based on the promotion of flexibility. However, the question is to what extent this model is applicable to countries where the trade unions are weak and divided and where neo-liberal traditions prevail. Auer (2000) draws attention to the importance of a constant dialogue that takes into account the complexity of society and thereby allows a consensus to be achieved between groups with very different world-views. It is therefore necessary either to strengthen or to create institutions that will enable a stable dialogue of this nature to take place, and that will encourage the workforce to adapt to the new requirements of industry in exchange for greater job security and dignity in the workplace. It has been demonstrated by various studies that the best solutions to the search for the optimal balance between social and economic goals have always come about in the context of a genuine social dialogue (Sarfati 1999).
Social partnerships and labour-market regulation

An interesting case is provided by the Interconfederal Agreement for Stability in Employment contained in Spain’s 1998 NAP. In 1997 the social partners negotiated reforms of the way that the labour market was regulated with a view to achieving a better balance between flexibility and security, given that previous reforms had caused the labour market to become highly segmented (Aragón 1997). The aim of these reforms was to reduce the number of temporary contracts and the level of job turnover, making temporary contracts the exception (they can be used only in specific instances) rather than the rule. When and where different contracts can be used is established by collective bargaining, and the social protection offered by different types of contract has been made more consistent. Another good example of social-policy reform is the Netherlands. In 1996 the social partners signed an agreement on ‘flexibility and security’ designed to promote temporary jobs in exchange for better social rights, in particular with regard to pensions. The measures affected young people in particular, since atypical contracts are especially common among this group. This ‘flexi-security’ policy has made it possible to combine the flexibility of temporary jobs with the security of permanent ones, thereby preventing insecure jobs from becoming widespread. The ‘Dutch miracle’ has seen large numbers of jobs created over the course of the past decade, with a high level of involvement on the part of the workforce. It is based on negotiated measures aimed at promoting greater flexibility at work and different ways of combining paid work, family responsibilities, education, and time off. The success of this approach can largely be put down to the fact that collective bargaining exists within democratic corporatist structures, allowing the diverse interests of the various social groups to be better combined with the interests of society and the economy as a whole (Auer 2000). The model is thus based on consultation between the government and the social partners with a view to reaching a consensus regarding their economic goals and the best methods of achieving them.

3.3 New employment opportunities

Background context. Programmes aimed at the activation of young unemployed people or at providing them with training and guidance with a view to increasing their employability are not enough on their own. What is really a lack of jobs ends up being blamed on young people’s supposed
lack of employability, thereby contributing to the ‘myth’ of a youth population whose personal failings are to blame for their problems. Consequently, it is worth examining the approach developed by the social economy or non-profit sector, which combines multiple transverse measures (training, guidance, support, and so on) with work experience in the non-profit sector (that is, combining measures geared towards the supply of labour with measures aimed at the demand side).

Partnerships with local players have had an important role in promoting new employment opportunities. These partnerships are the result of economic and social developments that have caused the economic importance of the service sector to grow, as the production of goods has gradually been replaced by the consumption of services. Furthermore, a number of new social needs has arisen as a consequence of the ageing of the population, the scaling down of the welfare state, the labour-market crisis, the need for more training, the lack of job security, the rise in social conflict in the cities, and so on. These needs, resulting from new phenomena in our societies, are not being met either by the traditional forms of market regulation (since they are not easily expressed in terms of concrete demands) or by the way in which government policy has traditionally addressed such issues (their extreme diversity makes it difficult for them to be targeted by specific government policies). These new social needs are labour-intensive and are thus a source of new jobs, principally in the field of social services. Against the background of the crisis of the welfare state, these new circumstances have served to indicate the need for a reform of employment policy and have contributed to this reform.

Civil and social partnerships and job creation. The non-profit sector has proved to be particularly successful at meeting the needs of groups that are not adequately catered for by the state or the market. The traditional social economy of co-operatives and friendly societies has been transformed into a new social economy which is more geared towards the defence of the common good rather than of mutual interests (Chibout et al. 1999). These initiatives adopt an innovative approach compared to the classical social welfare model (Scalvini 1998) and are often part of a local partnership strategy. They seek to dispense with the ‘aid mentality’ of many ear-
lier initiatives, returning to the multifunctional approach of the first projects to appear in Europe in the nineteenth century, such as friendly societies (which provided a place where members could enjoy socialising and receive mutual support and social protection), with a view to complementing social, commercial, and public activities. The employment guidelines have mentioned this sector for the first time in connection with its potential as a source of new jobs.

These initiatives have proved valuable as an alternative to the authoritarian approach that views the market as the only factor that regulates social interaction, enabling people to see beyond the dichotomies – public vs. private, free market vs. state intervention – that have hampered social intervention for many years. They adopt a multifaceted approach that combines non-monetary activities (social networks, voluntary work, and so on) with commercial activities (the sale of goods and services) and non-commercial activities (government subsidies). Initiatives of this type have provided innovative solutions to the employment crisis, since they effectively bridge the gap between the state and civil society and have redefined the relationship between economic and social life.

The non-profit sector can point to a wide diversity of initiatives, however, and one of the most interesting in relation to youth employment is the case of supported employment. This forms part of the so-called ‘emerging social economy’ – that is, the new social economy (Gabinet d’Estudis Socials, GES 1999) – and as Stivill (1998) points out, it constitutes one of the most innovative examples of the role of partnerships as an intermediary between the market and the government. Initiatives of this kind came about as a result of the repeated failure of traditional social policy to help particularly disadvantaged groups find employment (GES 1999). Their main feature is that they use work itself as the main tool for getting people into the labour market. In this context, ‘work’ is understood in the broadest sense of the word, with the emphasis being on teaching people the work ethic with a view to socialising the target group to adapt to the

---

12 Concepts that have tended to be viewed as diametrically opposed to each other and hence as a source of conflict.
routines and demands of regulated work. There have been various different types of supported employment, but they all share the aim of combating unemployment or exclusion by providing people who are vulnerable in the labour market with jobs that meet existing social needs (adopting the approach of ‘getting people into work by economic means’) (Aiguabella 1998), and the players involved usually come from the non-profit sector.

**Supported employment and partnership networks**

In Germany, the most widespread model is based on the dual training system and is mainly found in manufacturing industry, its aim being to train people to do specific jobs (Aiguabella 1998). The sale of the products manufactured is of secondary importance. The jobs are actively supported and subsidised by the government, which has made them one of the key elements of public employment policy. On the whole, the participants are not particularly disadvantaged, and they enter the ‘conventional’ labour market after a period of two years. The criticism most often levelled at this type of project is that it represents unfair competition for conventional companies. The German state provides 90 percent of the funding for these initiatives, either directly or indirectly (through taxation and social security), their aim being to cover areas that the state is unable to cover, in accordance with the principle of subsidiarity. In Germany, the non-profit sector has not been institutionalised, as much as anything because the majority of associations that would tend to be classed as non-profit-making do not identify themselves as such.

In France, on the other hand, the sector is highly institutionalised, with a number of bodies that co-ordinate the different initiatives. This has led to high public awareness of the sector (Thiry 1999) and to France being one of the countries where it has been most successful. Given the fact that France is a highly centralised country, these associations act as a bridge between citizens and the state, which means that they are either heavily regulated or rejected as partners by the state. Eighty percent of these firms generate some of their own income as well as receiving subsidies from central and local government (GES 1999).
In the United Kingdom, most of the initiatives have been developed by civil society in response to the serious problems of inner-city areas. They are intended to meet social needs that are currently not being covered by providing services such as gardening, maintenance of public places, and so on, and are largely financed through their own commercial activities. The problem with this type of firm is that it is not supported by a legislative framework, which means that local authorities are unable to reserve certain sectors of the market for it.

In France and Germany, unlike in the UK, the state provides financial assistance; however, in contrast to Germany, French firms providing supported employment are closely linked to the state-run social services, and it is the latter which decide who should be given a place on these schemes. The beneficiaries are usually people in a very vulnerable position in the labour market (recipients of the RMI or minimum benefit).

The Spanish model is broadly similar to the French one in that both have the fundamental aim of getting the target group into employment. The idea is to provide participants with training and social skills that will enable them to find work in the conventional labour market. Most of the firms offering supported employment are subsidised by local, regional, and national government.

In Nordic countries such as Denmark, where there is a long tradition of grassroots movements, cuts in public spending have had the effect of stimulating the non-profit sector. At the same time, there have been a number of favourable legislative changes. The specific characteristics of these countries can be attributed to the large number of voluntary workers and high level of public funding in the education and health care sectors.

The vitality of these social firms depends on the extent to which grassroots associations are involved. They tend to work with local and regional institutions in order to create partnership networks for getting people into work, and indeed the principle of receiving support from these institutions whilst maintaining a relationship based on partnership is key to the success of this type of initiative (Chibout et al. 1999). However, this type of partnership also involves significant risks, such as the danger of government instrumentalising the sector, for example by establishing quantitative

---

*Enhancing youth employability through social and civil partnership* 53
criteria for measuring results, thereby restricting the range of people targeted by the measures. Projects of this kind have also been criticised for being a palliative measure that creates a two-tiered labour market. However, the main problem faced by these initiatives is the administrative and budgetary pressure under which they find themselves. Their innovative character runs the risk of being seriously undermined by the tendency of government and other partners to pigeonhole them and to fund them according to their own agenda rather than according to the needs of the people at whom the measures are aimed (Chibout et al. 1999). Other major risks include the danger of government no longer being considered responsible for these projects; the possibility of them acting as purely palliative measures that only serve to resocialise ‘dangerous’ sectors of the population rather than bringing about a genuine transformation of the situation; the risk of the participants becoming stigmatised; and the danger of initiatives being rather arbitrary, which is always a problem with this type of approach. Co-operation with the trade unions is thus very important in order to avoid the creation of a two-tier labour market and to ensure proper working conditions.

Consequently, as indicated by Chibout, Darmon, and Estivill (1999), it is necessary to find methods of financing and regulating these structures that make a true partnership possible. A key requirement for the long-term sustainability of these initiatives is that they be fully integrated into a network of local partners in order to create the co-ordinated technical and information structures needed to carry out the project. Furthermore, they must be included in government frameworks for local initiatives (that is, be recognised as a partner by the government) (Chibout et al. 1999).

Another version of this type of initiative (which is related to the previous one) is the development of ‘new employment opportunities’, that is, the creation of jobs which provide a service to the public. This is an area in which France has been particularly active. Previous measures, such as the CES job creation contracts, attempted to get unemployed people into...
work through jobs that provided a service to the public, but failed to ensure their long-term integration in the labour market, thereby causing severe polarisation. Consequently, in recent times the government has been concentrating on job creation in the non-profit sector. There has been much discussion surrounding issues such as the types of contract provided, the substitution effect arising from the measures, the prevalence of temporary contracts, and so on. This is the backdrop to the famous ‘Nouveaux services, emplois jeunes’ programme which was designed to create sustainable jobs. This programme has been important in encouraging the creation of partnership networks with complementary organisations from the social economy (Chibout et al. 1999). The particular value of this initiative lies in its adoption of a multifaceted approach to the creation of new services requiring skilled workers. Unlike previous approaches that concentrated on unskilled work, the strong point of the new programme is that it avoids the stigmatisation and ghettoisation that characterised these earlier measures aimed at disadvantaged young people. The aim is to create jobs in the non-profit sector that enjoy the same status as conventional jobs. It appears that this offers an innovative solution to the problems described above (stigmatisation of the target group, ensuring uninterrupted work experience, emphasis on the quality of the jobs, creation of sustainable jobs, achieving professional performance standards, and so on).

Despite the innovative nature of these initiatives, a number of questions has been raised as to whether the jobs created are really new (Chibout et al. 1999); how to avoid dangers such as the creation of new ways of social-

(continuation from previous page)

benefiting the more ‘employable’ groups, reinforcing the already severe polarisation of the labour market and causing a relative worsening of the situation of less employable young people. As a result, attempts have increasingly been made to render the measures selective, concentrating more and more on specific target groups in order to counteract the selectiveness of the labour market. The more generic a measure, the greater the likely substitution effect in favour of more employable individuals. Conversely, the more selective a measure, the greater the risk of the target group being stigmatised.

*Enhancing youth employability through social and civil partnership*
ising young people; and how the jobs can be sustained once public funding dries up (GES 1999; Yonnet in this volume). One interesting possibility would be to see how this kind of scheme could be integrated into the Territorial Employment Pact employment initiatives which are designed to promote employment locally by involving all the local players (employers, trade unions, local and regional authorities, and so on). As Spineux et al. (1999) point out in their study, these Territorial Pacts – which are funded by the Structural Funds – are especially innovative in that they simultaneously bring together different programmes and initiatives in particularly disadvantaged areas in an attempt to involve all the players concerned with the issue of job creation in a given region. Whilst, as the study shows, a wide range of measures are contained within the Pacts, they are nevertheless all based on the European employment guidelines, and consequently one of their central themes is the integration of young people into society and the labour market (Aragón et al. 2000, Spineux et al. 1999). In this way, the local level is taking on a more important role in the co-ordination of social policy. However, little interest has been shown in local employment initiatives in the agreements negotiated with the trade unions. Most social pacts have concentrated on protecting jobs and making them more secure rather than on creating new jobs (Spineux et al. 1999). The above-mentioned study concludes that the social partners seem to be more interested in problems related to the world of work (for example, negotiating working conditions) than in the issue of employment. However, the authors see the key problem as being not so much regulating employment conditions as increasing the number of jobs available. The territorial employment pacts – which are designed to combine local initiatives, innovation, integration, and partnership – are an example of where the trade unions have played a part in creating new services at a local level.

Translated from the Spanish by Joaquin Blasco
The role of social and civil partnership networks

References


*Enhancing youth employability through social and civil partnership*
Social partnership and the European strategy against youth unemployment

David Foden

This brief contribution discusses the European strategy against youth unemployment and aims to shed light on what is meant by social partnership in this context. It is intended to complement the contribution to this volume by Serrano. It begins, however, by drawing attention to a number of differences of emphasis. The debate sometimes suggests that the European strategy is concerned exclusively with employability and that this concept carries negative connotations. Ascribing unemployment to inadequate employability, it is alleged, implies that unemployment is the responsibility of the unemployed themselves (in this case young people), and that individuals must address their personal failings.

In contrast, one might stress that, formally at least, the scope of ‘the strategy’ is much broader than employability. Several points are relevant here. First, it is true that supply-side measures alone are of limited value. Growth and job creation are necessary. But this is acknowledged in the EU framework for policy-making. One may certainly disagree with the contents of the Broad Economic Policy Guidelines which are drawn up on an annual basis. Nevertheless, they are foreseen by the Treaty as the principal EU instrument for co-ordinating economic policy, and the avowed goal is indeed growth and employment.

Secondly, since 1999 there has existed a co-ordination process for economic policy. The Cologne macroeconomic dialogue is intended to foster mutual understanding among economic actors (governments, social partners, and the monetary authorities) such that the macroeconomic policy-mix favours growth and employment. This (in the policy framework established by the Treaty) requires those responsible for budgetary and wage policy to take account of the stability requirement of the Treaty, as interpreted by the ECB. Again, it is possible to disagree with this framework...
and with the policies of those involved, but the intention is to ensure favourable macroeconomic conditions for job creation.

Other parts of the strategy also aim to create conditions for faster growth – the economic reform agenda in the ‘Cardiff process’ and the Lisbon discussion on the creation of a dynamic, knowledge-based economy are both examples. True, this is predominantly a supply-side approach, but trade unions have moved on from saying that only demand matters!

Finally, within the Luxembourg approach (employment guidelines, national action plans, peer review, recommendations) employability is only one pillar. True, we have criticised weaknesses in the other pillars, and governments have often put much of their own emphasis on employability. But formally Luxembourg also addresses a much broader range of issues (to paraphrase the presentations of the Commission: the jobs gap, the participation gap, and the gender gap, as well as the skills gap).

To turn to the discussion of how the concept of employability is to be interpreted, and whether it is necessarily a negative concept, it could be argued that the ‘problem’ of employability need imply no more than underinvestment in human capital. As human capital is inevitably accumulated by and in individuals, it would be silly to suggest that there is never a possibility of looking at the problem through the prism of individual experience. But it can (and should) also be considered from a systemic point of view. It would, for example, be perverse to attribute to individuals the failure of the education system to assure such basic skills as literacy and numeracy. Any such failure inevitably produces problems which can be classified under ‘employability’. Similarly, the fact of being an individual with inadequate or inappropriate human capital should not be seen as a matter of purely individual responsibility, but the result of the interaction between the individual and the ‘system’ of education, training, and employment.

Thus, the term ‘employability’ remains useful in signalling that investment in human resources can improve employment performance. This does not imply that skills shortages and mismatches are the only or principal reason for unemployment; nor that the limitations of policies which merely
reorder the queue of people seeking employment should not be exposed; nor that individuals are not unfairly stigmatised and that we should ignore such abuses. The argument that on its own the concept is dangerous and open to abuse is persuasive. However, to reject the concept would be to come close to rejecting not only a tool for managing structural change, but also structural change itself. This is dangerous ground for trade unions. If we want higher (as well as better distributed) incomes, we must accept (and arguably advocate) policies which transfer resources, labour in particular, from lower-productivity activities to higher-productivity activities. This involves upgrading human capital – employability.

A final point to be made in this context is that there is an important inter-relationship between the employment policies on the demand side and those on the supply side (including employability measures). The authorities responsible for ensuring stability constantly seek reassurance that the labour market will not be a source of inflationary pressure. It is in our interest to provide such reassurance if we can. Demonstrating that we take seriously the issue of upgrading human capital helps in this respect, and can help to preserve growth-friendly monetary conditions.

Turning to the issue of social partnership, the institutional framework is crucial in any assessment of its role. Different authors have adopted somewhat different classifications of countries according to their model of ‘social’ or labour-market organisation. The term ‘social partnership’ inevitably means somewhat different things in these different settings. For example, in countries with a ‘conflictual’ industrial relations tradition (France, Spain) the role of the state as regulator of the labour market has tended to predominate over the role of the social partners, and the role of legislation relative to that of collective bargaining has been more central. In contrast, ‘corporatist’ systems (among which, of course, further distinctions should be made) have seen a strong role for (co-ordinated) collective bargaining backed up by consultation in national institutions and workers’ committees. Legislation supports bargaining by establishing collective rights. This is different again from the ‘liberal’ UK model of decentralised bargaining within a common law framework.
These differences become significant when we explore the issue(s) of employment because of their influence on the capacity of the actors to step outside their traditional bargaining roles. To be effective, employability measures must (see Serrano in this volume) be part of a broader strategy involving a number of different complementarities: macro-level action and micro-level intervention; action to improve labour supply conditions and action to stimulate the demand for labour; measures to promote flexibility and measures to promote security. What contribution can social partnership make to achieving this in the different settings?

One hypothesis which might be explored is that the most effective way to handle these multiple trade-offs is through the development of some over-arching framework for partnership – the ‘social pacts’ which can be found in a number of European countries. Indeed, this view would appear to be shared by the Commission – the joint employment report of 1999 stated:

The most comprehensive partnerships in the NAP process take the form of tripartite agreements between the social partners and governments or of bipartite social partner agreements covering a wide range of issues, such as wage moderation, the improvement of mechanisms for lifelong learning, and work organisation. Most of these agreements were made during 1998 or before and are currently being consolidated and developed via concrete actions within the established framework. (European Commission 1999a)

The Commission then refers to experience in Luxembourg, Finland, Italy, and Ireland.

The Commission also refer favourably (European Commission 1999b) to the ‘social pact’ approach in the context of discussing the adaptability pillar and the modernisation of work organisation.

Partnership is a key element in a successful modernisation of work organisation. There is much evidence to suggest that where workers are fully involved in the development and introduction of a new organisation of work, the results are much more likely to be positive than when the re-organisation is imposed unilaterally.
This partnership approach can be developed at all levels: all-industry, sectoral, and workplace levels. At national level, the development of a framework partnership agreement, such as the ones concluded in Luxembourg (Employment Pact), Ireland (Partnership 2000), the Netherlands (Wassenaar agreement), Italy (Social Pact for employment development), Finland (comprehensive income settlements), and Belgium (Inter-professional agreement), can provide a beneficial environment to encourage the modernisation of work organisation at the workplace.

But how far does the European strategy encourage the development of such comprehensive approaches? The Luxembourg process has certainly offered scope for the social partners to have more input in government policy on the subjects addressed by the guidelines. The Commission (European Commission 1999a) remarked a year ago:

The social partners have been better consulted and implicated in the process of establishing the NAPs than last year. The 1999 NAPs show that social partner action within a supportive framework is increasing and is proving to be an effective way forward both on life-long learning and on the modernisation of work organisation.

[...]

In general, the social partners have participated in the preparation of the NAPs and implementation reports. In some member states specific bodies have been established for that purpose . . . However, in most cases the social partners’ participation remains rather procedural and there is much room for improvement in establishing effective partnerships in support of national strategies.

Certainly, it can be said that trade unions in general saw the Luxembourg process as an opportunity to increase their engagement with policy-making and to exert influence on both Government and on employers. However, this was perhaps of least importance in those countries where ‘social pacts’ were already in existence. Indeed, in Ireland, which is often cited as the great example of successful social partnership, the trade unions have expressed dissatisfaction with the consultative procedure – and its outcome – under the Luxembourg process. Conversely, where social partnership arrangements were perhaps least comprehensive – the
UK – the impact of a European process which encourages social partner involvement was seen as more significant. In response to an ETUC questionnaire about involvement in the Luxembourg process at national level the TUC expressed satisfaction, while also noting the limitations of the exercise:

Outside the public sector, there is little machinery left for national negotiation between employers and trade unions on questions of training, work organisation and working time. The CBI is unwilling to countenance national dialogue on major policy issues unless required to do so by government as it is in the case in the Low Pay Commission . . . On working time and work organisation, there are no institutions for social partner discussion; employers (and the government) consider these matters are best dealt with at the level of the organisation or the workplace.

So, while the Luxembourg strategy offers an opportunity to develop national level consultative mechanisms, and a tool for those seeking an input at national level to apply a certain amount of pressure, it cannot impose a ‘comprehensive’ partnership solution. Of course, there would be opposition from unions, as well as employers and governments if there were any attempt to require a specific institutional framework, for example, tripartite decision-making on employment policy. But the social pacts negotiated in Europe in recent years do not all share the same institutions. Where they claim to be comprehensive is in addressing both labour-market and macroeconomic issues (as well as broader social policy questions).

Here, however, we come to the problem of the articulation between the different elements of the European strategy at national and European level. By definition, a comprehensive national strategy addresses the issue of wage formation from an economic policy perspective. Coherent bargaining over real wage developments has been central to the success, for example, of the Netherlands, Ireland, and Denmark, countries with different institutional arrangements and which have also seen close social partner involvement in labour market initiatives.

But in the European scheme of things, the macroeconomic dialogue (Cologne process) is where wage formation should be discussed, not the
Luxembourg process. Yet it is in relation to the labour market element of employment policy (Luxembourg) that the Commission voices criticism of the social partners’ contribution, while there appears until now to have been very little connection between the Cologne process and national-level debates. Are the Commission expecting the social partners to render coherent at national level processes which are distinct at European level – and blaming them for failure?

A second concern is more fundamental. The Commission has an anodyne view of social partnership. The concern is that the Commission can only conceive of relations between the social partners as a tool for establishing consensus and agreement. But relations between the social partners are complex, with areas of deep disagreement as well as common views on some topics. Reducing this complexity to a concept where the social partners are simply producers of ‘good’ outcomes through the search for agreement makes it possible to blame the social partners for not producing ‘more’ ‘good outcomes’. This must be due to their unwillingness to try harder!

But the reality of social partner relations includes their capacity to exert pressure on each other, and in particular the power (or lack of it) of trade unions to open up areas of ‘managerial prerogative’ to other influences, including that of trade unions. The role of the public authorities is crucial here – which side do they support, and on what terms?

Examined in this light, the criticism of the social partners by the Commission can be seen as naïve. Encouraging a comprehensive partnership should not mean blaming the two sides without differentiation for shortcomings if one side (perhaps for narrow, selfish reasons!) wished to succeed and the other did not. The developing approach of the Commission, as set out in the latest draft of the employment guidelines, sends out a mixed message. On the one hand, the pressure to develop ‘comprehensive partnership’ puts the onus of responsibility on governments (the injunction is addressed to Member States), and not just on the social partners. Furthermore, a response from Member States will be required as much on this point as on any other. On the other hand, there
is also pressure on the social partners to adopt a role of monitoring and evaluation for which they are ill-equipped, and which risks diverting them from building political support for the strategy within their various constituencies.

To conclude, the pressure from the Commission for Member States to develop comprehensive partnerships to promote the employment strategy can be expected to support efforts by the social partners to increase their involvement in the initiatives adopted under the Luxembourg process. However, the extent and nature of their involvement will remain largely dependent on the national institutional setting in which they operate. If public policy wishes to support further progress, careful consideration should be given to the areas in which capacity development of the social partners could be promoted. This is likely to be a more fruitful approach than exhortations to monitor and evaluate.

References
European Commission (1999b) Commission recommendation for Council recommenda-
tions on the implementation of member states' employment policies (COM(99)445).
Evolution of the Third Sector in Europe: new challenges for combating social and labour-market exclusion

Jordi Estivill

1. Introduction: initial hypothesis

This paper takes the following hypothesis as its starting point: the so-called Third Sector, which started off as a small tributary hemmed in on either side by the state and the market, has over the last twenty years become a fast-flowing river that has broken its traditional banks of economics and politics. Now, the waters of these two other worlds also converge in the Third Sector. This merging of traditionally separate areas has given rise to new contradictions and challenges, particularly in the field of combating social and labour-market exclusion. The situation is no longer the same as it used to be, and consequently the players in the social and civil dialogue find themselves forced to define new rules and to change their approach.

I will attempt to set out the arguments for this hypothesis as follows. I will begin by drawing attention to the large number of terminological and conceptual ambiguities regarding the concept of the Third Sector, before moving on to present statistical evidence of its increasing significance in economic terms and in the world of work. Thirdly, I will examine how this growing importance has caused it to encroach upon areas such as trade union activity on the one hand and the world of business on the other, and then look at the ways in which the Third Sector is playing an increasing

* This paper, presented at the seminar Social and Civil Dialogue in European Employment Strategy. The Fight against Youth Unemployment, is an expanded and updated version of the paper given under the title of ‘The shift of voluntary organisations towards integration in Europe’ at the European Voluntary Sector Conference in Sitges (Barcelona), 11–13 December 1998.

Enhancing youth employability through social and civil partnership 69
role in combating social and labour-market exclusion. Finally, I will discuss the problems and challenges facing the sector, and show how recent changes affect its relations with government, employers, and trade unions, creating the conditions for an emerging social and civil dialogue.

2. What exactly are we talking about?

There are many different names for this heterogeneous group of initiatives, which range from small, informal local associations and mutual assistance groups through voluntary organisations and firms offering supported employment, right up to large transnational networks. Every country, culture, and language has its own terms for it,¹ the meaning of which often changes when translated into another language. ‘Community groups’, ‘non-governmental organisations’, ‘business communities’, ‘non-profit sector’, ‘associations sans but lucratif’, ‘entreprises d’insertion’, ‘économie sociale et solidaire’, ‘instituciones particulares de solidaridad social’, ‘privato sociale’, and ‘organizaciones sociounivoluntarias’ are just some of the many terms used in English, French, Portuguese, Italian, and Spanish. None is completely satisfactory, however (and that also applies to ‘Third Sector’), since they either reduce the scope of what is being talked about too much by completely excluding the state and the market, or they are so general that they could apply to a chamber of commerce, a football club, a residents’ association, an arts foundation, a veterans’ association, or a group of professional home-helps.

The large number of terminological and conceptual ambiguities reflects the fact that we are talking about a relatively new and highly diverse phenomenon that could be described as ‘itinerant’,² in that it is part of a changing world, and as such is still a fluid concept which refuses to allow itself to be pinned down by a single new word but which can also not be

---

¹ This paper concentrates mainly on the countries of southern Europe.

² This is discussed in the introduction to the book by L. Boccan, Le Sinergie delle differenze. Un’analisi sociologica del terzo settore in Italia (Milan: Ed. Franco Angeli, 1993). The problem was also raised at the seminar ‘Il ruolo del terzo settore nelle economie di mercato’, organised by the Fondazione Cesar in Bologna in February 1999.
adequately described by existing terms. Legal definitions are not very helpful either, since, quite apart from the legal differences between countries, commercial, civil, and labour law tends to compartmentalise reality rather than help us to understand it. Finally, definitions based on the function of a given type of organisation tend to be debatable, since they are either too limited and fail to take into account specific experiences, or they cover such a wide range of situations that they end up being contradictory.

3. Some facts and figures

Failing to provide a proper definition of the Third Sector is one of the traps which a recent international comparative study, by Johns Hopkins University, is guilty of falling into. The study began by analysing seven industrialised nations and six developing nations, before entering a second phase in which it was extended to cover a total of 22 countries. It includes

3 In Ireland, for example, associations do not need to be legally registered (M. Cousins, 'The Irish welfare system: law and social policy' [Dublin: Pouard Hall, 1995]).

4 There have been few international comparative studies of the Third Sector: D. Robbins, 'In the core of the community' (Galway, June 1990); H. K. Anheier and W. Seibel (eds) The third sector: Comparative studies of non-profit organizations (Berlin–New York: Walter de Gruyter, 1990); K. Gaskin and J. Davis, 'A new civic Europe?' (London: Volunteer Centre, 1990); Fondazione Italiana per il Volontariato, 'L’attività volontaria organizzata nei paesi dell’Europa Mediterranea' (Rome: Volmed, 1997); D. Casado (comp.), 'Entidades sociovoluntarias en Europa' (Barcelona: Ed. Hacer, 1997).

In recent years, however, there has been growing interest in comparative studies, particularly in the field of the social economy and supported employment: J. Deffourny, L. Favreau, and J. L. Laville (eds), Insertion et nouvelle économie sociale. Un bilan international (Paris: Desclée de Brouwer, 1998); R. Döring, M. Kegler, and K. Zimerman, People’s economy. Approaches toward a new social economy in Europe (Berlin: Bauhaus Dessau Foundation, 1994); I. Vidal (ed.), Inserción social por el trabajo. Una visión internacional (Barcelona: CIES, 1996); J. Estivill, A. Bernier, and C. Valadou, Las empresas sociales en Europa (Barcelona: Ed. Hacer, 1997).

organisations that have an institutional structure and presence, that are independent of the state, that do not distribute profits to their management or ‘owners’, that are self-governing, whose members are not obliged to belong to them, and that receive a particular level of voluntary contributions in terms of either money or time. Despite the fact that these relatively arbitrary criteria take several things for granted, it is nevertheless worth taking a look at some important data which demonstrate the evolution of the non-profit sector and its economic significance and role in terms of employment.

The study confirms that the Third Sector has grown over the last five years in the 22 countries in question. On average it accounted for 4.7 percent of GNP and was responsible for the employment of 18.8 million workers – or 10 percent of total employment – compared to a figure of 3.3 million people employed by the major companies in the countries being studied. These figures make the Third Sector the eighth largest ‘employer’ in the world. On average, 28 percent of the population of the countries in the study does some form of voluntary work, with a further two million workers whose salaries are paid by the Church or religious orders.

In general, the Third Sector is larger in the more developed countries. For example, the average percentage of total employment that it accounts for, including voluntary workers, is 10.1 percent in Western Europe in contrast to just 2.4 percent in Eastern Europe. Indeed, the figures for the Netherlands (12.4 percent of total employment), Belgium (10.5 percent), and Ireland are even higher than for the United States, which is usually presented as the home of the non-profit sector and the country where it provides the most jobs. Two-thirds of the jobs provided are in education (30 percent), health care (20 percent), and social services (18 percent), although it is perhaps more significant that the majority of these jobs are connected with the environment, civic activities, and the development of voluntary organisations.

In the nine countries for which figures are available over a number of years, it was found that employment in the sector grew by 23 percent
between 1991 and 1996, with an average growth rate for the sector as a whole of 6 percent. The growth has been particularly strong in Western Europe (Belgium, France, Germany, and the United Kingdom) and has been concentrated in the areas of health care and social services.

There is no question that the non-profit sector is becoming an important part of the economy, responsible for creating both jobs and wealth. However, nothing has yet been said about what sort of employment is being created, what the jobs involve, and how the economic added value is distributed. In this respect, it seems that the main trends are along the lines of what was first tentatively suggested in the Delors White Paper in 1993, and later developed in greater detail in the Commission’s Commission Communication of 13 June 1995, in which 17 areas were identified as having the potential to create employment in the context of local development initiatives.

It is only relatively recently that the EU’s institutions have recognised the role of the Third Sector, but they are now showing more and more interest in it. The Commission’s 1997 Communication on Associations and Foundations, the opinions of the Committee of the Regions in 1998, and of the Economic and Social Committee in 1999, and above all the inclusion of the social economy in one of the four pillars of the EU’s employment strategy that was agreed at the Luxembourg Summit in

---

6 Commission, ‘Croissance, competitivité et emploi’ (Brussels, 1993).
7 Commission, ‘Initiatives locales de développement et emploi’ (Brussels, 1995).
11 Economic and Social Committee, ‘Opinion of the Economic and Social Committee on the role and contribution of organised civil society in building Europe’ (Brussels, 1999).
November 1997, all combine to mark a turning point in this process. It nevertheless remains to be seen how this recognition will be translated into practice, both at EU level in terms of funding, programmes, and initiatives, and in the Member States’ national employment strategies.

To answer this question would require a separate investigation which would need to examine the following aspects:

- Recognition of the social economy as a source of job creation on a European scale does not mean direct translation into state plans, although it may mean the opening up of a new playing field. Whether the game then begins depends on the will of both sides (governments and players in the social economy). As far as we are aware, there are many countries where the contest has not yet begun and it might be most accurate to say that we are still in a general warming-up phase.

- Another aspect, albeit not without links with the above, is the Commission guidelines on reorganisation of the Structural Funds and more particularly the Social Fund. The expectation of broadening partnership is given clear expression and could enable considerable developments, particularly in countries, such as Ireland or Italy, where there is already a strong tradition of social partnership. In Spain it has enabled the Gypsies’ General Secretariat, Caritas, the Red Cross, and ONCE to take up a managerial role in the multi-regional operational programme ‘Fight against discrimination’.

- A third level is that of Community programmes and initiatives in which, since Poverty 3 (1989–1994), the emphasis has been on the need for broad concertation among public and private action in the devising, implementation, development, and evaluation of projects. This has translated into hundreds of experiments carried out in the context of local projects involving social interest groups, the social economy, trade union and employers’ organisations, and local authorities. But there has not yet been any systematic and in-depth evaluation on a European scale of the results, positive and negative, which this has produced in terms of developments on the labour market.
The new EQUAL programme represents another opportunity to make this type of evaluation.

- Finally, mention should be made of the small but interesting Third Sector and Employment programme developed between 1988 and 1999. This has shown, via more than fifty projects, the capacity of the Third Sector to mobilise and become actively involved in job creation at the local level. It remains to be seen, however, what impact it will have in broader circles; in other words, in terms of national labour policies. That it has, at the present time, been discontinued is not a good sign.

4. **Breaking the constraints of the traditional dichotomy**

It is not enough, however, merely to present a few figures or to establish that the sector is enjoying a degree of recognition. In order to better understand its significance, we need to place it in the context of the wider debate surrounding the relationship between the state and the market. According to the traditional dichotomy, the state’s role is seen as defending the public interest, guaranteeing and providing social welfare, ensuring the even distribution of income, and designing and managing labour market and social policy, whereas the market is viewed as the driving force behind production, the champion of competition, efficiency, and freedom, and the best mechanism for distributing resources and work. Everything else – that is, everything that the market and the state either cannot or do not want to deal with – has traditionally been lumped together under the heading of the Third Sector.

This dichotomy was never a totally accurate reflection of reality, and it certainly no longer is today, when only those who remain nostalgically obsessed with the hegemony of state and market still believe that the former has a monopoly on equality and the latter a monopoly on freedom. The way in which the Third Sector has grown both quantitatively and

---

qualitatively means that it no longer fits within the constraints of this dichotomy.

Third-Sector organisations are increasingly involved in defending collective interests and providing support mechanisms, as well as participating in the market by providing goods and services. This can be seen as a consequence of the market’s inability to respond to situations where there is a demand for something but not the ability to pay for it, or also as a result of the relative crisis of the welfare state and the increasing tendency to transfer its functions to ‘private social organisations’ in the interests of cutting costs and increasing flexibility.\(^\text{13}\) To what extent does evidence exist to support this assertion?\(^\text{2}\)

Whilst there is undoubtedly no shortage of arguments that lend credence to this view, it is nevertheless useful to look at a few cases that are not so clear-cut. Portugal\(^\text{14}\) and Ireland,\(^\text{15}\) for example, are two countries where both state social intervention and the number of non-profit organisations have grown at the same time. Likewise, both in Thatcher’s Britain and during the Reagan era in the United States, the rise of private enterprise did not prevent both countries from having an extremely well-developed non-profit sector. The Johns Hopkins study quoted above\(^\text{16}\) also contains some statistics which are relevant to this issue: the seven countries with the highest level of public welfare spending, the Netherlands, Belgium, Israel, and so on, also have a thriving Third Sector. Conversely, Greece has one of the least developed welfare states in the EU and also one of the smallest non-profit sectors.\(^\text{17}\)

\(^{16}\) Salomon and Anheier (1998).
Consequently, the reasons for this phenomenon are not restricted to the possible withdrawal of the state from its traditional roles or the limitations of the market. Other factors undoubtedly include far-reaching ideological currents, the deep desire of individuals for greater independence, the emerging culture of voluntary work, and, in the specific case being examined here, the new strategies being developed to combat social and labour-market exclusion.

5. The Third Sector and the fight against social and labour-market exclusion

It may be useful to begin by making the following two points. First, conventional employment policy has, in relative terms, failed, largely as a result of the profound changes undergone by the labour market. It has become clear that simply getting a job is not enough; it needs to be accompanied by a more general type of integration. Secondly, we must also recognise the failure of an approach to social work and training, traditionally championed by many Third Sector organisations, which concentrates solely on the psychological aspects of the individual and which overlooks the collective regulation of social relationships and the mechanisms of the labour market.\(^{18}\)

Many current Third-Sector initiatives in the field of combating exclusion are seeking to provide a response to the above two problems, although the historical influence of the second point is perhaps still the most keenly felt.

Consequently, and without forgetting that exclusion from the labour market is accompanied by many other forms of exclusion, a first step towards integration can be taken by joining a voluntary organisation. This is indeed the route that thousands of young people and senior citizens are taking in order to try to put an end to their isolation. For young people, doing this can help them to find their own identity, give them a more or less recog-

---

nised role in society, help them to learn to respect collective rules, and serve to teach them a number of pre-employment skills. In many cases they are motivated by the prospect of getting a job within the voluntary organisation or one that is similar to it.

There are a number of services geared towards helping people along the road away from exclusion and towards inclusion that are increasingly being taken over by the Third Sector: prevention, motivation, training, information, follow-up, mediation and negotiation, liaison and co-operation with other players, and so on. The provision of these services, which often eventually become regulated services, is one of the reasons for the growth of the Third Sector. This trend is evident across the European Union, and a significant market is developing, particularly in the field of training, in the regions that have been the main beneficiaries of European Social Fund assistance.

Although the process is not without contradictions, the Third Sector can lend both its voice and its ability to lobby to those people who have neither, precisely because they are vulnerable and excluded from the more traditional forms of representation. In this way, particular groups (disabled people, gypsies, ex-convicts, unemployed people, and so on) form associations based either on their specific characteristics or along regional, usually local lines; they develop a collective identity, establish their agenda, and begin to develop a dialogue, normally with the government, which can eventually lead to the creation of negotiating platforms some of which are more stable than others. This process has influenced and continues to influence the design and implementation of social and labour market policy and economic and social development plans (local missions in Belgium, territorial employment pacts in Italy and

20 This trend is particularly evident in countries that have received a lot of financial aid through the European Social Fund and have used the money for vocational training.
21 Not all excluded people turn to the Third Sector to express their needs and the Third Sector itself does not always act as a mouthpiece for all excluded people.

78 Enhancing youth employability through social and civil partnership
Spain, local partnership projects in Ireland,\textsuperscript{22} and local social networks in Portugal\textsuperscript{23}).

Perhaps the area where the role of the Third Sector in combating social and labour-market exclusion is most pronounced is the social economy; more specifically, in the field of supported employment. Since the 1970s, over a surprisingly similar timescale,\textsuperscript{24} and largely, although not exclusively, beginning with actions geared towards the inclusion of disabled people, the majority of European countries have seen a number of initiatives that have been run along the lines of a commercial enterprise, but which have nevertheless remained non-profit organisations whose main aim has been to combat social and labour-market exclusion.

As already mentioned, each country has different names for this phenomenon. In France, under the general heading of ‘inclusion by economic means’, we find the entreprises d’insertion, the régies de quartier, the associations intermédiaires and the centres for adaptation to working life. In Belgium they have been variously known as ‘training for work companies’, ‘vocational training companies’, ‘integrated development actions’, and latterly a new legal entity known as the ‘company with social objectives’ has also been created. In Germany they are called ‘inclusion and training companies’ (BQC) and in the eastern part of the country ‘companies for the promotion of work, employment, and structural development’ (ABS). In the United Kingdom, and especially in Scotland, they form part of the ‘Community Business’ movement. Various types exist in Spain, for example, empresas de inserción, asociaciones para la inserción, talleres especiales de empleo, and so on, whilst in Portugal they are collectively known as the Social Employment Market. Social co-operatives are particularly important in

\textsuperscript{22} J. Walsh and S. Craig, \textit{Local partnerships for social inclusion?} (Dublin: Oak Tree Press–Combat Poverty Agency, 1998).

\textsuperscript{23} This programme was launched in Portugal in 1997. See IDS, \textit{Rede Social Programa de implementação da rede social} (Lisbon: Ministério do Trabalho e de Solidariedade, 2000).

\textsuperscript{24} J. Berney, I. Darmon, and J. Estivill, \textit{Les entreprises sociales à Espagne, França e Idaia} (Barcelona: Barcelona Activa, 2000). This common timescale is explained in Chapter 2.
Sweden and Italy, and a law was passed in Italy in 1991 that distinguishes between type A and type B social co-operatives. This is an important distinction, since it differentiates between companies which seek to provide permanent employment and those which play a transitional role aimed at helping people into the conventional labour market (as in France, Germany, and Austria).

This is not the place to cover the various phases of development of these different types of supported employment; however, they can all be said to share a number of characteristics across Europe: (i) they emerged prior to the existence of legislation stipulating their creation (1988–1992); (ii) initially run by activists, they are now increasingly in the hands of professionals; (iii) they have tended to form associations, federations, and networks at the sectoral, local, national, and indeed European levels; (iv) they are present in a wide variety of sectors, including more traditional industries such as construction, furniture, textiles, and transport, but increasingly also in local development initiatives and new areas of employment; (v) they are experiencing growing difficulties in obtaining external funding and in respect of their internal structure; and (vi) they all combine their aims of combating exclusion and unemployment (with some placing more emphasis on the former and others on the latter) with commercial management techniques and the sale of their products and services on the private and public markets.

A comparative study of six countries (Germany, Austria, Belgium, Spain, France, and Italy) showed that over the last ten years this type of supported employment has created as many as 300,000 jobs for people with physical, psychological, or social problems or disabilities. The study also

---

25 A great deal has been published in Italy on the subject of social co-operatives. As a representative sample, see O. De Leonards, D. Mauri, and F. Rotelli, L’impresa sociale (Milan: Anabas, 1994), and CGM, L’imprenditori sociali (Turin: Ed. Franco Angeli, 1997). For a comparative study, see CECOP, L’entreprise sociale: une chance pour l’Europe (Brussels, 1995).

26 J. Estivill, A. Bernier, and C. Valadou, Las empresas sociales en Europa (Barcelona: Ed. Hacer, 1997). (A French translation published by the CNEI is available, as is a German version published by BAG-Arbeit.)
demonstrated the innovative nature of this approach in terms of identifying new needs, methods for ensuring involvement and participation, different ways of achieving permanent or intermediate employment, and its multidimensional character (employment, health care, training, housing, and so on).

A further study, which monitored the results of thirty-three projects run by young people in France and Italy, all designed to create jobs in the social economy, showed that over a period of two years they had created an average of six permanent jobs each, although this had been achieved with the help of the ‘emploi-jeunes’ instrument launched in France in 1997. Three types of qualitatively different project were identified: (i) projects that provided services which they had to sell on the market in order to survive, whilst at the same time maintaining their social objectives; (ii) projects which combined the money obtained from the sale of their services with income from external sources and which had salaried project workers whose wages were funded by the state; and (iii) projects seeking to combat exclusion locally through involvement in social, environmental, or cultural activities, whose services were not really marketable.

This combination of the role of a public welfare service with commercial activity – a kind of ‘welfare-mix’ – is to some extent characteristic of the Third Sector, and poses new challenges for it.

6. Problems and new challenges

The fact that the Third Sector is involved in activities which were traditionally the province of either the state or the market poses a number of problems as well as new theoretical and practical challenges.

The first challenge is to find new words and concepts to describe the sector as a whole and its different functions. The re-emergence of the use of

---

27 This study, which was co-financed by Directorate General V’s Third Sector and Employment Programme, was carried out by the Gabinet d’Estudis Socials (GES) and sponsored by the Fondation MACIF. See: Les nouveau acteurs de l’économie sociale: structures, activités, emploi et stratégies de pérénnisation (Paris: Fondation Macif, 1999).
social-economy terminology in Latin countries calls for the introduction of new categories, although a distinction is usually drawn between the more established social economy and the emerging one. Terms such as the ‘collective economy’, the ‘community economy’, or the ‘alternative economy’ are a clear illustration of the wide range of ideological and cultural influences that are present, and each term has its own limitations and potential. One author has put forward the term the ‘civil economy’, in an attempt to connect it with civil society. Perhaps this would suggest that a fresh look at the classic thinkers who developed the latter concept is in order; or failing that, at least an in-depth investigation of the possibility of a pluralistic system of social welfare and employment provision networks which would ensure that citizens have direct access to their rights and would serve to extend democratic participation.

The second challenge concerns the commercial aspect of the sector’s activities. The market’s siren call is alluring, and its borders are flexible and easily crossed. The risk of setting up as a commercial enterprise is that charitable and mutual ideals will be abandoned in the quest for profit. Making a profit in order to ensure better working conditions and the survival and growth of the social-economy company is one thing, but it is quite another to distribute the profits to individuals, perhaps also to investors, or worse still to mask the profits by paying huge bonuses to directors. On the one hand, if profitability is the only aim, what is there to distinguish a social-economy company from a commercial one? On the other, if the company focuses exclusively on its social priorities it runs the risk either of going bankrupt or of being completely dependent on government subsidies.

---

28 This terminology is not so widely used in Anglo-Saxon countries, although it is found in some cases. For example, for a recent Irish approach to the issue, see the report of the Working Group for Partnership 2000, *Social Economy* (Dublin, July 1998), 59 pages; and also Community Workers Co-operative, *Strategies to develop the social economy* (Dublin, 1998), which concentrate on its role in employment policy.
30 The idea of local provision networks is becoming more and more popular.
We cannot ignore the fact that using traditional commercial management methods (internal hierarchies, division of work into specialised areas, compartmentalisation of tasks, and so on) is apt to lead to the abandonment of the participatory approach which to a greater or lesser extent characterises social economy companies and which is so important in the process of inclusion. For this to happen would be rather ironic given that many conventional companies are now introducing management and production strategies that promote greater involvement of the workforce and that some are even starting to recognise their social responsibilities and the social costs of their decisions. It should also not be forgotten that the market means competition, and this could not only serve to exacerbate the Third Sector’s traditional individualism and internal rivalries but could also lead to an obsessive quest for productivity and quantitative efficiency. It is often the case that external requirements imposed either by the market itself or by Europe or national governments mean that particular standards or indicators have to be met (in terms of the number of people who attended the course, the number of people who found work as a result, and so on). Taken to extremes, this approach becomes meaningless, since people are not more likely to get a job just because they have attended lots of courses. What you actually end up with is more and more ‘qualified’ people going from one training programme to another and more and more unemployed people with qualifications that nobody wants. Furthermore, quantifying the services provided (for example, the number of hours somebody has worked as a home-help) tells us nothing about the nature and quality of these services. It is for this reason that the Third Sector is increasingly attaching importance to the quality of services provided.

32 See, for example, ‘European declaration of business against social exclusion’ (Brussels, January 1995). This network has undertaken a number of employment initiatives with socially excluded groups in different European countries.
33 Ota de Leonardi in In un diverso welfare (Milan: Ed. Feltrinelli, 1998) discusses the idea of a social market and the contradictions that this implies.
34 IRES, Cooperative sociali e qualità (Milan: Franco Angeli, 1998), and the studies of B. Chiusoli at the SMAER in Bologna. It is also worth mentioning the innovative social audits in the United Kingdom, which include qualitative indicators. (cont. on next page)
Whilst not wishing to suggest that there are no positive consequences at all, another negative one is the danger of pay and working conditions deteriorating, possibly leading to the creation of a second-tier labour market, or, more accurately, a deterioration of conditions in the existing labour market as a result of competition from part of the Third Sector, which has the added competitive advantage of voluntary workers who offer their services free of charge.

Another challenge is to determine which approach should be followed. Organisations working to combat exclusion can be classified into three types. First, there are those which still adopt the social worker approach of concentrating on the individual treatment of the excluded person. Secondly, there are commercially-oriented organisations which accept the prevailing market culture and fail to bridge the gap that separates them from the attitudes and expectations of the so-called ‘job seekers’. Finally, there is a third type of organisation which sees combating exclusion as a holistic process which should on the one hand ensure the greatest possible accessibility to programmes and independence for the individuals involved, while on the other hand making sure that the jobs created or chosen are both sustainable and of sufficiently high quality. These three

(cont. from previous page)


35 A transnational study undertaken by Lunaria in Italy, the United Kingdom, and Spain suggests that in the cases examined this fear proved largely unfounded. Lunaria, *Forme di lavoro nel terzo settore* (Rome: Lunaria, June 1998).

36 This is currently an area of debate in Germany.

37 The second and the first type proved to be the most common kind of organisation in the field of training of the long-term unemployed. This phenomenon was investigated in a comparative study funded by the LEONARDO programme and carried out by the Tavistock Institute in London, Casum at the University of Antwerp, IFRESI-CNRS in Lille, and the Gabinet d’Estudis Socials (GES) in Barcelona. C. Frade and I. Darmon, *Cultural aspects of the labour-market exclusion of the long-term unemployed*, London–Barcelona, 1998.

38 This is a crucial issue, both for people who enter the conventional labour market and end up suffering terrible working conditions, with the resulting high turnover rate, and also for people who find work in the social economy.
types of approach are responsible for the questionable process whereby combating exclusion has become the aim of both social and labour-market policy, without the roles being clearly defined in many countries. This is evidenced, for example, by the current debate on combating exclusion in Belgium, France, Spain, and Portugal, as well as by the fact that the minimum wage is usually considered to be part of passive social welfare policy, and by the use of particular benefits to motivate people to find work in Blair’s Britain.

The public aspect of the Third Sector’s work poses other challenges. This is not the place to examine this issue in detail, but it is worth mentioning two risks. First, there is the danger that having partly freed itself from ‘collateralism’ (for example, in Italy) and organic dependence on political organisations, it may wish to create its own political hegemony, absorbing institutional channels of representation. The second danger is that if the principle of subsidiarity is taken to extremes, this could lead to the state failing to assume responsibility for the Third Sector at local level, with the result that responsibility would end up resting with the family and the individual in a reversion to nineteenth-century-style local poor laws.

The outsourcing of services by the government to the Third Sector is an established fact. However, whether these services should be privatised along commercial lines is another matter altogether. Thus, in Italy and in a number of other countries, we have begun to see a shift from the ‘privato sociale’ to the ‘pubblico sociale’, which could be defined as an amalgamation of all the players who seek to defend collective interests. In this context of increasing dialogue, companies offering supported employment to excluded people are demanding and receiving specific aid from the government, and a new kind of relationship is developing between the two. In the face of the undeniable fact that excluded people are less productive workers, the first positive discrimination measures are being taken in favour of social-economy companies. Some examples of this are the controversial article 5 of the Italian Social Co-operatives Act, the French

---

7. The new context for civil dialogue

The growth of the Third Sector and its increasing importance is causing changes in the context of the more institutionalised social dialogue (between government, trade unions, and employers) and is forcing a revaluation of the relationship between the different players.

Traditionally, much of the Third Sector has kept itself apart from the world of economics in general and of business in particular, accusing the latter of being the cause of exclusion. This attitude no longer makes sense, however, and financial, productive, and commercial imperatives, as well as the requirements of helping people to find work, and, indeed, the consequences of economic globalisation for local economies, are all forcing grass-roots associations and the social economy to seek new alternatives. Consequently, a number of more or less innovative solutions to the financial issue have begun to appear (setting up of foundations, ethical banks, microcredit, pooling of guarantees, and so on). At the same time, the sector is lobbying the conventional banking sector, developing a number of more or less alternative markets for the sale of goods and services, integrating common services (accountancy and administration, training, new technologies, and so on) either regionally (the Italian consortiums) or sectorally, and in some countries social-economy companies are joining the bodies that represent the business community (chambers of commerce and industry, craftsmen's guilds, and so on).

Of course, none of this does anything to dispel the distrust felt by the business community, and the accusations that it levels at the Third Sector remain the same. These can be summarised as follows: it devours huge

---

40 For more information on the latter two examples, see the relevant articles in the special issue entitled ‘Las empresas de inserción a debate’ of the journal Documentación Social, no. 117–118 (Madrid, March 2000).

41 See the publications of the INAISE Network, particularly Développer l'Investissement social pour créer de l'emploi (Brussels, 1998).
quantities of public funds and social-economy companies provide unfair competition for their commercial counterparts. The social-economy companies counter these arguments by claiming that they actually help to reduce welfare expenditure and pointing out that in any case welfare should not merely be seen as an expense but rather as an investment which creates jobs and added value.

The sector’s relations with trade unions are more complex, and vary from country to country, depending on each country’s cultural and ideological traditions, the strength of the trade unions, their internal structure, the importance of collective bargaining, whether or not the unions have special services for excluded groups, and their policy on combating unemployment and exclusion, and also depending on the attitude of the Third Sector in that country. Indeed, its relations with the trade unions provide a clear illustration of the Third Sector’s enormous diversity and heterogeneity, although it is largely true that it sees the unions as corporatist defenders of the interests of the working population. The trade unions’ fears are centred around the danger of these potential new workers being used to drag down the overall level of wages and social benefits, the fact that they might have poor working conditions and lack the right to belong to a trade union, and the possibility of being faced with a new rival on the institutional bodies for social and economic negotiation. ‘Every time a social-economy worker is born, a trade unionist dies’: this could be said to sum up the position of those trade unionists who are most resistant to engaging in an as yet non-existent dialogue which, with an attitude like that, would in any case be less a dialogue and more like talking to a brick wall.

However, all is not doom and gloom, and in those instances where the unions attach more importance to their local organisations, where they play an active role in social-economy initiatives (friendly societies in

---

42 See the chapters devoted to these relations by Thierry Jeantet in *L’economic sociale en Europe* (Paris: CIEM, 1999) – an Italian translation has been published by the Fondazione Cesar – and the special issue on the social economy and the trade unions of the journal *El Proyecto*, no. 27 (Madrid, April 2000).
France, Italy, and Belgium) or where they have special services for excluded groups, where they are seriously involved in multisectoral issues (discrimination against women in Ireland, the minimum wage and achieving a common bargaining stance in Spain, improving social welfare, the role of pensioners, fighting racism⁴³ – in various countries – and so on), and where all players are involved in the fight against exclusion and the promotion of socioeconomic development, it has in fact been possible to create forums, platforms, councils, and pacts where the public sector, grass-roots associations, and the trade unions can come together and negotiate. On the whole, this is more common in the peripheral countries of Europe, in part as a result of the specific way in which the welfare state has developed in these countries and also because of the strategy adopted by their grass-roots associations and trade unions,⁴⁴ especially at local level.

Perhaps the first sign of this new partnership at European level⁴⁵ came with the creation of the consultative forum on the issue in 1992.⁴⁶ This initiative has been continued, despite a lot of ups and downs, and its results can be seen in the assumption of a more open attitude by the Economic and Social Committee, the negotiations between the platform and the Commission, the joint statement of the European Trade Union Confederation and representatives of the social economy in November 1997, and their occasional co-operation on matters of mutual interest.⁴⁷

---

⁴³ In the best practice guide that followed on from the European Year against Racism, there are some concrete examples of co-operation between the ETUC, UNICE, and CEEP. J. Wrench, *Compendium Européen de bonne pratique* (Dublin: European Foundation for Improving Living and Working Conditions, 1998).


⁴⁵ J. Estivill (ed.), *El partenariado social en Europa* (Barcelona: Ed. Hacer, 1997), and also the research funded by the European Foundation for Improving Living and Working Conditions in Dublin (1998). A French version was published in the journal *Polis Sud*, no. 12 (Montpellier, May 2000).

⁴⁶ The then President Delors announced the creation of this body at the Copenhagen Seminar in 1992.

⁴⁷ For example, their joint campaign on the Charter of Fundamental Rights.
and in general terms in the increased recognition of the value of civil dialogue. This in turn has served to stimulate debate among the players involved in the social dialogue.

This progress is a reflection of a process which can be seen in several EU countries. This is demonstrated, for example, by the National Anti-Poverty Strategy (NAPS) in Ireland, 48 the Portuguese ‘Cooperação para a Solidariedade’ Pact, 49 the 1998 and 1999 Pacts between the government and the Third Sector Forum in Italy, 50 which are to be found in 16 of Italy’s 20 regions, as well as the regional pacts between trade unions and Third Sector forums (Veneto, Emilia Romagna); the creation of more and more representation and negotiation bodies in Spain and Belgium, and indeed the establishment of a Belgian federal government ministry for the promotion of the social economy and the setting up of a fund to finance projects in this area. In France, furthermore, grass-roots associations participated in the drafting of the 1998 Law against Exclusion, and continue to be represented on the National Committee for the Combating of Exclusion which was created in June 1999. Further examples undoubtedly exist in other countries.

It is impossible to document the vast number of examples throughout the European Union of bilateral partnerships (Third Sector and government), 51


49 Two Portuguese books are of particular interest, since they place the Solidarity Pact in the context of social policy, allow all the players to air their opinions (grass-roots associations, trade unions, employers, and government), and describe concrete projects: various authors, Não pobreza (Lisbon: Ministerio da Solidariedade e Segurança Social, 1997), and various authors, Dizer não a pobreza. Um combate para ganhar (Lisbon: Ministerio de Trabalho e da Solidariedade, 1998).

50 J. Estivill and I. Darmon are currently carrying out a study (commissioned by the Fondation Macif and funded by the European Confederation of Social Economy Foundations, with additional funding from the Commission) on the role of the social economy in the civil dialogue in Belgium, Spain, France, and Italy. The results will be presented at a seminar to be held at the end of November.

51 Most of the references quoted in this paper contain summaries of different initiatives.

Enhancing youth employability through social and civil partnership 89
trilateral partnerships (the two previous groups plus the trade unions), and quadrilateral ones (in which industry or its representatives are included) that are formed locally with varying degrees of continuity and frequency and also make a contribution to combating social and labour-market exclusion. This provides us with one of the keys to answering the question ‘what influence does the Third Sector have on labour-market policy?’

‘Not very much’ would be the answer if we adopted the traditional view which restricts the role of the Third Sector to the field of social policy and understands employment strictly in terms of salaried work in a commercial enterprise. But we get a different answer if we accept that social and employment policy are two closely connected areas, and if we adopt a more complex definition of what employment means. Doing this enables us to recognise that, apart from the direct role of supported employment initiatives, Third-Sector associations also act as an important lobby on behalf of specific groups. The stronger and better organised these groups are, the better the measures designed to support them in the field of employment. This could lead us to a debate about the limits of positive discrimination and corporatism in employment measures aimed at the entire population. The Third Sector is increasingly developing a clear position on this issue, either in terms of distancing itself from the role which has been attributed to it (for example, in the debate on inclusion in Belgium, or the debate surrounding immigrant workers in several other countries), or by adopting a critical stance (for example, condemning the lack of accessibility of social and employment benefits), or in terms of offering alternatives. The latter case is still not very common, and it seems that for the time being the Third Sector has largely opted to go down the path of using the ‘best practice’ model to demonstrate its practical successes and failures.

54 See the book published in connection with the INDICO Project which details this best practice in the field of the Third Sector and Employment in seven EU countries. P. Verbeeren (ed.), The third system in Europe (Brussels: Alter, 1999).
Although it is a recent and unusual occurrence, the fact that before the Lisbon summit the Portuguese Presidency met with a number of European networks and was informed by them of the negative impact on exclusion of the EU’s employment strategy half opens the door to a dialogue which will need to be continued and developed by the Seminars on the social economy, local development, and employment under the Portuguese, French, and Swedish presidencies. If this happens, then the river of the Third Sector will be able to cross new boundaries and make its way more confidently towards the virtually uncharted possibilities offered by civil and social dialogue.

Translated from the Spanish by Joaquin Blasco

55 The first and second have already been held, in Santa Maria de Feira (Porto), and in Strasbourg (November 2000), and the third will be in Stockholm in 2001.

Enhancing youth employability through social and civil partnership
‘Civil dialogue’, ‘governance’, and the role of the social economy in civil society

Isabelle Darmon

1. Introduction

The concept of ‘civil dialogue’, devised by the European Commission during the first half of the 1990s, designates a process, not yet institutionalised, whereby representatives of ‘civil society’ are consulted by the European institutions and, in particular, by the Commission. The term was coined at a time when careful consideration was being given to ways of bringing the European Community (now Union) closer to its citizens, as a complement to existing channels of representation (through the Parliament) and concertation (through the European social dialogue). ‘Civil dialogue’ also arose as a result of pressure from some parts of the voluntary sector. The European Commission is now advertising more than ever this desire to ‘enhance’ EU democracy: a White Paper on ‘governance’ is currently being drawn up.

The aim of ‘enhancing democracy’ in the Union, predicated on an analysis of the reasons for the growing divide between EU policy-making and

---

* This article is based partly on a study carried out by the Gabinet d’Études Sociaux under a project funded by the European Commission’s ‘civil dialogue’ budget line and co-ordinated by the MACIF Foundation and the Pôle Européen des Fondations d’Économie Sociale (European network of social-economy foundations). The main mechanisms of ‘civil dialogue’, involving organisations from the ‘social economy and social enterprises’ (ESS – économie sociale et solidaire) have been singled out and examined in Belgium, Spain, France, and Italy and at European level. The results of this study have been recorded in four national reports and a European comparative report, and are available from the MACIF Foundation. The findings of the European-wide study in particular served as a basis for this article; its theoretical foundations have been developed at the ICAS Institute, of which the author is a member.


---

Enhancing youth employability through social and civil partnership
the concerns of citizens, forms part of a broader debate about the role and conception of the Political in the European Union. The choice of the term ‘governance’ is indicative of this conception: the criteria of ‘good governance’ are in fact transparency, accountability, coherence, and effectiveness.² These are implementing criteria which could equally well apply to a business strategy as to a public policy, be it a national or a Community one.³ Thus this notion no longer requires ‘common affairs’ to be either governed – which would mean establishing a hierarchy between them – or even negotiated: it is the sum of the individual actions of organisations, all placed on the same footing, which produces good governance and oils the wheels of the economic system, provided that particular fundamental management criteria are respected.

The concepts of civil dialogue and governance therefore reveal a tension between the desire for a participative debate on choices and policies – political activity in the real sense of the term – and criteria such as ‘better clarity’ and greater ‘effectiveness’ of the European venture (which evoke concerns as to external communication and management). The aims of visibility and effectiveness tend, however, to predominate both in speeches

² European Commission press release (11 October 2000): ‘Commission approves the work programme for the White Paper on European Governance’, <http://www.europa.eu.int/rapid/start/cgi>. See also the above-mentioned work programme: ‘For the purpose of the Commission’s White Paper on European Governance, “governance” will be taken to encompass rules, processes and behaviour that affect the way in which powers are exercised at European level, particularly as regards accountability, clarity, transparency, coherence, efficiency and effectiveness’.

³ Back in 1994, the Global Governance Commission established at the United Nations defined governance as ‘the sum of the very diverse ways in which individuals and institutions, public and private, manage their joint affairs’. See, for example, the United Nations press release dated 8 December 1998: ‘Deputy Secretary-General reviews options for institutional changes, to meet growing challenges of global governance’. The ‘Global Compact’, an idea put forward by Kofi Annan at the Davos Economic Forum in January 1999 and which took shape in July 2000, draws on these approaches: it brings together multinationals such as Unilever, Deutsche Bank, and Nike, trade unions, and NGOs such as Amnesty International and the World Wildlife Fund. Its prime objective is to encourage large enterprises to practise voluntary (social and ecological) self-regulation.

94 Enhancing youth employability through social and civil partnership
and in working documents on EU governance, as well as in current instances of the civil dialogue. Ultimately the underlying conception of civil society, invited to participate in these processes, is that of a number of interest groups vying for influence rather than that of an autonomous and conflictual space for the building of citizenship, whereas sociologically the latter definition is more correct, as we shall see below.

The role allotted by the European institutions, especially the Commission, to different strands of the ‘social economy’ and social enterprises (ESS – économie sociale et solidaire)⁴ illustrates what is regarded today as a contribution to democratic openness in the EU and what is not. In particular, there has been increased consultation in recent years of bodies providing social services (‘operational NGOs’, as the Commission calls them), which portray themselves and are portrayed as representing civil society, most notably in terms of devising social policy and anti-exclusion strategies, as well as implementing the relevant programmes. And yet the sectoral dialogue with the Advisory Committee of co-operatives, mutual organisations, voluntary bodies, and foundations – geared to defining European statutes for the social economy – fizzled out soon after it was initiated in

---

⁴ A huge amount of work has been done in recent years with a view to defining the concept of the ‘social economy and social enterprises’ (ESS – économie sociale et solidaire). It has thrown up, among other things, a number of differences in approach between the social economy and the social enterprise sector, which were formed at two very different points in time and by two very different sets of ‘carriers’. Differences in national structures are, of course, another problem. Definitions aiming to unite the two sectors emanate above all from French research, in that both types of structure exist in France, as do efforts to reconcile them. Hence the definition given by Hugues de Varine (picking up on earlier work by Alain Lipietz) in his recent summary of the Consultations régionales de l’économie sociale et solidaire, May 2000: ‘The social economy is a fully-fledged economic sector, operating on the market, since it comprises activities and enterprises which produce or trade in goods and/or services. It is distinct from the former because it is driven by citizens acting autonomously and from the latter because profit-making is not its prime objective. It fulfils a dual function: producing goods and/or services and producing values useful to society: social links and solidarity. This sector is defined by voluntary participation; company membership is open to persons, not to organisations; management is democratic (1 person = 1 vote); assets are collective and indivisible.’
1998. One might postulate that a dialogue hinging on the economic rules of the game, on the need for diverse economic models to co-exist within the European Union, is impossible in this day and age: it would, in fact, clash head-on with the eminently political decision made in favour of integration and elimination of barriers to competition, both on the internal market and for the EU’s foreign trade effort. This model is presented as the only possible response to an inescapable process of globalisation.

In this article we shall give our interpretation of the current intentions to reform decision-making in the European institutions, and shall attempt to highlight the dangers inherent in diluting the political dimension. We shall try in particular to demonstrate that the notion of governance, which applies economic criteria to the political sphere, disposes of two key concepts at the very heart of the political dimension: power and conflict (part one). The theoretical framework underpinning these interpretations and analyses, aimed in particular at a sociological perspective on the notion of civil society, is briefly outlined in part two. Finally, in part three, we examine the ways in which the ESS interacts with civil society and its ‘dialogue’ with the Community institutions, both as a practical illustration of the theories developed in this article and in order to highlight the opportunity for the social economy – one it has not yet grasped – to make a real contribution to the democratic enhancement of the Union. We conclude by noting that, far from encouraging citizens to become involved in Europe, these modes of civil dialogue and governance constitute a new phase in the transformation of the ‘public arena’ into a forum for competition between interest groups. We suggest that the only way of fostering active participation by citizens is to remove the taboo that Europe has only one model of integration on offer; such a model could be challenged by a social economy in tune with its origins.

2. Reform of decision-making processes within the EU institutions: ‘democratic enhancement’ or dilution of the political dimension?

The analysis which triggered the work in progress on governance, set out in particular in a report by the Commission’s Forward Studies Unit, is a
harsh one: there is a need, no more and no less, to reappraise the political processes put in place after the Second World War. This reappraisal revolves around four key problems, according to Lebessis and Paterson: (i) a loss of confidence in the all-powerfulness of technical expertise ‘which precludes democratic debate’ (p. 15). The authors point out that the recourse to experts often masks a political decision. (ii) A perceived lack of accountability and legitimacy, particularly due to a monopoly on informal consultation exercises (alongside formal representation) by ‘a limited set of powerful actors’ (p. 11). (iii) The functional segmentation of EU policies, which tends to ‘mask complexity by hiding the interdependence of one policy area with another’ (p. 10). This incapacity of the Union’s political mechanisms to manage interdependence ultimately produces ‘negative externalities’ (the document cites the BSE – mad cow disease – crisis as an example) and causes ‘synergistic opportunities’ to be missed. The experts in the Forward Studies Unit note that the tendency to consult with only a limited set of powerful actors merely serves to exacerbate this segmentation. (iv) The centralised character of European public action.

The problems outlined are central to opening up the European institutions. But airing them also reveals the true nature of the modes of governance supposed to solve these problems: is there not a risk that, contrary to the initial intention, management-based criteria will come to replace ones based on participation, and that, far from ‘enhancing democracy’, governance will entail a dilution of the Political? The analysis below of the problems raised by Lebessis and Paterson, and the solutions advocated in terms of governance, tend to demonstrate that the mechanisms proposed could actually legitimise rather than question the present modus operandi (replacement of citizens’ participation by consultation of experts, domination of economic pressure groups, and policy segmentation).

Criticism is levelled first and foremost at the role of experts in policy-making. Recourse to expert opinion tends in fact to overshadow the highly

---

political nature of the decisions being made. The report’s authors therefore recommend using a wide range of expert opinion, which does not skirt round scientific doubt or contradiction, so as to stimulate rather than substitute democratic debate. But, more fundamentally, the entire relationship between expert opinion and policy-making is called into question here. The practice of openness and the consultation of interest groups by the European Commission and the Parliament, for example, have been justified since the outset by the need to obtain specialist knowledge not available to these institutions internally.6

This applies, for instance, to relations with NGOs. Declaration 23 annexed to the Maastricht Treaty (1992) recognises the importance, in the social policy field, of co-operation between the Commission and ‘charitable associations and foundations as institutions responsible for social welfare establishments and services’. Thus what interests the Commission is their role as social service providers, in that their experience equips it with a better awareness of what is happening on the ground. By the same token, the Commission’s Communication of 6 June 1997 on ‘promoting the role of voluntary organisations and foundations in Europe’ very clearly assigns two tasks to the ‘civil dialogue’, the first being ‘to ensure that decision-makers at European level take account of the grass-roots opinions and experience of the voluntary sector so that policies can be adapted to real needs’. In the debate around the notion of civil dialogue in recent years, the Commission has constantly been at pains to ensure that the NGOs consulted are representative ones. Its recent Communication on ‘building a stronger partnership’ with NGOs (EC 2000) states that

these organisations need to ensure that their structures are representative, in particular regarding their roots in the different Member States of the European Union. However, representativeness, though an important crите-

---

6 The Commission’s approach to interest groups, dating from 1992 and still in force, has been explained in a document stressing the importance of these links for the Commission itself: ‘The Commission is deemed very accessible to interest groups and must of course maintain this ease of access. This is moreover in its own interest, since interest groups can supply its departments with technical information and constructive opinions.’

98 Enhancing youth employability through social and civil partnership
rion, should not be the only determining factor for membership of an advisory committee, or to take part in dialogue with the Commission. Other factors, such as their track record and ability to contribute substantial policy inputs to the discussion, are equally important.\footnote{Commission webpage on interest groups: (www.europa.eu.int/comm/secretariat_general/sgc/lobbies/index_en.htm).
\footnote{The same is true of environmental policies and programmes, where the Advisory Forum established within DG Environment encompasses just one NGO (World Wildlife Fund), which provides environmental audits of multinational and other companies and awards them labels, together with four environmental service management companies (as well as one consumer organisation, one trade union, 4 multinationals, one federation of agricultural enterprises, one regional government representative, 5 university staff, and some governmental and inter-governmental agencies, all depicted as a forum representing civil society). Similarly, the contact group established within DG Trade includes the Platform of European Social NGOs, the network of development NGOs and the World Wildlife Fund, alongside trade unions and industrial lobbies, as representatives of civil society.}

So the conviction is gradually taking hold that NGO participation is justified by their knowledge of reality on the ground and their ability to utilise this expert knowledge, no longer solely in implementing but even in defining policies. In this way the initial objective of democratic participation has been replaced – without this posing a problem to either the institutions or the NGOs themselves (we shall return to this point) – by the idea of consulting experts. In other words, NGOs are regarded not as conduits for the expression of citizens’ views but as information conduits to make up for shortcomings in the Community institutions. This shift in objectives is masked by the fact that the expertise of social sector NGOs lies mainly in their familiarity with the persons they assist. Nevertheless, whereas some do represent particular social groups (the handicapped, ethnic minorities, and so on), the majority of the NGOs consulted by the Commission in the context of the civil dialogue are providers of services to disadvantaged persons, often on behalf of local or national public authorities. Is providing services to disadvantaged groups tantamount to representing them? The Commission does not hesitate to bridge this gap when asserting in its Communication on ‘building a stronger partnership’ with NGOs: ‘Many NGOs have an ability to reach the poorest and most
disadvantaged and to provide a voice for those not sufficiently heard through other channels’.

This conflation is found in the deliberations of the First Convention on Civil Society in October 1999, co-ordinated by the Economic and Social Committee. The Proceedings of the Convention offer a definition of the ‘democratic functions’ of NGOs: they ‘provide (a) public debate’; they function as a sort of ‘warning light’ and as forums for ‘participatory democracy’. According to the ESC and its summary of participants’ contributions, NGOs can perform these functions thanks to three inherent characteristics: (i) the fact that they ‘provide services in the fields of health, social welfare, education, vocational training, legal and administrative assistance, etc. Through this . . . [they are] in touch with the problems and demands at the basis of society’; (ii) their ‘communicative power’ is another characteristic enabling them to lay claim to these democratic functions, given their ability to organise forums for public debate, often in an unstructured way. (iii) Finally, ‘civil society organisations can ensure their democratic functions due to their expertise . . . linked to [their] grass-roots experience’. Various Parliamentary committees, most notably the Committee on Employment and Social Affairs – and also, more recently, the Council (at informal sessions) – have likewise called on the expertise and experience of social-sector NGOs.

Therefore the removal of the Political through the use of experts, rightly denounced by Lebessis and Paterson, penetrates the very mechanisms set

---


10 For instance, in the year 2000 the Committee on Employment and Social Affairs consulted the Platform of European Social NGOs on the European Social Agenda and on the Commission’s social inclusion programme. The Parliament also held a hearing with the Platform and with a number of other NGOs, in conjunction with its deliberations on the Charter of Fundamental Rights (June 2000). Moreover, an informal Council of Employment and Social Affairs Ministers was held in Lisbon in February 2000 at which the NGOs were consulted for the first time on the subject of combating exclusion.
up to promote participation. Indeed, such participation is based not on citizenship itself but on the ‘capacity to contribute to debates’, and, for that matter, on the Commission’s own terms. As we shall see in part three, this confusion – arising from a narrow and utilitarian conception of civil society – is greatly bolstered by NGOs themselves, since they base their entitlement to participate in policy-making processes on their knowledge of the ‘grass-roots’.

The second sticking-point identified by the Forward Studies Unit is the monopoly of powerful professional groups over informal consultation exercises. In sharp contrast with the usual silence on this issue, Lebessis and Paterson, authors of several texts on governance, raise issues connected with the role of interest groups – above all economic ones. Whereas relations between the Commission and NGOs have been the topic of many communications, initiatives, and opinions, and have provoked a full debate (on the legitimacy and representativeness of these bodies, for example), the ways in which economic lobbies exert influence have hardly been discussed, except in 1992 in connection with transparency. And yet these pressure groups and other economic think-tanks have an enormous impact on EU policies. A brief examination of the proposed modes of governance indicates that their domination may only be further strengthened.

Let us take, for instance, the case of the European Round Table (ERT) of Industrialists, a group of 48 heads of large companies, many of them multinationals, created in the early 1980s by Pehr Gyllenhammar, managing director of Volvo. A list of its successes in influencing European policy appears on its website (‘Achievements’). These include, in 1985, putting pressure on politicians to adopt a simplified Single Market programme. Painstaking research by the Corporate Europe Observatory (CEO)\(^{11}\) confirms the direct influence of the ERT memorandum (Europe 1990) on the White Paper published a few months later by Lord Cockfield, the

---

\(^{11}\) B. Balanyá et al., *Europe Inc. Regional and global restructuring and the rise of corporate power* (London: Pluto Press, 2000).
Commissioner for Industry. Action by the ERT, and especially by Wisse Decker, managing director of Philips, was crucial in bringing on board Member States still ‘ lukewarm’ about the single market. ‘In 1993, in a television interview, Jacques Delors recognised the ‘continuing pressure’ from the ERT, affirming that it had been ‘one of the driving forces behind the Single Market’.’ At the same time, members of the ERT began to float the idea of a single currency. In a 1991 report, entitled Reshaping Europe and every bit as influential as the first one, they set out a timetable for the introduction of the single currency; it bears a striking resemblance to the timetable contained in the Maastricht Treaty. The CEO study quotes the breathtakingly arrogant words of Keith Richardson, the former ERT secretary general:

We wrote a formal letter to all the heads of government, telling them: ‘When you meet at the Madrid summit, will you please decide once and for all that the monetary union will start on the day agreed at Maastricht and with the criteria agreed at Maastricht.’ We wrote to them, we asked them to do that. And they did it. (p. 23)

It is also worth noting the huge influence of the ERT over the drafting of the White Paper published by Jacques Delors, and its battle with regard to the signing of the GATT agreement.

The importance of relations between the ERT and the Commission received institutional recognition in 1995 with the establishment of the Competitiveness Advisory Group (CAG), which, during its two terms of office (1995–1997; 1997–1999) published several key reports, just before European summits, on promoting factors of competitiveness in the EU. Despite the presence of a few university staff, politicians, and trade unionists, ideologically this group was clearly dominated by the ERT. The CAG’s term of office was not renewed in 1999, since nowadays (almost) no member government or European institution doubts any longer that competitiveness is a vital prerequisite for EU action. As for the ERT, its direct lobbying work goes on, as was evident in the run-up to the Lisbon and Stockholm summits.

12 B. Balanyá et al. (2000), op. cit., p. 22.
One major aspect of the notion of governance is, in fact, to legitimise the exercising of such influence, bringing it out into the open as tangible proof of the openness and accessibility of the European institutions. Not that such influences were veiled in the past, but links between the political and the economic spheres always arouse suspicion. The notion of governance has the great merit of transforming activities previously perceived as lobbying into normal activity, part of a participatory process. Whereas the documents available on governance are not very forthcoming on this point, some Commissioners – such as Erkki Liikanen, the Commissioner for Enterprise and the Information Society, and even the Commission President, Romano Prodi – are much more outspoken. Liikanen’s aim is to link work on governance with discussion of ‘alternative forms of traditional regulation’. He has expressed such views in many speeches, one of which is especially clear and characteristic.13 In his opinion,

[r]egulation will always be necessary . . . It is, however, important to guarantee that regulatory activities are limited to those areas and cases where they are really necessary . . . This means that a balance must be achieved between the needs to protect the public interest, to improve the functioning of the Internal Market and to promote economic efficiency and innovation in Europe.

How can such a ‘balance’ be achieved? That is the role of governance:

The challenge for regulators is thus to develop new forms of policy co-operation between governments and private sectors, which can deliver both flexibility and security. New forms of partnerships and the acceptance of sharing responsibilities differently between governments and civil society.14

This excerpt is a remarkable digest of a whole series of assumptions which, to our mind, constitute the very essence of the idea of governance,


14 This speech is fully in line with the views put forward by Romano Prodi, for example in his speech to the European Parliament on 15 February 2000, when he proposed ‘a new division of labour between the Commission, the other European institutions, the Member States, and civil society’.
even if they are without doubt taken to extremes here. The notion of ‘bal-
ance’ between the public interest and efficiency is the centrepiece of this
statement, and in all likelihood few advocates of governance would be
prepared to go so far, at least in public. But after all, is this not the logical
outcome of a ‘negotiation on equal terms’ between different interests?15

‘Partnership’ and a ‘sharing [of] responsibilities’ between the government,
the economic sphere and civil society effectively replace all or some poli-
cy-making processes, and hence the setting of priorities, by processes of
negotiation between interests presented as being equally legitimate. The concept of
governance is in fact inseparable from a retreat from regulation, a stepping-back
from binding legislative instruments, and, by the same token, from the
promotion of co-regulation and voluntary constraint,16 since greater scope
must be allowed for interaction among ‘partners’, among ‘stakeholders’ in
the run-up to decision-making. The mechanisms recommended by
Lebessis and Paterson to better equip stakeholders who are at a disadvan-
tage can offer only formal guarantees, ones which carry little weight vis-à-
vis the domination – both organisational and economic, but perhaps above
all else ideological – of industrial lobbies. By contrast, such guarantees in
no way call into question the logic of competing influences and horizon-
tal negotiation. In our opinion, the conversion of politics into a struggle
for influence and a negotiation of interests is the second key principle of
governance.

The third sticking-point cited by Lebessis and Paterson, which could in
their opinion be remedied by introducing modes of governance, is the com-
partmentalisation of Community policies. They indicate that in the past this seg-
mentation fulfilled a need to scale down complexity, but point out the per-
verse effects of such an approach, as we have observed. To them,
participation by all actors at all stages of policy-making guarantees that all

15 N. Lebessis and J. Paterson (1999), op. cit.
16 These are terms used by Erkki Liikanen, but which were heard for instance from the
lips of the deputy president of the United Nations when she advised enterprises to
engage in voluntary social and ecological monitoring so as to ‘avoid’, for example, the
inclusion of social and ecological clauses in world trade agreements (speech of 8
December 1998).
dimensions of a given policy will be taken into account. Given that governance implies participation by all the actors concerned, its introduction will inevitably have the effect of reshuffling the cards among the various players at European level, and could mean that in future there will be ‘no holds barred’. Third-Sector bodies, in particular, could be major ‘winners’ in terms of access to dialogue, whereas the trade unions are likely to be ‘losers’: for example, only partners in the social dialogue have until now been invited to participate in employment policy co-ordination. The social NGOs are pressing hard not only to be consulted about the fight against exclusion but to be recognised as fully-fledged partners in the definition and implementation of the employment guidelines.

However, this ‘desegmentation’ does not necessarily mean that debates will be politicised once again: in view of the ideological and practical dominance of economic interests in the dogged pursuit of competitiveness, the central principle of governance – an overall reconciliation of interests – implies rejection of any decision-making criteria which could stand in the way of these interests. Thus desegmentation signifies above all else the elimination of internal contradictions between different European Commission policies and a search for coherence which must inevitably further increase the dominance of economic priorities. In the present circumstances, desegmentation does not lead to a more varied expression of views – a factor of democratic enhancement – but on the contrary legitimises the priorities of economic interest groups. The principle of desegmentation would be supplemented in organisational terms by that of decentralisation, the fourth principle of governance evoked by the Forward Studies Unit, which would organise the self-regulation and ‘voluntary constraint’ of the various sectors according to criteria agreed by consensus among European policy-makers.

Hypothetically, therefore, contrary to the intention of some advocates of the notion of governance, desegmentation and decentralisation could depoliticise European debate to a considerable extent, legitimising the dominant strategies of today. In particular, the principle of playing off different interests and subsidiarity can only enhance recourse to interlocutors
from civil society who are prepared to negotiate a degree of autonomy to operate in their sector (subsidiarity) in exchange for the maintenance of policies attaching priority to 'competitiveness', that is, to those civil society bodies which act above all else as interest groups. Under these conditions 'dialogue' is not synonymous with an improved political dimension (and democratic participation) but with reducing it.

Thus, for example, the Platform of European Social NGOs welcomed the conclusions of the Lisbon summit in that they provide for anti-exclusion policies to be co-ordinated in a similar way to employment policies. Furthermore, the conclusions emphasise the role of 'civil society' in combating exclusion (as is also the case in the draft programme on social inclusion). However, for the first time since the Delors White Paper, one finds side by side economic objectives (promotion of e-commerce, liberalisation of many sectors, including energy and postal services) and social ones (quality of employment, combating exclusion), without these objectives ever being presented as potentially at odds. On the contrary, the fight against social exclusion is seen here as a 'factor of competitiveness'. So this document would appear to be the first building-block in the edifice of governance, eliminating any possibility of conflict between the interests and values at stake.

This absence of conflict, this 'coherence', may be understood as part of the quest for more effective European policies. A bolder move, however, is to harness it to the cause of European democratisation. By equating the two, the European institutions considerably narrow down the meaning of civil society and use it to their own ends. It would seem that, for the reasons given, a truly political debate about the direction in which the European Union is heading cannot take place by virtue of modes of governance; such a debate does, however, exist, thanks to the existence of an

---

17 The European Commissioner for Trade, Pascal Lamy, laid claim to such coherence in a speech to the Economic Council of the World Bank in June 2000 ('Social development and global governance'). To this end he called on all international organisations, governments, enterprises, and civil society organisations to apply agreed standards of 'global governance' for 'sustainable development'.

Enhancing youth employability through social and civil partnership
autonomous civil society which expresses its views in other ways than through institutionalised dialogue, albeit in a perfectly legal and legitimate manner. So it would be dangerous to equate civil society in its entirety with members of the contact groups, advisory forums, and other spaces for dialogue created, for example, by the Commission; dangerous, because such a depiction of reality renders marginal and even illegitimate an entire constituent part of civil society which plays a crucial role in expressing the views of citizens.

In this way, for example, the Contact Group established by DG Trade following the events in Seattle is portrayed as being ‘representative’ of the ‘different interests’ existing in civil society. At present this contact group comprises: the European Consumers’ Organisation (BEUC); the Committee of Agricultural Organisations (COPA-COGECA); the ‘Green 8’, that is, the environmental NGOs (including the World Wildlife Fund – WWF, but also Greenpeace); a network belonging to the Platform of European Social NGOs (the European Public Health Alliance – EPHA) and the Platform itself; a Catholic network of development NGOs (CIDSE); the Eurogroup for Animal Welfare; the Economic and Social Committee; the European Trade Union Confederation; the employers’ federation (UNICE); and a pressure group of service companies (European Service Forum); these last two being among the most powerful economic lobbies in Europe. The composition of this contact group appears balanced and representative of most fields covered by the EU’s external trade policy (and most notably by the WTO negotiations). We would nonetheless point out that the NGO networks concerned are ones managing projects generously funded by the European Commission – a position which, while not preventing specific criticisms, makes it somewhat awkward to raise more fundamental objections. In addition, some of them are known to favour partnership with economic interests. One may have one’s doubts as to whether a real political debate takes place among members of the contact group, which is hardly surprising in that they are

---

18 The Joint Statement of public health bodies meeting at a ‘Multi-stakeholder’ conference convened by the EPHA in October 2000 is a response to the (cont. on next page)
willing to participate in institutionalised dialogue on the Commission’s terms.

More fundamentally, by failing to allow scope for citizens to express themselves freely, and by failing to allow for contention and conflict, because everything can allegedly be settled through dialogue, the current tendency to institutionalise civil society through governance (or civil dialogue, one of its component parts) could ultimately marginalise and even criminalise the free expression of opinions, not least by forcing it to become more radical in its actions. The claim to embody all possible debate is predicated on a misguided, even dangerous, conception of civil society. In the next section we shall attempt to shed light on this hackneyed notion whose over-use trivialises what is an essential space in our democracies.

3. The notion of civil society: a few theoretical considerations

Naturally, it is not possible within this article to reconstruct the historical development of a complex notion so intimately connected with moder-

(cont. from previous page)

Commission’s proposals regarding a future consultation mechanism. It demands among other things ‘a balanced representation of interests in the consultation process’. The WWF, for its part, has gone a long way down the partnership road since it engages in links with the private sector as well. Thus the section of its website headed ‘In Business with WWF’ announces: ‘Powerful partnerships lead to real action and positive results. WWF has always recognised that the way ahead in its relationship with business and industry is forging partnerships for mutual benefit. WWF believes that what is good for the Earth is also good for business!’ (Yet they do not go so far as to say: what is good for business is good for the Earth!). ‘In today’s increasingly competitive world, consumers and stakeholders are demanding that companies demonstrate their awareness of their corporate responsibility towards the environment. WWF’s Panda logo is a globally recognised trademark synonymous with respect for the environment. A partnership with WWF will give your company an opportunity to visibly demonstrate your recognition of your customers’ concern for the environment – a financial and moral competitive edge. Whether you are a multinational company or a locally respected business, WWF can contribute to your business success. At the same time you contribute to WWF’s conservation work. WWF requires sponsorship – financial contributions or support in kind – to maintain and further its global conservation programme – can you help us meet this challenge?’, and so on and so forth.

108 Enhancing youth employability through social and civil partnership
nity. Yet we do need to elucidate the theory underpinning our work so as to situate it with regard to other contemporary approaches. We apologise to the reader for presenting these in a very schematic fashion.

Civil society came into being at the start of the modern age, when the political sphere parted company with the religious sphere, and the idea of ‘Man’ as a value gained currency. Then, at the time when the nation-state was taking shape in its absolutist version, there arose the first demands for a sphere of liberty for civil life (as opposed to religious orthodoxy and the state itself). Thus civil society came about when the Political separated off into an autonomous sphere. In classical Greece, for example, it is incorrect to speak of civil society, in that the citizens governed themselves.

During the course of the nineteenth century, market society (that is, the economic sphere separated out and turned into the dominant sphere) made its appearance: a set of individuals relating to one another in a spontaneous and independent fashion, simply on the basis of their interests, being sufficient to ensure the general well-being of society in the absence of undesirable intervention from the state. The state had to confine itself to overseeing compliance with the ground-rules of the market. Thus, in essence, liberal thinking links civil society with the market, as a sphere of ‘negative freedom’ (in the terminology of Isaiah Berlin) – in other words, personal freedom, which must above all else guard against the authoritarianism and interference of the state. However, towards the end of the nineteenth century this perception of civil society was called into question by the realisation of how destructive the market could be when left to its own devices. This was the era when the social economy, trade unionism, and labour parties emerged; a time when, as Polanyi puts

---


it, ‘society’\textsuperscript{21} – that is, civil society – reacted to the destruction of its modes of life by the market. In this way civil society and the market came into conflict, the former having to defend itself against the latter by demanding that the state, which took on a social dimension, should keep the market in check.

The struggle of societies in Eastern Europe (and Latin America) against authoritarian regimes and in favour of civil rights in the 1980s revived the notion of civil society, which had fallen into disuse. But it has also resurfaced in Western democracies, with criticism of the welfare state. The ‘communicative action’ school denounces bureaucratic interference in everyday life, together with its corollary, ‘commodification’. This reversion to the private sphere is seen not as a positive evolution of society, but as the consequence of this dual phenomenon, leading to an ossification of relationships and a disintegration of the public space. Civil society, greatly threatened by this development, then defines itself as a sphere of ‘conscious association, of self-organisation and organised communication’,\textsuperscript{22} where the rules for living together can be re-evaluated and new ones devised; civil society thereby takes on a political role (affirming both ‘negative freedom’ in the private sphere and ‘positive freedom’ to participate in the public sphere). This new role is oriented not towards power-seeking but towards a search for influence – over the political society as well as the economic system.

This theory is founded partly on the tradition of the Enlightenment, and on the Philosophes’ discovery of Man’s ‘sociability’ and his capacity to feel ‘sympathy’ for his neighbour. The ‘communicative action’ school, and in particular its founder, the philosopher J. Habermas, considers the ‘life-world’ (Lebenswelt) which incorporates civil society as a sphere where authentic communication – that is, not prompted by power-seeking nor for the satisfaction of economic interests – is possible. According to this way of thinking, when communication within civil society begins to

\textsuperscript{21} Ibid.
\textsuperscript{22} J. Cohen and A. Arato (1992), op. cit., p. x.
include power-seeking, that is interpreted as a ‘colonisation’ of civil society by the bureaucratic/administrative or economic spheres.\textsuperscript{23}

This second thesis, very prevalent in current debates about civil society and the inspiration behind many analyses of social enterprises or of the social co-operative sector,\textsuperscript{24} considers civil society to be a distinct sphere of the state and of the market, defining it not only according to value-related and organisational criteria, but also according to its composition (one can define the organisations belonging to civil society). Thus Cohen and Arato (close to Habermas, even though they criticise him constructively) offer the following definition:

\textbf{Table 1} Definition of civil society

<table>
<thead>
<tr>
<th>Value criteria</th>
<th>Pluralism, equality, autonomy, solidarity, public character or ‘visibility’, democracy, self-restraint on power – that is, responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational criteria</td>
<td>Free and voluntary association, self-constituted, but institutionalised or ‘being institutionalised’, that is, having a status conferred by the legal and statutory framework</td>
</tr>
<tr>
<td>Members</td>
<td>Private sphere (family)</td>
</tr>
<tr>
<td></td>
<td>Voluntary bodies</td>
</tr>
<tr>
<td></td>
<td>Social movements</td>
</tr>
<tr>
<td></td>
<td>Forms of public communication</td>
</tr>
</tbody>
</table>

\textsuperscript{23} J. Habermas, \textit{Between facts and norms: contributions to a discourse theory of law and democracy} (Oxford: Polity Press, 1996); see in particular chapter 8. (Original in German, \textit{Faktizität und Geltung. Beiträge zur Diskurstheorie des Rechts und des demokratischen Rechtsstaats} [Frankfurt am Main: Suhrkamp Verlag, 1992]).

\textsuperscript{24} In France the theoretical perspective of work done by CRIDA, for instance, is very close to the Habermas school. In Italy, although the references may (cont. on next page)
This is an interesting approach in that it highlights the very strong link between civil society and the founding principles of our democratic societies, and in particular with the values of liberty (both negative and positive), equality, and solidarity. Moreover, the notion that civil society is ‘colonised’ by the political and economic systems allows account to be taken of a number of phenomena, such as the competition among civil society bodies to obtain resources, or the transformation of some players into interest groups, seeking positions of power. Nevertheless, there is a risk inherent in bringing together these three types of criteria: that of ascribing idealised values and organisational methods to bodies deemed to belong to civil society, thereby causing divergences from this framework of values to be interpreted solely as the effect of interference by the economic and political systems. There is a danger here of idealising civil society as a sphere of fundamentally ‘authentic’ relationships, one where power-seeking can be overcome by means of particular communication processes.25

A sociological conception of civil society must,26 in our opinion, begin by acknowledging the existence of power relations within overall human relation-

(Cont. from previous page)

differ, some key principles can be found in the various manifestos and statements of Third-Sector exponents, including authenticity of communication and reciprocity. (See, for example, the writings of Stefano Zamagni.) At the European level, the opinion of the Economic and Social Committee, which attempts to give a theoretical foundation to its approach to civil society, bases itself largely on this thesis, whilst at times introducing some rather arbitrary interpretations deriving from the ESC’s own institutional positioning.

25 This is, in fact, the case in Italy, where the invention of a principle of ‘horizontal’ subsidiarity – that is, between spheres of action – and not merely ‘vertical’ subsidiarity (that is, between territorial levels) has triggered a debate on the role of the Third Sector. In the course of this debate, particular intellectual exponents of the Third Sector have boldly ventured to set out a synthesis between a liberal vision of civil society, imbued with religious ideas, and communication theory. They have offered some very voluntarist definitions of civil society which, to our mind, totally mask the power relations at work. (See S. Zamagni, ‘La susidiarietà, l’economia e la nuova carta costituzionale’, originally published in G. Vittadini (co-ord.), Sussidiarietà, and reprinted in Lunaria, Terzo settore, susidiarietà, commento, Rome, 1999).

26 See C. Frade, Ciudadania, pluralismo y sociedad civil mundial: una perspectiva sociológica sobre la sociedad civil y el poder, internal document, ICAS Institute, Barcelona, 2000.
ships, and should not confine such relations to the bureaucratic/adminis-
trative or economic system. Playing down or masking these power rela-
tions could lead to a falsely harmonious vision of civil society, which,
according to some, could function on principles of solidarity and reciproc-
ity if only it were left to its own devices. This would, at one and the same
time, remove the entire political dimension from civil society. A sociologi-
cal thesis of this kind partly draws on the previous conception, but also
aims at accounting for the competitive relations, the attempts at monopolarizing civil
society, and the silencing of debates which also exist within civil society.

Civil society is constructed on the very foundations of modern democratic
society – in particular, liberty and equality of citizens, and, one might
add, respect for peaceful forms of political action. Citizenship is the
bedrock of civil society, thereby excluding from this space all hierarchical
organisations (such as the family27 and businesses), as well as those which
are not founded on free participation by their members (for example,
sects) or are violent: a terrorist group would not seem to us to belong to
civil society, even if it does uphold a certain notion of citizenship, in that
it does not respect the rules of the democratic game.28 The question no
doubt needs to be posed differently in a non-democratic society.

This framework is nevertheless sufficiently broad to allow many concep-
tions of the scope and practice of citizenship to meet and confront each other. Defining civil
society in such a way allows its diversity to be taken into consideration: thus, a large number of movements and organisations may claim to stand

---

27 We do not consider the family, the archetypal hierarchical unit, as part of civil society;
here we are greatly at odds with other interpretations. This does not prevent us from
regarding the family partly as a place for education in citizenship. The same problem
arises for the Church. As a religious institution, and in that it too is hierarchical (this
applies especially to the Catholic Church), it does not belong to civil society. However,
the Church is behind a large number of voluntary bodies which, for their part, con-
tribute to civil society.

28 We are not idealising Western democracies here, but merely acknowledging the impor-
tance of a bedrock of founding principles and the possibility of peaceful confronta-
tion within the political sphere – even though, as we have said, this inevitably entails a
power struggle.

---

Enhancing youth employability through social and civil partnership
for solidarity, but for some this term refers, for example, to the responsibility of citizens to take part in charity work assisting the destitute, in Europe or elsewhere, whereas for others it refers to the need for new national and international rules of the game to guarantee social justice. For the former, citizenship operates within the private sphere, whereas for the latter it signifies public collective – and hence political – action.

Such a definition of civil society, as a space for implicit or explicit confrontation between different conceptions of citizenship, avoids setting up a ‘list’ of member organisations. Any organisation respecting the criteria of equality, liberty, and non-violence may take part in civil society thus defined. Civil society is therefore regarded not as a ‘sphere’ distinct from the bureaucratic/political sphere or the economic sphere, but as a cross-cutting ‘space’. Finally, this definition also avoids voluntarist or normative presentations of the relationships taking place in civil society.29

What are the consequences of such an analysis of civil society for the subject of concern to us here, namely the introduction of dialogue mechanisms aimed at a ‘new division of labour’ (Romano Prodi) between political society, the economic system, and civil society?

First of all, to talk about a ‘function’ of civil society, such as implementing and managing policies (for example, social policies and the combating of exclusion), is a nonsense deriving in part from the confusion between civil society and the Third Sector, since the Third Sector for its part does exercise managerial functions, such as in social services. The Third Sector is a player in both the market and public policy. It belongs to civil society not in this capacity but when advocating certain conceptions of citizenship (for example, regarding migrants’ rights). Civil society is a space for the expression, confrontation, and practical experimentation of different conceptions of citizenship, but in no way can it be equated with a ‘sphere’ of management.

---

Secondly, no player can claim to ‘represent’ civil society. For how could due account be taken of the debates and struggles constantly rocking it? An organisation can ensure representation of its members; an open, dynamic space cannot.

Thirdly, this impossibility of representation rules out any participation in an institutionalised process of dialogue in the name of civil society, even though every organisation active in civil society is of course free to take part in a dialogue with the economic or political system, as long as it speaks on its own behalf and on behalf of its members. Furthermore, in the present context, the autonomy of civil society is undermined since dialogue is framed according to interests put forward by the authorities initiating it, which usually means accommodating dominant interests. Thus, whereas it is perfectly legitimate for a dialogue to be held with social sector NGOs about the social policies implemented by Member States and the Commission’s social programmes, it is incorrect in more than one sense to describe this process as a ‘civil dialogue’; on the one hand, because such a designation evokes a dialogue between the Community institutions and civil society as a whole; on the other, because the parameters of this ‘dialogue’ are largely defined by the needs of these institutions, most notably the Commission.

The different theories of citizenship forged and expressed in civil society impact in various ways on the economic and political spheres (and, equally, are influenced by them), from individual opinion-forming and its translation into votes (or abstention from voting), to relations with political parties, to more collective action in the shape of joint declarations and campaigns, and so on. Seattle represented the first major worldwide confluence of different currents and movements in civil society (from North and South, trade unions, consumer organisations, ecologists, women’s movements, young people, citizens’ groups, and so on). The first world social forum in Porto Alegre (January 2001) was the second major coming-together. Worldwide civil society, whose formation is a response to economic and financial globalisation, is in a building and learning phase, and this learning process relates not least to its means of confronting and
interacting with the economic and political systems. Therefore it is undoubtedly still too early to predict what forms it will take in the future.

4. How can the social economy and civil society interact at European level?

The place of the social economy and social enterprises (ESS – économie sociale et solidaire) in civil society and their relationship with the public authorities within what the European Commission calls the ‘civil dialogue’, on the one hand, and their more specific role in combating social exclusion, on the other, have recently taken on considerable importance for the sector as well as for its observers, as illustrated by the profusion of publications and seminars on the subject.30 No-one should be surprised by this perspective on the role of the ESS, given the origins of the social economy in the nineteenth century at a time when the utopia of the ‘self-regulating market’ was being forced upon national societies.31 Should not the role of the social economy be reinvigorated, now that the formation of a global self-regulating market is well under way?

Karl Polanyi has written about the early experiences of a social economy – and of trade unionism – in Great Britain, showing how they were involved in constructing society’s response to the destruction of lifestyles by the imposition of a market utopia. His analysis highlighted one fundamental rationale for the emergence of civil society: the invention of

30 See in particular the introductory documentation to the Rencontres européennes des acteurs de l’économie sociale et solidaire (European Forum of players in the social economy), held under the French EU presidency on 23–24 November 2000 in Tours, most notably: L’économie sociale et solidaire en Europe, summary by Jean-Louis Laville (CRIDA); Entreprises solidaires et démocratiques, Workshop 4, background dossier co-ordinated by Hélène Clément and Laurent Gardin; and De la mondialisation à la proximité, Workshop 5, background dossier by Jean-Louis Laville. It is also worth consulting the Proceedings of the First Convention co-ordinated by the ESC in October 1999, which brought together a wide diversity of views on what civil society is, and on its relations with the Community institutions, yet without referring specifically to the social economy. These Proceedings reveal a good deal about the issues at stake and the current thinking of the Third Sector at European level (ESC 2000, op. cit).

31 K. Polanyi (1957), op. cit.
mechanisms to protect modes of life and relationships threatened by the economic and political systems, without clinging romantically to the past – we are talking here about a fundamental political and social innovation. Secondly, one can see how historically the first efforts at protection were based on experience of parallel economic circuits of consumption and production, and on forms of reciprocity which sometimes underpinned an entirely new conception of life in common. There was in addition the birth of the trade union movement and of labour parties, bound up more or less closely with this emerging social economy. Thus the protection of society by civil society actors entailed, on the one hand, attempts at complete self-organisation, sometimes going as far as autarky, in parallel with the dominant economic system, and, on the other, the organisation of an opposition within the world of work and the political system. In sociological terms, and on a large scale, the ‘carriers’ of working-class experiments in the social economy – especially as concerns production co-operatives – tended to be skilled workers, while the trade unions and labour parties rapidly grew into mass phenomena. Be that as it may, the social economy does lend structure to a large part of this new civil society which emerged at the end of the nineteenth century.

It is interesting to note today a number of similar initiatives in self-organisation on the part of European and, more generally, Western civil society. (In the South, particularly in Central and Latin American countries, such experiments have a much longer history and are based on a community life which is considerably more developed, above all in ‘indigenous’ communities – albeit partially destroyed by conflict and by economic policies.) Thus we see the development of organic food co-operatives as a response to food safety problems, independent – and voluntarily run – information agencies as a response to the control of the media by large international groups, ‘free’ internet portals as a response to the monopolies being formed on the basis of intellectual property rights, and so on. There has also been a proliferation over the past few years of networks exchanging know-how, offering an alternative based on solidarity to the market in further training. So perhaps we are currently witnessing the birth of a new social economy movement, accompanying the formation of a civil
society on an international scale and fulfilling its demands in a practical fashion.

Nevertheless, such initiatives remain altogether marginal, at least when compared with the economic giant into which the social economy has turned after a century of ‘commodification’ and institutionalisation, and even when compared with the more recent moves towards social entrepreneurship, which originated in the early 1980s and are today major players in social policy and in the fight against exclusion. What relations exist between that social economy and civil society? As an economic player in its own right in sometimes highly competitive sectors, or else as a stakeholder in public policy in a context of competition to obtain public funds, can the social economy be regarded at the same time as taking part in civil society?

ESS organisations belong to the economic sphere, by definition, since they take part to varying degrees in commercial transactions. On the other hand, their internal democratic structure, as well as their goals (defence of a particular view of economic citizenship and social justice), make them – in principle – potential actors in civil society. According to some sympathetic analysts and observers, this interplay between involvement in the economic system and belonging to civil society is what is most characteristic of the social economy and social enterprises. It is, however, difficult to belong to both. On the one hand, in large social-economy enterprises, internal democracy now plays second fiddle to economic objectives, even if there is no – or virtually no – distribution of profits to members; on the other hand, small entities are sometimes so insecure financially that the

32 Nevertheless, one finds some organisations which claim to belong to the ESS (or are classified as part of it) but have a corporate legal structure (for example, some French and Belgian companies aiming to promote social inclusion – because in principle this label may be attached to any sort of company) and are consequently not egalitarian. In addition, some voluntary bodies and mutual societies in fact have a democratic decision-making structure (one person, one vote) but their employees are in a position of subordination, which likewise excludes them – a priori – from a civil society founded on the principles of both freedom and equality.

118 Enhancing youth employability through social and civil partnership
need for survival may override the goal of participation by citizens.\textsuperscript{33}

Finally, some rather voluntarist analyses claim that citizenship as a practical phenomenon is the prerogative of social enterprises (and above all of Italian social co-operatives);\textsuperscript{34} as far as we know, little study has been devoted to this assertion,\textsuperscript{35} and it is all the more difficult to comment on its merits since these co-operatives overwhelmingly describe themselves as service providers and not as new schools in citizenship.\textsuperscript{36}

Nevertheless, the principles and structures of the social economy are potentially of great interest to the civil society taking shape today: in both its existing and renewed forms it can serve as a tool for the development

\textsuperscript{33} See in particular the very detailed study by the sociologist Bernard Eme on a French ‘régie de quartier’ (there are some 250 such neighbourhood employment initiatives on social housing estates in France). B. Eme (1994), “Des régies de quartier entre économie et territoire: le travail, creuset de bien civil”, in CRIDA-LSCI, Cégepsion sociale et emploi. Documents pédagogiques sur la problématique de l’économie plusielle (Paris: CRIDA, 1997).

\textsuperscript{34} See the concept of ‘multi-stakeholding’ developed by the Italian researchers Borzaga and Mitton (C. Borzaga and L. Mitton, ‘The multistakeholders versus the non-profit organization’, Università degli Studi di Trento, draft paper, 1997). See also, for instance, the opening speech given by Guy Hascoet, French Secretary of State for the Social Economy, at the European Forum of players in the social economy, held in Tours in November 2000.

\textsuperscript{35} One of the only studies known to us on the citizenship dimension of social enterprises and how they operate in practice in a particular sector is by the French sociologist J.-L. Laville and his team, on the operation of parent-run nurseries. Laville analyses the philosophy underlying a number of community service projects, contrasting it with a commercial view of these services: ‘By regarding every individual in his/her private sphere, the isolation generated by a consumerist strategy contrasts with a strategy whereby these services are converted into an opportunity to develop new forms of public space where the expression of citizenship is linked to problem-solving in everyday life’. For a concise presentation, see J.-L. Laville (2000), op. cit.

\textsuperscript{36} It is striking to note, for example, how little attention is paid in the Italian literature to the dimensions of citizenship and politics in social co-operatives, other than in very general terms. Research into the functioning of social co-operatives tends to stress their managerial functions and their efficiency in providing social services and employment for disadvantaged persons. Similarly, the quality criteria on which the sector has been working for several years in conjunction with the national and regional authorities raise the need to assess user satisfaction, rather than to analyse their participation as active subjects.
of alternative economic models, thereby responding to a number of needs of this emerging civil society. It is significant in this respect that various workshops on the social economy were held in Porto Alegre, and that the participants included the French Secretary of State for the Social Economy. But the century-long history of the sector teaches us that caution is in order, since the development of the social economy, and subsequently of social enterprises, has resulted in a dilution of their original principles; they have gradually been assimilated into the mainstream market sector or have been converted into instruments of public policy.

On this point it is interesting to note that some worldwide civil society movements are pressing simultaneously for the adoption of new international regulations and, more fundamentally, for the economic rules of the game to be rewritten (for example, in the area of world trade and the demarcation of the fields subject to international competition), whilst at the same time conducting or backing ESS experiments. Regrettably, the social economy is not on the whole active in putting forward demands in this area. On the contrary, a whole segment of the ESS, for instance in Europe, appears to favour the establishment of forms of governance running counter to these demands for regulation. Conversely, the principle of economic plurality is the battle-cry of another segment of the ESS in Europe, but it is fighting a lonely battle, without seeking support from a civil society increasingly critical of the thrust of European policy. The moves being made by the European institutions towards establishing modes of governance are making the likelihood of a debate on the EU’s economic policies ever more remote, since governance is the institutional

37 The most striking case is, of course, the Zapatista movement; but one's thoughts turn likewise to the international peasants' movement, Via Campesina, which has 40 million members around the world and takes action both locally (by occupying land and setting up peasants' co-operatives) and at the level of international economic regulations (campaign for agriculture to be withdrawn from the WTO agreements; campaign against GMOs).

38 There are exceptions: for example, it would seem that part of the fair trade movement is beginning to mobilise against some of the World Trade Organisation agreements.

120 Enhancing youth employability through social and civil partnership
corollary of economic deregulation and co-regulation or ‘voluntary regulation’, that is, the growing significance of the neo-liberal economic model. What strategies have the various components of the ESS adopted in light of these moves?

Over the past decade, the various components of the social economy in Europe – co-operatives, mutual societies, voluntary bodies, and foundations – have attempted to group together and engage in joint representation. These efforts arose out of the need to coalesce into a pressure group, especially vis-à-vis the European Commission, so as to ensure that the specific nature of the sector is recognised and protected at European level (through European statutes39). These efforts have met with a degree of incomprehension, bordering on indifference, from the European Commission, which has in addition had its own problems of internal reorganisation; these directly affect the social economy.40 Difficulties in working with the Commission have both highlighted and reinforced the tensions inherent in the ‘sector’.

Indeed, differences in approach concerning the type of dialogue and type of interlocutor sought within the Commission partially reflect the different concerns of European representatives of the social economy. The interviews conducted during the survey on which this paper is based, coupled with our documentary analysis, reveal strains above all within the voluntary component of the sector: some voluntary bodies consider them-

39 Statutes for a European co-operative, European mutual society, and European voluntary body have been drafted by the Commission and ratified by the European Parliament, but the Council has still not adopted them.

40 The former DG XXIII (Tourism, craft, and the social economy) has been abolished and responsibility for the social economy divided between the new DG Enterprise (which hardly ever mentions the social economy in its programmes) and DG Employment and Social Affairs. The latter has, in fact, become the sector’s main partner in dialogue, especially since the social economy is acknowledged as a job-creating sector under the third ‘pillar’ of the employment guidelines and under the Structural Funds. This reorganisation is entirely indicative of the Commission’s overriding view of the social economy, that is, as a sector able to bolster employment and incorporate disadvantaged groups into the labour market.
selves to be full participants in the social economy and endorse the desire of its other components to press for the definition of European statutes and for confirmation of the specific nature of their economic sector; others, equally engaged in service activities and hence belonging in practice to the social economy, regard themselves more as local players in social and employment policies and programmes, and are interested in discussing matters with the Commission from this point of view.

Thus, part of the voluntary movement – represented by CEDAG (European Council for Voluntary Organisations), co-operatives (CECOP – European Confederation of Workers’ Co-operatives, Social Co-operatives and Participative Enterprises), and mutual societies (AIM) – defines itself as an economic sector, albeit with specific features, and could be collectively labelled the ‘traditional social economy’. These movements demand opportunities to develop a more ‘democratic’ economic sector and aim to bring ‘plurality’ to the European economy. Another part of the voluntary movement, which groups together social enterprises,\textsuperscript{41} seeks above all to influence social policy design and to be recognised as a valid provider in this context. Whereas in principle these two positions are not incompatible, in practice the strategic alliances and partners in dialogue differ, and voluntary organisations are virtually compelled to ‘choose their camp’. This dichotomy is damaging the construction of the social economy as a European sector. It would, however, seem that, following a meeting held under the Portuguese presidency in Porto in March 2000, the different families belonging to the social economy have decided to come together: they plan to work jointly in a non-institutionalised manner (that is, outside the Commission’s orbit) in an effort to convey to DG Enterprise the merits of their projects, especially those for statutes and regulation.

\textsuperscript{41} Clearly, it would be interesting to be more precise and to identify which strands of the voluntary movement position themselves in this way. No doubt there are wide divergences, not only between sub-sectors of the European voluntary movement but also from one country to another, as revealed by our study.

122 \textit{Enhancing youth employability through social and civil partnership}
Nonetheless, the ‘traditional’ social economy is largely fighting its battle single-handedly, even though in 1997 it signed a joint statement with the European Trade Union Confederation, and even though the Economic and Social Committee published in March 2000 an opinion on the ‘social economy and single market’, which recognises the social economy’s contribution ‘to the much-needed diversity of economic life’ and advocates the granting of tax advantages while respecting the principle of competition. As far as we know, this opinion has remained a dead letter, and the promotion of diverse economic models is now lower down the agenda than ever. But, now that people are beginning to listen to calls from European civil society for an alternative Europe, and in particular an alternative economic model, is there not scope for some new alliances? Does not the traditional social economy run the risk of atrophying into a narrow and insignificant lobby? Should it not now consider making a real contribution to economic diversity within the EU and backing a debate on the European economic model?

Another part of the Third Sector does not claim to belong to the social economy. Several networks of ‘social NGOs’ have in fact formed themselves into a ‘Platform’ to engage directly with DG Employment and Social Affairs (and not DG Enterprise, although some of the national bodies and federations are members of both CEDAG and the Platform). The Platform was created in 1996 and today has thirty or so member federations, themselves grouping together some organisations providing social services as well as others representing marginal social groups (associations of ‘poor’ people, the disabled, gays and lesbians, and so on). The Platform regards itself and is regarded by its members as a lobbying group to convey to the European institutions – Council, Commission, Parliament, and ESC – its views on policies to combat exclusion and discrimination, and more generally on employment and social policies. The Platform bases itself on position papers from its members in their field of

---

competence and issues cross-cutting position papers (for example, on the Charter of Fundamental Rights).

According to the Platform’s President, through their day-to-day contact with the excluded populations for whom they provide social services, the member NGOs have acquired a knowledge of the citizenship base which authorises them to portray themselves as representatives of civil society. This point of view would appear to have broad support within the Platform, judging by other official statements. According to this perception of the role of Third Sector organisations, many of which in fact belong to the social economy, representation (of civil society) is predicated on expert knowledge (presence ‘on the ground’). We have already examined this confusion between expertise founded on an economic and social role on the one hand, and on citizenship on the other, which presupposes mechanisms for citizens to be heard and participate, as opposed to mediation by those acquainted with them.

Thus, the Third Sector – NGOs – grant themselves the right to ‘embody’ (their term) civil society; in their view, this ‘embodiment’ is not problematical since they deny the existence of power relationships within civil society. So, although a not insignificant part of the Third Sector is composed of bodies providing social services, having employees and ‘clients’, representatives of the Third Sector feel able to represent not only social enterprises but also their employees and their users, since in their view they are all united by a shared understanding of local solidarity. The functions of employer and provider – that is, economic functions – tend in this

43 See his comments at the Convention on Civil Society held by the ESC.
44 To the Platform of European Social NGOs, ‘The term “representativeness”, when applied to NGOs, thus seems ambiguous because their “representativeness” is primarily qualitative: it is deeply rooted in the nature of the relationships established by NGOs on the ground. NGOs promote minority needs and opinions, giving the means of expression to some of the voiceless within society, and even advancing the interests of those who by reason of various handicaps (intellectual, cultural [sic], or other forms of marginalisation and exclusion) need advocates to defend their interests and needs’ (Platform of European Social NGOs [2000], Final response of the Platform to the Commission discussion paper on NGO relations, <www.socialplatform.org>).
way to be masked behind a role of representing civil society as a whole. Such a conflation denies all potential conflict between providers and users, and tends to replace a political rationale with a rationale based on charity and/or on expertise. The risk of such an approach is therefore to defend, in the name of civil society, interests which are in fact those of member organisations, in other words more sizeable subsidies and, in the name of self-organisation by civil society, greater autonomy in the provision of social and other local services. One can see why such a position, favouring subsidiarity and self-regulation in the sector, is of interest to the Commission.

To sum up, the European ESS revolves around two movements: first, the ‘traditional’ social economy, portraying itself as an economic sector and calling for recognition of its specificity, which could help to launch today’s only truly political debate, namely the debate about the EU’s economic policies. But this movement’s decision to act as a lobby, in order to obtain its own statute and tax advantages, has led it into an unproductive dialogue with the Community institutions. Thus it keeps its distance from civil society, apparently unaware of its potential to champion a real debate on the economic policy orientations in Europe. Secondly, the Third Sector, or social NGOs, draw a veil of silence over their economic dimension and the power relations it engenders within their sector, so as to portray themselves as representatives of civil society and, in this capacity, to demand greater subsidiarity and resources for this sector to organise itself, even though many of them are service-providing organisations, sometimes charitable ones.

5. Conclusion

At European level, as we have seen, the notions of civil dialogue and governance have been promoted in the context of ongoing (and healthy) criticism and self-criticism of the European institutions concerning their remoteness from citizens. Thus, civil dialogue and governance were intended to be tools at the service of participation by citizens. At national level, all the Member States’ governments demonstrate, more or less explicitly, a desire for ‘openness towards civil society’ for the same reason: concern over their citizens’ growing disaffection with ‘public affairs’. Yet
this wish to open up to civil society comes at a time when European governments, as well as the Commission, are engaged in in-depth deliberations about the welfare state model in our societies, and more practically about making it ‘more dynamic’ by involving Third Sector bodies more actively in the implementation of social and job placement policies. So these two processes have in a sense been ‘telescoped’: opening up to civil society with a view to more active involvement of citizens is connected and confused with opening up to civil society (or rather one of its components) with a view to efficiency. As we have seen, in some cases this confusion also stems from the way Third-Sector service providers position themselves, portraying themselves at one and the same time as representatives of civil society and as guarantors of more efficient social and other local services. In this way they rely on their knowledge of their ‘target population’ and its daily realities as well as on their ‘expertise’ – for instance concerning poverty and exclusion – to set themselves up as mouthpieces for civil society.

We have attempted in this paper to explain why, far from being natural, this ‘telescoping’ seems to us on the contrary to suit the interests and need for legitimisation of both the public authorities and Third-Sector bodies, but to undermine the original intention of establishing new channels for participation by citizens. The confusion between efficiency of public policies and the goal of participation is often predicated on a direct negation of citizenship or, at best, on a conception of citizenship partly influenced by the liberal tradition: it is thereby relegated to the private sphere of consumption and exchange of services, and to a private form of solidarity expressed through voluntary activity. This conception largely ignores the political essence of citizenship, in that bodies representing the Third Sector act primarily as pressure groups intent on promoting their members’ role as operators in the social sector.

As service providers rooted in the market sector but fostering an alternative model of economic development, the social economy and social enterprises are inevitably and constantly torn between efficiency and participation by citizens. It is this tension, along with the conflicts it generates, whose concealment we believe to be dangerous. Indeed, it strikes us
that for the ESS or the Third Sector to position itself as a mouthpiece of
civil society tends to mask its firm foothold in the market sector.

Therefore it is imperative to draw a clear and immediate distinction
between consulting ‘the sectors concerned’, in a bid for efficient policy-
making, and encouraging participation by citizens. This second goal
should be based above all on preserving the autonomy of civil society and
recognising this space as a forum for exploring views and manners of
experiencing citizenship. We nevertheless believe that the goal of wider
participation by citizens can only become a viable prospect once the taboo
surrounding the European Union’s current economic policies has been
lifted: in our opinion, a real debate about these policies, with due recogni-
tion of the wide range of possible alternatives, is the only way of reviving
civil society’s interest in the building of Europe. Failing that, appeals for
participation are much too redolent of a desire to legitimise the existing
power relations.

_Translated from the French by Janet Altman_
Systems of collective action and learning capacity

Jean-Michel Bonvin and Fabio Bertozzi

1. Introduction

The inclusion of a dimension of collective action is increasingly being regarded as a crucial aspect of the success of all measures taken to combat unemployment, exclusion, and poverty. Following a decade when the general consensus was to extol the merits of neo-corporatism, approaches based on local management and partnerships have been making a vigorous comeback since the start of the 1990s, so much so that they are viewed by institutions as diverse as the OECD and the European Union as the solution to the problem of social exclusion. The traditional argument is that problems can be better overcome by joint action on the part of all the agents concerned. This applies at all levels: mobilising the knowledge of local players contributes to drawing up more appropriate rules, while co-operation among them ensures that the rules enacted will be properly implemented. This process is supposed to lead to the adoption of policies which are better suited to local environments and hence perceived as more legitimate by the populations directly affected. Under the impetus of this new trend, the focus is shifting from the state to the region, and local decision-making and implementation are tending to replace traditional methods of drawing up and carrying out policies centrally.

Note: This contribution follows on from an international research project entitled ‘Policies of social integration in Europe: systems of collective action’. This project, carried out under the aegis of the European Union’s TSER (Targeted Socio-Economic Research) programme, brought together four research teams: German, French, Italian, and Swiss. It was co-ordinated by Professor Adalbert Evers of the Institut für Sozialforschung in Frankfurt. The views expressed in this article owe a good deal to discussions held in that context; however – according to the conventional formula – the authors alone are responsible for them.

Enhancing youth employability through social and civil partnership
Be that as it may, our investigations illustrate the difficulties connected with such local partnerships. Faced with the evidence of these limitations and obstacles, we cannot be content merely to sing the praises of partnerships. If the current fashion for local action initiatives is to be more than a mere passing fad, we must examine the systems of collective action which are coming into being at local level around the design and implementation of social inclusion policies and assess their impact. To this end, we must equip ourselves with the appropriate theoretical tools and list the criteria which enable us to distinguish unambiguously between the various systems of collective action and their specific features.¹ The first part of this article is devoted to a presentation of these criteria, whose relevance we shall then attempt to test on several case studies concerning social inclusion policies in Germany, Italy, France, and Switzerland.² This description should provide a more realistic and more differentiated picture of the various systems of collective action and their effectiveness. We would stress at the outset that this assessment of effectiveness will be based not on results hypothetically achieved in terms of reintegration into the labour market (since it is very difficult to gauge the precise impact of action undertaken locally), but on improvements in learning capacity resulting from the establishment of new systems of collective action. In other words, our aim is to determine to what extent and under what conditions an increase in the number of players produces an increase in learning capacity.³

1 In place of the term 'partnership' we prefer the more neutral expression 'system of collective action', which has the advantage of not skewing our selection of cases for observation. The studies conducted for our research relate in fact just as much to closed systems – which it would be incorrect to describe as partnerships – as to open networks.

2 We conventionally use the term 'social inclusion policies' to cover active labour-market measures, social work, and social assistance, as well as action fostering local development. All the cases here were studied in depth during the research project.

3 Learning capacity may be defined as follows (Ferrera and Gualmini 1999, p. 121): 'The players come to realise that the status quo no longer functions, and that public policy objectives and instruments must be adapted on the basis of past experience and errors, new knowledge and information available, or by seeking to copy examples or experiences crowned with success in other environments'.

130 Enhancing youth employability through social and civil partnership
2. Systems of collective action: distinguishing criteria

We shall present these criteria by grouping them into three distinct categories: (i) the origin of the partnership; (ii) its form; and (iii) the content of the measures adopted.

*Origin of the partnership*

A partnership may be initiated by different players who can be divided roughly into two groups. On the one hand, the initiative may come from local bodies or associations seeking to enhance the co-ordination or integration of initiatives undertaken locally. The driving force may be an individual or a particular association, or otherwise a grouping of players convinced of the merits of common action. This category is notable for the fact that the initial incentive for a partnership comes from within, and usually testifies to the presence of considerable social capital in the region or municipality concerned. On the other hand, the impetus may come from the outside, from the national or supranational level (in particular due to European Union policies); it may either be efficiently relayed to the local level by already existing networks or, on the contrary, may meet with resistance if collaboration is not customary in a given region or municipality.

This duality is an analytical construct, however, and the point must be clearly made that, in reality, the two levels referred to are very often closely correlated. Thus, partnerships promoted locally do not generally become narrowly parochial; rather, they attempt to obtain funding from national or European bodies, as well as tapping into their know-how and skills in the relevant sphere of activity. Similarly, action undertaken at the instigation of the European Union or the national government almost always owes its effectiveness to a pre-existing local tradition of collaboration or partnership. The two levels can be seen to be interdependent in most cases, taking different forms in each system of collective action studied. In cases where this interdependence appears more problematical, or even non-existent, it is hard to set up partnerships, and collective action is impaired by efforts to defend areas of responsibility. Action conducted at purely local level may in this way coincide with a lack of democratic control, which will result in a preponderance of cronynism, promoted by the

Enhancing youth employability through social and civil partnership
failure of higher-level regulatory bodies to intervene. More often, localised intervention will be tantamount to the elaboration of rules leading to the emergence of a particular system for the locality in question and to unequal treatment, a sign that the theory underpinning the rules adopted is defective. Conversely, policies launched by the central government or the European Union will often remain a dead letter unless they are properly relayed to the local level.

**Form of partnership**

We must avoid here any temptation to effect a radical polarisation between open partnerships and closed systems. Our observations in fact reveal degrees of openness and closure in each of the cases analysed. The considerations below must therefore be understood as descriptions of models whose character is above all heuristic: all partnerships will inevitably fall somewhere between these two extremes in practice.

A closed system of collective action can be defined in terms of the existence of the following five characteristics:

1. the small number of players involved;
2. the presence of conventional players such as the public authorities or social partners at central level (already present in the context of neocorporatism);
3. the hierarchical nature of relations between the players (one player dominates and organises negotiations, imposing their priorities on the others – subcontracting based on service contracts will obviously fall under this heading);
4. the existence of a very strong prior consensus as to the aims and means of the action undertaken (which renders any up-front debate meaningless) – a parallel can be drawn here with Peter Haas’s concept of ‘epistemic community’ (Haas 1992);
5. the closed nature of the system, whereby the inclusion of new partners is not sought.

Such a system, organised around public players and/or the social partners
(in the most traditional meaning of the term), functions in a vacuum and rejects all innovative measures. It is manifestly centralised and unable to adapt to the diversity of local circumstances. The players involved are professionals, experts in the matters in hand, whose knowledge is hard to challenge. In such an environment, innovation is regarded as a threat which must be curbed so as to preserve acquired positions of power. It is nevertheless worth noting that this system may perform very satisfactorily in the absence of socio-economic crisis, when it is a matter of applying tried and tested recipes rather than seeking innovative solutions.

By contrast, an open system of action is distinguished by the following five features:

1. the large number of players involved;
2. the presence of unconventional players (such as local trade union branches, voluntary bodies, or representatives of problem groups) alongside the national public authorities and national social partners;
3. non-hierarchical relations (the absence of a leader makes for very flexible co-ordination within the network of participants, with a blurring of the distinction between public and private players);
4. an ideological fuzziness which can be dispensed with only by holding a wide-ranging debate whose outcome is not known in advance, in a bid to define the system’s key aims, as well as the means of pursuing them. One could refer here to what John Rawls so aptly describes as ‘overlapping consensus’, or to the communicative logic of Habermas (discourse ethics);
5. the openness of the system, which is always willing to welcome new partners.

This system of collective action, notable for its extreme decentralisation and openness to anyone wishing to join in, is better suited to periods of transition when innovation and creativeness are required. Its lack of structure may be a problem, however, especially when it comes to implementing the decisions taken. The system must then go through a phase of institutionalisation, which will improve its effectiveness.
The definition of these two models is not of course very useful for descriptive purposes. To this end, it is necessary to establish between these two extremes a continuum along which to classify the cases observed empirically. Here we must carefully distinguish between the formal aspects of collective action (number and type of partners) and indicators concerning the reality of collaboration: indeed, a network which is formally very open and inclusive may be characterised by a very low level of cooperation among the various partners.\footnote{For this reason, the case studies were conducted in such a way as to assess the reality of co-operation and not merely the superficial veneer of collaboration, which can often be created simply by having a large number of partners.}

**Measures adopted**

In the selected field of investigation – social inclusion policies – three types of measure should be distinguished:

1. *Activities concentrating on job placement in the primary labour market*: these are, in the main, measures entailing training, job mediation, and recruitment subsidies. The relations maintained with private sector companies are crucial here, the goal being a better distribution of existing employment rather than the creation of new jobs. In other words, action is focused not on improving macroeconomic indicators (or, in simpler terms, local development), but on integrating target groups or individuals into the labour market. The problem of unemployment is solved through action to change not the economy but the unemployed themselves. In this instance, then, modernisation of the labour market entails making the unemployed more competitive. The innovative measures characteristic of this first category draw heavily on the concept of ‘new public management’. One quite often encounters practices such as subcontracting under service contracts, where the task of helping people rejoin the labour market is conferred on companies specialising in this field, such as Mattwerk.\footnote{Mattwerk is a company specialising in placing long-term unemployed persons in jobs on the primary labour market. It operates in several countries, (cont. on next page)} This type of
activity broadly corresponds to the categories of active labour-market measures as defined in OECD publications.

2. **Job creation in the public sector and the Third Sector:** this second group of measures is often likened to the creation of a secondary labour market which, in the best cases, can function as a gateway into the primary market, but which most commonly constitutes a pool of jobs in a sheltered environment serving solely to keep people occupied. Such an interpretation reduces these measures to mere ‘social shock-absorbers’. It is worth noting, however, that such jobs may result in the creation of new services aimed at better satisfying local needs. In this sense, jobs fitting into this second category may contribute to the emergence of a new part of the social economy, and their economic development potential should not be underestimated. Such, at any rate, is the preferred view in the context of the second pillar of the European Employment Strategy.

3. **Local development:** what distinguishes the first two categories is the emphasis placed on target groups and individuals, whereas programmes typical of this third category set out to change the socio-economic conditions by means of local development strategies. Here, employment considerations are one dimension among many others, and the emphasis is placed on technological and economic modernisation of local areas through improvements in education and health services as well as housing, urban regeneration, a concern for democratic participation at local level, and so on. The promotion of entrepreneurship, programmes fostering innovation in the production of goods and services, and regional development are likewise pre-eminent in this third category, whose aim (to devise innovative measures while at the same time pursing the goals of employability, entrepreneurship, adaptability, and equal opportunities) is fully in line with the four pillars of the European Employment Strategy.

(cont. from previous page)

... principally the Netherlands, Germany, Austria, and Switzerland, and is generally paid for its services according to the number of persons returning to work.
These three levels are not necessarily mutually exclusive and may coexist within a single municipality or a single programme. In that case, the system of collective action endeavours – with varying degrees of success – to co-ordinate or, better still, integrate these various measures into one and the same mechanism.

3. Case studies

We shall now draw on the above criteria to describe and classify a number of situations on the ground. For each country studied (namely Germany, Italy, France, and Switzerland) we have selected two cases – one representing a fairly open network, the other a fairly closed system – which in our opinion illustrate the wide diversity of local systems of collective action. This approach has the added advantage of enabling us, as far as possible, to judge the effects of the degree of openness of collective action systems on learning capacity and the adjustment of policy content. Indeed, one of the principal aspects of local partnerships, as we are constantly reminded by the EU institutions, no doubt consists in their impact on the capacity to adapt, in real time as it were, the content of a policy to changing circumstances. For this reason, and despite their often being rather unrepresentative of the situation prevailing nationally, we thought it important to highlight in this article some seemingly promising examples of innovation, in an attempt to assess the real impact of these partnership ventures. We give a brief description of the features contributing to the classification of each case study, which is then shown in a summary table.

Germany – Dortmund and Nordstadt

Germany has a long tradition of corporatist relations between the social partners and the state,\(^6\) which is an integral part of the German model of the social market economy. There has been a recent trend, however, hastened by European Union policies in favour of local development (coun-

\(^6\) The recent formation of the Bündnis für Arbeit, Ausbildung und Wettbewerbsfähigkeit (Alliance for jobs, training, and competitiveness), bringing together representatives of the public authorities, trade unions, and employers, is a case in point (concerning this initiative, see also Heidemann in this volume).
pled with the desire of the municipal authorities to reduce social welfare expenditure, towards the emergence and development of extended local partnerships involving a whole range of bodies (non-profit associations, employers, neighbourhood groups, and so on). Such schemes nevertheless remain very few and far between.

This new trend is illustrated by the example of Dortmund. Unemployment (15 percent of the active population) and exclusion represent widespread problems in the capital city of the Ruhr. Several local initiatives have been launched over the years to tackle this situation, most notably the Dortmunder Dienste (DoDi) and Nordstadt projects.

DoDi is a project set up by the municipality, traditionally run by the Social Democratic Party (SPD), aimed at bringing together under one roof all municipal initiatives relating to skills acquisition and employment promotion. The target population consists of welfare recipients, the long-term unemployed, and young people. DoDi was pushed through by the municipality in the face of opposition from many of those involved (opposition political parties, employers, bodies organising schemes for jobless people, and so on). This, then, is a top-down managerial approach, seeking to centralise control over initiatives for jobless persons in the hands of the municipality, in an effort to curb social welfare expenditure.

The Nordstadt project results from a series of initiatives emanating from local associations. Its objective is the regeneration of a run-down district of the city. From this point of view, integrating people into the labour market is just one aim among many. The target population is thus not restricted to the jobless, but comprises all ‘at-risk’ groups (young people, women, drug addicts, immigrants, and so on). This project derives from a bottom-up initiative, and political leaders became involved only at a later stage.7

---

7 Once they did become involved the Nordstadt initiative was ‘paired’ with initiatives emanating from the Land (Programm für Stadtteile mit besonderem Erneuerungsbedarf – Programme for city districts in particular need of renewal). At the end of 1998 the new federal government took over this programme at national level (Programm für Stadtteile mit besonderem Erneuerungsbedarf – Die soziale Stadt).
These variations in approach are reflected in the type and number of players engaged in the two schemes. In the case of DoDi, the municipal administration is the key participant, all the other partners being responsible only for its implementation. The Nordstadt project, by contrast, endeavours to involve as many players as possible on a horizontal basis, so as to have all parts of society represented in the decision-making process.

These differences have three sets of consequences: (i) on perceptions of collective action, (ii) on public legitimacy, and (iii) on the lessons learnt. Collective action in the case of DoDi is mainly aimed at conflict resolution and management, and the quest for legitimacy is not a priority. As to the lessons learnt, there is evidence of improved co-ordination between administrative departments on the one hand, and between the administration and project organisers on the other. For Nordstadt, co-operation is a means of engaging with society and of connecting with the local community. Here public legitimacy is a major concern. Finally, learning capacity can be seen to have improved in that activities are run more professionally and efforts are made to tighten the link between social inclusion and labour-market integration.

To sum up, DoDi represents an attempt to make municipal action more efficient and less costly by centralising the co-ordination of activities in the hands of the administration. The aim is to reduce the complexity of all the schemes for the unemployed by giving the municipal administration responsibility for co-ordinating their management. So this is not a radical innovation seeking to break with previous practice, but merely a desire to better co-ordinate public action in this field. Nordstadt has a different goal. The initial premise is the limited effectiveness of ‘classic’ public action. Hence efforts are made to develop a new form of action: efficiency is no longer sought through centralised co-ordination but through the involvement, on an equal footing, of representatives of civil society who are in a sense asked to take over the reins of local development.

The German case study therefore enables us to identify various systems of collective action. On the more traditional side, we find neo-corporatist patterns of social regulation hinging on the tripartite model (trade unions,
employers, and state), which constitute the classic form of consultation in this country and are still largely dominant despite their current limitations (deadlock, sluggishness, excessive formality, and so on). Indeed, virtually all recent initiatives in favour of the unemployed have rested on tripartite foundations. This applies at all levels: company, region, and state. Generally speaking, measures adopted by these means emphasise the notion of social partnership to the detriment of a more inclusive notion of civil partnership. Nonetheless, new forms of partnership are emerging with a view to decentralising employment policies. These partnerships are very varied in nature, particularly in terms of their capacity – or willingness – to include as many local players as possible and the diversity of policy instruments used (exclusively active labour market measures or a combination of several schemes to promote local development). Such experiments, still few in number, offer new models of public action which sometimes depart radically from Germany’s neo-corporatist tradition.

**Italy – Emilia Romagna and Calabria**

The Italian employment-policy model was highly centralised until the mid 1990s. Responsibility for the design of such measures resided at national level; regional and local institutions were nothing but implementing bodies, slavishly (as it were) complying with the plans drawn up by central government departments. With the promulgation in 1997 of the Bassanini Act on administrative decentralisation, however, responsibility for active labour-market measures and employment services was transferred from central government to the regions. This unprecedented situation has impacted differently in the north and the south of Italy, owing to their different institutional and cultural traditions. We shall illustrate this dualism by describing two regions: Emilia Romagna and Calabria. It goes without saying that our presentation of these two case studies cannot possibly constitute a comprehensive overview of the new regional policies concerning employment and the labour market.

The remarkable economic development of Emilia Romagna, one of Italy’s richest regions, has always been driven by an enormous number of small and medium-size enterprises. The region’s unemployment rate never
exceeded 6 percent during the 1990s (3.9 percent in 1999). We should also note that there is a long-standing tradition of partnership with the trade unions, largely explained by the left-wing leanings of Emilia Romagna.

The 1997 reform was a landmark in terms of encouraging local activity in this region. Previously, vertical co-operation among the various institutional tiers had been sporadic and had related only to one-off measures. Horizontal co-operation between public bodies and the social partners had been both closed and institutionalised (neo-corporatism), with a very limited number of participants. Employment policy was very markedly top-down in nature, with regional agencies involved only in policy implementation, scrupulously in accordance with the instructions handed down by central government. Attempts have been made since 1997 to set up a horizontal structure of ‘multilevel governance’, involving a whole series of non-conventional players. This transformation is exemplified by various measures, most notably the social pact signed by the regional government and the social partners, aimed at securing a dialogue at all stages of employment policy. Another initiative is the founding of an Institute for Employment, where almost all the social partners and civil bodies are represented in a bid to promote research and consultation concerning the labour market and employment.

Thus the regionalisation of employment policy has led to a proliferation of bottom-up initiatives in Emilia Romagna. Local institutions have gained considerable room for manoeuvre, and a whole series of ‘policy entrepreneurs’ have taken the opportunity to launch new initiatives. This regionalisation has given a new lease of life to the Emilia Romagna model, fostering its learning capacity and its willingness to experiment. In this case, the transfer of powers in the employment field has not resulted merely in another administrative tier being responsible for taking decisions single-handedly and pushing through measures in a hierarchical manner. A deeper transformation has occurred: indeed, the setting up of social, institutional, and sometimes civil partnerships is now deemed a necessary precondition for decision-making.

The situation in Calabria is very different. This region suffers from a very
high unemployment rate (the Mezzogiorno region as a whole has 28.3 percent unemployment in contrast to the national average of 11 percent). The seriousness of this phenomenon is due in large measure to the extreme fragility of the economy in southern Italy and to the cronism evident in public sector operations in this region. Until the early 1990s, policies to combat unemployment and poverty operated in a strictly ‘state-centric’ manner, and co-operation between administrative departments and civil bodies was an exception to the rule. Since then, however, new programmes drawn up nationally and, above all, funding streams made available by the European Union (that is, various funds to support disadvantaged regions) have encouraged the development of local networks of players, their establishment being a sine qua non for obtaining Community resources. During the course of the 1990s, the networks established around social inclusion policies expanded and ultimately came to involve public authorities at various administrative tiers (regional, provincial, and municipal), trade unions, employers’ organisations, and non-profit associations. This process is a remarkable innovation for Calabria, and the impetus comes to a large extent from conditions laid down by ‘exogenous’ funding bodies (Ferrera and Gualmini 1999).

A partnership between players of different backgrounds is now regarded in Calabria as a necessary prerequisite for determining solutions suited to local conditions. It is nonetheless too soon to draw any definitive conclusions, and it could well be that these good resolutions will remain at the stage of worthy intentions. In fact, the model of public action is badly marred by cronism and corruption, and it will no doubt be a long time before the efforts made pay off in full.

When confronted with the decentralisation of employment policies, as a consequence of European Union directives and Italian administrative reform, the two regions studied found themselves at a turning point requiring them to reappraise their traditional modes of operation in the labour-market field. This ‘new chapter’ has, however, been handled in sharply contrasting ways because of differences in economic performance, in the unemployment situation, and in traditions of partnership.
Regions having better-developed administrative, economic, and partnership capacities are able to utilise the new room for manoeuvre more rapidly and more effectively. For others, the changes to be introduced are so significant that no reliable evaluation of the impact of the new measures will be feasible for quite some time.

**France – Aubervilliers and Grenoble**

French society is affected by a large number of bottlenecks, a characteristic mainly attributable to two facets of the French model of public action: centralisation and stratification. Decision-making powers in France have traditionally been the preserve of central departments disconnected from reality on the ground; the local authorities are merely responsible for applying centrally decreed rules. Stratification further exacerbates communication difficulties between the various tiers of public action. Indeed, the French administration has numerous layers structured around a highly complex web of hierarchies and functions. Consequently, everyone defends their own area of responsibility, thereby hampering co-operation between the different levels. Such a complex edifice has been constructed that any communication becomes very awkward: people tend to withdraw into their own field of operations rather than co-operating with representatives of other strata. According to this analysis (Crozier 1970), the French model is purely and simply incapable of learning and hence of rapidly adjusting policy content to changing circumstances. Local implementing bodies enjoy only restricted room for manoeuvre, quite insufficient for the swift and appropriate adaptation of policies, especially since any display of independence on their part will in turn trigger a response as central government attempts to regain control. Two forces are therefore at work here: on the one hand, rule-making endeavours to keep the tightest possible hold over fluid and constantly evolving circumstances; on the other, enforcement agencies have limited room for manoeuvre as a result of inevitable flaws in the rules enacted. Ultimately, this results in a proliferation of regulations issued from the centre, in the vain but continuing hope of overcoming uncertainties inherent in the application of the rules. The outcome is legislative hyperactivity and a fearsome build-up of measures adopted by the central authorities, which then compound the complexity of the system.
Decentralisation, begun in 1982, transfers a number of powers to local level, but without fundamentally calling into question the primacy of central government. For this reason it serves to further increase the complexity of the French system by introducing an additional layer of power-sharing between the central (and devolved) tier and the local (decentralised) tier. Lefresne (in this volume) perfectly illustrates this complexity in respect of employment policies, where training activities have been regionalised while employment and labour-market integration schemes remain the preserve of central government and so have merely been devolved. The effects of the decentralisation process, whose aim is to introduce different modes of public action, have differed from one region or municipality to another. The defensiveness over areas of responsibility observed in a number of regions coexists with the beginnings of new and more genuine partnerships elsewhere, as is highlighted by the example of employment policy. In this paper we shall turn our attention to one particularly innovative feature of the French institutional landscape: the PLIE (plan local pour l’intégration et l’emploi – local plan for integration and employment), which seeks to involve all local players active in policies helping people into work. Compared with other measures adopted over the past ten years or so (the RMI [minimum insertion income], the Jobs for Young People scheme, or other active measures), the PLIE is undoubtedly the most innovative and most genuinely decentralised weapon in the French armoury. Consequently, it is also without doubt the most promising in terms of promoting learning capacity. However, practical implementation of the PLIE depends largely on the political good will of town councils. The way in which this scheme has been put in place is therefore a more than adequate indicator of a given municipality’s capacity for local action. Relations with the ANPE (Agence nationale pour l’emploi – National Employment Agency, a devolved body taking its instructions from the centre) and the Missions locales pour l’insertion (local insertion offices – local players placing the unemployed in jobs and in charge of managing relations between devolved and decentralised bodies) are very enlightening from this point of view, and illustrate the real impact of decentralisation within the complex architecture of the French system.
We shall address ourselves briefly in the paragraphs below to the operation of, and interaction between, these three agencies in two municipalities: Aubervilliers (run by a left-wing town council and affected by a high rate of unemployment) and Grenoble (again a left-wing council but this time with a low rate of unemployment). Their systems of collective action demonstrate very different degrees of openness.

In Aubervilliers, the hardline Communists running the municipality until the mid 1990s refused to countenance any measures aimed at labour-market integration, alleging that these would exacerbate financial insecurity. Once reform-minded Communists took over it became possible to launch the PLIE and promote an all-round approach to problems, trying to replace competition with co-operation among the various parties involved in employment schemes. However, co-operation with the ANPE and social workers is proving very difficult. These shortcomings are especially apparent when it comes to applying the RMI, where there is evidence of conflict between social workers and newcomers to the field of labour-market integration. Generally speaking, the PLIE operates satisfactorily as far as labour-market players are concerned, but it has not managed to bring the social workers on board.

Grenoble, for its part, pioneered the establishment of labour-market integration schemes back in 1986, long before the PLIE was set up. The various partners belonging to this body co-operate with each other quite positively, on the whole, and there is a real desire to pool resources and available information. Co-operation with the grass-roots institutions in charge of labour-market and social integration is excellent. Yet relations with the ANPE and the département's offices responsible for employment and vocational training are more tense. Action undertaken outside the statutory framework and away from municipal or state intervention is thus viewed as having potential for innovation and for overcoming the bottlenecks caused by the complexity of the French system.

For all their differences, these two situations both have sticking-points which clearly illustrate the obstacles placed in the way of effective collective action by the complex architecture of the French system. Indeed, the
French case study exemplifies the difficulties undeniably occasioned by a large number of partners when a corporatist defensiveness over areas of responsibility wins out over a spirit of co-operation. Under such circumstances, a lack of trust between individuals or institutions can prove an insurmountable obstacle, paralysing the learning capacity of all concerned to a considerable degree. The development of employment schemes in France is moreover very revealing from this point of view: the first step is to focus on policy content by drawing up activation programmes, where particular powers are devolved to local level (for example, the RMI), before the establishment of new mechanisms related not so much to policy content or substance as such but rather to promoting local action worthy of the name. The creation of genuine local partnerships is, without any doubt, the main challenge facing French employment policy. Co-ordination of local schemes and players is an indispensable step on the way to creating training and work integration pathways that combine one scheme with another. But the obstacles along this road are not insignificant, in terms of both the institutional architecture and the players themselves (major disagreements between the employers and trade unions, but equally between one union and another, weakness of civil bodies, and so on). Partnership schemes cannot simply be set up by central government decree. The presence of a ‘policy entrepreneur’ at local level or the formation of a new kind of network of bodies operating on the fringes of the statutory framework can therefore prove very beneficial with a view to fostering learning capacity and rapid adjustments in the content and forms of public action.

Switzerland — Geneva and Ticino

In Switzerland, action undertaken with a view to integrating people into the labour market and society bears all the hallmarks of the federal structure of the state, meaning that a whole host of players are involved in this field. At the top of the pyramid is the federal department responsible for administering the LACI (l’assurance chômage fédérale — federal unemployment...
benefit). At the lower tiers there is a wide variety of programmes for which the cantons, or even municipalities, are responsible. Thus the Swiss model relies on the implementation of a specific version of the subsidiarity principle: the Confederation takes charge only of persons who are registered unemployed, and leaves it up to the cantons and municipalities to deal with other job-seekers not fulfilling – or no longer fulfilling – the requirements for registering as unemployed and entitled to the LACI. Moreover, the cantonal employment offices are in charge of disbursing the LACI, and the different cantonal traditions of co-operation among administrations, business, and civil bodies result in very diverse paradigms for the implementation of the federal scheme. Such regional differences are even more pronounced when it comes to programmes mounted by the cantons and municipalities themselves. To illustrate this last point, we shall describe the policy instruments put in place first by the canton of Geneva, where federal agencies have traditionally played a key role in public action, and secondly by the canton of Ticino, where there is a tradition of co-operation between the state and voluntary bodies (especially Catholic ones). These two cantons are among those pioneering the introduction of measures to integrate the unemployed in Switzerland.

The RMCAS (Revenu minimum cantonal d'aide sociale – cantonal social welfare minimum wage) passed into legislation in Geneva in 1994, creating a new mechanism for unemployed persons no longer entitled to receive unemployment benefit. The RMCAS takes effect after federal unemployment benefit has been stopped but before cantonal social assistance is offered. This new policy has three strands: (i) a financial allowance, (ii) the obligation to do something in return for this sum (a maximum of 20 hours per week working in a non-profit organisation or attending a training course), and (iii) a labour-market integration allowance, intended to fund job-creation projects. The RMCAS is managed centrally by an administrative department established specifically in order to implement the scheme. Co-operation with other administrative departments, responsible for economic affairs and employment, runs smoothly, but civil bodies – above all the voluntary sector – are not really part of the network. In fact, the RMCAS department engages solely in formal and superficial co-operation with the
voluntary sector. Voluntary organisations, regarded merely as providers of the work/training strand of the scheme, are scarcely involved in the process of assessing and adjusting the policy content.

Again in 1994 the canton of Ticino adopted the new LAS (*Loi sur l’aide sociale* – social welfare law) which introduces the principle of reincorporation into the social assistance system. To this end, recipients of social welfare benefit are offered social or labour-market integration contracts requiring attendance at training courses or, more often, temporary employment in voluntary bodies or administrations.

Administrative departments played a central role in setting up the LAS. Civil bodies, for their part, were excluded from the formal set-up process but were consulted on several occasions. It is above all with respect to implementation, however, that the network of participants differs from the one we see in the case of the RMCAS. In addition to good working relations with other parts of the administration (principally the cantonal employment office), the department running the LAS has developed a tight and productive network of relations with non-profit organisations, as well as with trade unions offering work experience to beneficiaries of this scheme. Networking between the administration and civil bodies is less formal and less superficial than in the case of the RMCAS. Indeed, the social work department sees this partnership as a means of offering benefit recipients a broader range of opportunities, while the voluntary bodies see working with the long-term unemployed as a new sphere of activity which is all the more advantageous in that it coincides with the possibility of obtaining public funding.

Although their content is similar, the RMCAS in Geneva and the LAS in Ticino have not developed the same degree of partnership with players outside the administration. The LAS is based on a broader network of players than its counterpart in Geneva, which remains hidebound by a more bureaucratic and centralised management style. Without endeavouring to evaluate the practical success of these two policy instruments in terms of reintegrating people into society or the labour market, we can nevertheless report that the agencies responsible for both schemes declare
themselves equally satisfied with their programmes, which in their opinion constitute an effective and innovative response to the problem of unemployment.

Judging by these two Swiss case studies, the impact of partnerships on learning capacity and adjustment of policy content would appear to be ambiguous. The centralised management of the RMCAS seems in fact to produce results comparable with those achieved by the more open network of the LAS in Ticino. Therefore the Geneva case appears to demonstrate that an innovative policy need not necessarily be based on an open and co-operative partnership of players, but that sometimes it can – and even must – rely on a closed and centralised network, which is better able to push through innovative projects in some institutional settings. Such observations prompt us to take a less clear-cut and hence more realistic view of the merits of partnerships. It is most enlightening to compare the Swiss experience with what is going on in the European Union.

* * *

The findings from our observations in the four countries are summarised in Table 1. This synthesis comprises two distinct categories of criteria referred to in the first part of our article. In the first column, the case studies are labelled according to the degree of openness of their system of collective action. Four gradations indicate the transition from a closed system to an open network embodying an ideal form of partnership far removed from classic public action.9 The number of players involved and the quality of co-operation determine how the case studies are classified. The second column describes the schemes studied in terms of the principal goals pursued. Three categories are used to identify the transition from measures targeted on individuals or groups to ones aimed at altering the socio-economic environment,10 primarily by means of local development. Classification becomes more problematical here, given the possibility of

---

10 In order: centred on individuals – centred on individuals and the socio-economic environment – centred on the socio-economic environment.
combining various forms of activity. The category ‘centred on individuals and environments’, half way along this continuum, is intended to represent cases bringing together both types of social inclusion measure. This column likewise enables us to gauge the innovativeness of the measures taken. Classic activation programmes such as training, job placement, recruitment subsidies, and public sector job creation, which are ultimately geared to adapting individuals to the conditions and requirements of the labour market, are comparable with the traditional model of public action. At the opposite end of the continuum are the most ambitious and most original programmes, aimed at improving the capacity of the socio-economic environment to incorporate socially excluded individuals.

The current fashion for partnerships is underpinned by a strong hypothesis, namely that there is a close link between the two dimensions summarised in the columns of Table 1: the more open a system, the better developed the learning capacity of the players and, as a corollary, the more likely it is that truly innovative schemes will be devised and adopted. In Table 1, this hypothesis ought to result in one-to-one equivalence between categories designating, on the one hand, the degree of openness of collective action systems and, on the other, the aims – traditional or innovative – attributed to social inclusion policies. According to such an interpretation, the various situations investigated should therefore confirm the basic postulate: that we should witness a transition from closed, traditional systems to open, innovative networks. If this hypothesis were borne out, the openness of a collective action system would inevitably coincide with the adoption of innovative measures geared to modifying socio-economic environments and to making them more inclusive.

However, the situations we observed do not lend themselves to easy classification, and the empirical data collected do not fit perfectly with the hypothesis advanced. A number of case studies, notably Emilia Romagna and Ticino, testify to the existence of combinations (an open network coinciding with the adoption of traditional measures, targeted at designated individuals or groups) for which the hypothesis does not allow. More generally, the relative position of most of these cases cannot be explained
<table>
<thead>
<tr>
<th>Case studied</th>
<th>Type of network</th>
<th>Type of activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>DoDi (Dortmund)</td>
<td>Fairly closed</td>
<td>Centred on individuals</td>
</tr>
<tr>
<td>Norsel (Dortmund)</td>
<td>Open</td>
<td>Centred on the socio-economic environment</td>
</tr>
<tr>
<td>Emilia Romagna</td>
<td>Fairly open</td>
<td>Centred on individuals</td>
</tr>
<tr>
<td>Calabria</td>
<td>Fairly closed</td>
<td>Centred on individuals and the socio-economic environment</td>
</tr>
<tr>
<td>Grenoble</td>
<td>Fairly open</td>
<td>Centred on individuals and the socio-economic environment</td>
</tr>
<tr>
<td>Aubervilliers</td>
<td>Closed</td>
<td>Centred on individuals</td>
</tr>
<tr>
<td>Geneva</td>
<td>Fairly closed</td>
<td>Centred on individuals</td>
</tr>
<tr>
<td>Ticino</td>
<td>Fairly open</td>
<td>Centred on individuals</td>
</tr>
</tbody>
</table>

solely in terms of interdependence between the openness of collective action systems and their degree of policy innovation. Thus Geneva and Ticino have adopted similar policies even though the openness of their respective networks differs considerably.\(^{11}\) This finding illustrates the need to be more subtle in our reasoning, so as to take better account of the environmental factors surrounding the establishment and operation of partnerships.

\(^{11}\) However, reading the table might lead one to believe that the hypothesis works for Germany and France, but by presenting other cases analysed during the course of our research project we could demonstrate unambiguously that the link between collective action and innovation is equally problematical in respect of France and Germany.
4. Conclusion: partnerships in the fight against unemployment – progress needed

In order to avoid arousing unwarranted expectations, partnerships must therefore be put into their proper perspective, and this brief conclusion will attempt to start the ball rolling in that direction. Two sets of ideas are pertinent here. The first concerns the scope of the notion of civil partnership in practical terms, which is still very limited (as is evidenced, furthermore, by considerations adduced in other contributions to this volume). The second calls into question the link all too often postulated between partnerships and effectiveness of public action.

Despite undeniable growth in recent years, the phenomenon of civil partnerships is still of only marginal importance in each of the countries analysed in this book. Considerable differences sometimes exist between one national situation and another (and even between regions within one state); local conditions, in particular an existing tradition of co-operation, appear here to be a key element in accounting for this diversity. Nevertheless, even where the most favourable conditions seem to coexist, the scale and significance of civil partnerships fail to meet the expectations of international institutions such as the European Union and the OECD. Other contributions to this volume provide ample confirmation of this diagnosis. In Germany, for instance, participation by civil bodies is confined to a few local experiments, whereas the social partners are heavily involved in determining and implementing employment policy (cf. Heidemann infra). In France, the complexity of the institutional architecture and the conflicts which ensue virtually rule out any move to open up and embrace new players. What is more, integration schemes largely fall under the responsibility of central government, while the social partners concentrate on their role as managers of the social security funds (cf. Lefresne infra). As far as Spain is concerned, even though civil bodies have formally been included in some recent initiatives, the scope and quality of these partnerships often give serious cause for concern. In a country where – in the words of Palacio Morena (cf. infra) – the trade unions and employers tend to exert a ‘virtual monopoly’ over employment policies,
civil partnerships appear to serve only to lend legitimacy; in other words, they are never envisaged as a real policy instrument. In Denmark, social partnerships remain the predominant type, and their activities are focused on the persons closest to the labour market, namely, employees and unemployed people receiving benefit (cf. Mailand infra). In the United Kingdom, finally, although local partnerships are a crucial dimension of the implementation of programmes collectively labelled the 'New Deal', they all too often fall victim to conflict and tension among the participants. What is more, the public authorities tend to monopolise the decision-making process. Nonetheless, some encouraging developments have been observed and would appear to testify to progress in civil partnerships in the United Kingdom (cf. Lindsay infra).

In terms of the effectiveness of partnership initiatives, a comparison of the various experiences analysed in this paper demonstrates clearly that increasing the number of partners produces ambiguous results with regard to improving learning capacity and adjusting policy content. The chorus of praise universally heaped on the partnership approach should therefore be toned down by at least two notches.

First, an increased number of partners does not necessarily coincide with more active participation in the political process. In the context of France, conflict between different administrative tiers, as well as between social workers and bodies active in labour-market integration, greatly hampers the adoption of innovative measures locally. Here an increase in the number of partners prompts those concerned to take up entrenched positions and defend their areas of responsibility; this can to a large extent be explained by the dead weight of French bureaucracy. Nor are partnerships part and parcel of policy-making practice in southern Italy, and the good intentions witnessed in Calabria are still at a very embryonic stage of development. One might be justified in thinking that evaluations can more reliably be carried out by the European Union than by the Italian government, but it is nonetheless too early to conclude that political habits are bound to change in Italy. In the case of Emilia Romagna, by contrast, the social partners are accustomed to working together. That case would consequently seem more promising, even though the reluctance sometimes
voiced by employers could become a major obstacle. Thus, when local action is promoted from above in a top-down approach (coming from the national government or from a supranational player, here the European Union), the incentive to become involved may be seen as a constraint or as a mere financial opportunity. There is no certainty that either of these motives will in the final analysis bolster participation by citizens in democratic life. Bringing together an increased number of partners will not, therefore, automatically result in a genuine partnership of local players.

Secondly, partnerships are not a *sine qua non* for innovative action in respect of employment policy. Within the Swiss Confederation, the cantons of Geneva and Ticino are radically different as regards the inclusiveness of the networks operating and the quality of co-operation within them; yet despite these differences the policies implemented are similar in many ways. It would even seem that, when it comes to implementation, the delegation of powers practised in the canton of Geneva results in a degree of innovation comparable with that witnessed in the more co-operative context of Ticino. Similarly, the two programmes studied in Dortmund differ substantially in that the policy networks set up are based on sharply contrasting types of co-operation. And yet both of the schemes are innovative, albeit in different ways and to different degrees: *DoDi* is geared more to co-ordinating already existing programmes, whereas *Nordstadt* takes a truly innovative approach to policy content. Thus an increased number of partners is not a necessary condition for the adoption of innovative solutions. The *Nordstadt* example is very encouraging, and there is every reason to believe that in this case the existence of an inclusive policy network, characterised by good collective action, proved a strong incentive to adopt an innovative and ambitious policy of urban regeneration or local development. Such an experiment, which illustrates the potential of partnerships where particularly favourable conditions coexist, is not sufficient to rule out alternative models of public action, however. Indeed, the establishment of a necessary link between the degree of openness of collective action systems and a capacity for learning and innovation would ultimately deny the benefits of spontaneous action or policy initiative in a society with closed networks. The local development efforts carried out in
Calabria would then be doomed to failure because of the closed nature of the collective action systems already existing in that region. Any such conclusion would obviously be erroneous, and the link between these two dimensions appears far more haphazard.

It follows therefore that an increased number of partners does not necessarily lead to the adoption of more innovative and effective solutions. As a rule, examples where partnerships are operating satisfactorily reveal the coexistence of two elements: (i) initial social capital, a vital prerequisite which cannot be imposed by decree, and (ii) a clear demarcation of responsibilities among participants in the network. In the absence of these two elements, other alternative approaches, most notably relying on the intervention of a ‘policy entrepreneur’ (whose authority and prestige enhance legitimacy in the eyes of other local players) may prove to be perfectly workable functional equivalents. Just like other forms of public action, partnerships are not effective in all circumstances, and the success of this approach depends on the confluence of a number of conditions. Failing that, it would be preferable at least for the time being to opt for networks which are perhaps less open but more effective.

*Translated from the French by Janet Altman*
References


Plus the final research reports on the TSER project ‘Policies of Social Integration: Systems of Collective Action’.

Enhancing youth employability through social and civil partnership 155
Factors determining successful partnerships and the origins of contemporary social responsibility

Sven-Age Westphalen and Louise Kjær

1. Introduction: the shift in dynamic forces and reorientation of values and roles

In the past twenty years the world has witnessed dramatic and almost simultaneous changes in the political, economic, and social spheres. The collapse of the communist regimes in Central and Eastern Europe, the development of sophisticated information and communications technologies, and the emergence of more individualised and critical citizens are some of the main features – for example, both triggers and outcomes – of the ongoing restructuring and reorientation of societies, enterprises, and individuals.

Whereas the basic values of democracy, capitalism, and individualism are no longer generally contested, their specific manifestations have challenged traditional roles and values: businesses are being evaluated for their ethical behaviour and environmental and social impact; public authorities are being questioned about their cost efficiency and ability to safeguard social welfare; while individuals are continuously being challenged concerning their individual values, norms, and actions. The social partners, too, are in the midst of reshaping themselves from traditional interest-representing organisations to value-based organisations, increasingly involved in areas outside traditional labour-market issues (Westphalen and Kjærgaard 2001).

Increased market liberalisation, nationally and internationally, has strengthened company shareholder strategies and weakened governments’ ability to secure corporate tax revenue: for instance, while the share of corporate profits in GDP within the OECD area has increased significantly
since the mid 1980s, the effective tax burden on profits has fallen (OECD 2000a), the net result being that companies contribute less to society’s collective costs. Balancing this development, companies are increasingly being called upon to take on social responsibilities towards the weaker segments in society, that is, to strengthen their stakeholder values. Overall, it can be argued that there is a trend away from national governments safeguarding social security and cohesion through various forms of regulation and provision towards voluntary agreements and incentives actively involving business and civil society.

Consequently, the social contract between governments, civil society, and business is undergoing fundamental revision, which in turn has led to a search for new means to ensure social inclusiveness by involving business and, to some degree, civil society.

2. What are ‘new social partnerships’?

The Copenhagen Centre defines new social partnerships as follows: ‘People and organisations from some combination of public, business, and civil constituencies who engage in voluntary, mutually beneficial, and innovative relationships in order to address common societal aims by combining their resources and competencies.’

Social science has traditionally treated market, state, and civil society (including voluntary organisations) as distinct social orders, each governed by their own logic or rationale. The idea of ‘new social partnerships’ is to bring together agents representing the different social orders in a common effort to solve a specific problem. It is, of course, a challenge to overcome the differences in reasoning that the actors bring to the partnership from their respective sectors (Abrahamson, Kjer, and Raynard 2001), that is, to form partnerships on the basis of common or overlapping interests between otherwise opposed or competing actors. What used to be unthinkable is now constantly reshaping reality, however: activists form partnerships with businesses; businesses undertake responsibility for socially excluded people; and public authorities open up to bottom-up solutions and flexibility in policy formation and implementation.
Traditional social partnerships – for example, between employers’ associations and trade unions – are a common feature of most European labour markets, often in co-operation with government. However, it is now generally recognised that continued success in addressing the dual aims of economic growth and social cohesion requires generic responses from a wide range of actors within society, extending bi- and tripartite co-operation; partnerships that may take place at local, regional, national, or international levels.

The partners may include (based on Nelson and Zadek 2000):

- a wide variety of civil organisations, alliances, and networks;
- individual companies and thematically organised business networks;
- trade unions;
- employers’ associations;
- individual enterprises;
- local, regional, and national public institutions, authorities, and governments;
- regional and international multilateral governmental organisations, such as the European Union and the ILO;
- think-tanks, foundations, research institutes, and academic institutions;
- individual citizens.

Actors form partnerships when they can identify a common space, interests, problems, or incentives to which common problem-solving seems the most appropriate solution.\(^1\) Partnerships may be top-down or bottom-up but, within the area of enhancing employability, job creation, and entrepreneur support, there is likely to be a combination of top-down instruments – for example, funding, regulation, and (enabling) policy formulation – and bottom-up initiatives (development or pilot projects, implementation plans, and so on).

\(^1\) See Thomas Stahl (2001) for more elaborated descriptions.
Partnerships are typically a mixture of bureaucratic (public), market (private), and volunteer (civil) organising principles, where the specific weight is determined by or will be the outcome of specific interactions within each partnership. Since partnerships are often initiated by public authorities or are funded by public means, public governance will often play a decisive role in determining the design of a partnership, directly or indirectly as a leading or funding partner.

The ‘ideal’ partnership formula is depicted in Figure 1.

The Copenhagen Centre initiated the action-research project *Local Partnerships in Europe* (LPE) to test this ideal new social partnership formation. The project is analysing local partnerships in Denmark, Estonia, Germany, Ireland, the Netherlands, and Spain over a two-year period. The following insights are based on the first observations obtained through field research.

Local commitment and a call for more efficient social service provision are some of the main drivers behind the initiation of new social partnerships. However, the single most important element in all six examples of the successful development of partnerships is the building of trust among the various actors. For a number of reasons trustworthy relationships do not come about automatically. First and foremost (as already mentioned), business, public sector, and civil society represent qualitatively different sectors of modern society driven by separate rationales. At the end of the day, business cannot ignore the market imperative of making money; public sector institutions are obliged to provide citizens with security and

---

2 ‘Bureaucratic’ should here be understood in its strictly neutral description as a mode of organisation that includes political decision-making, after Max Weber (that is, with no implied value judgement).

3 Over a two-year period (2000–2002) innovative forms of co-operation in *tri-sectoral* partnerships are being investigated, building on concepts deriving from Nelson and Zadek (2000). The project describes and analyses local partnership processes: the challenges encountered, new potentials, and obstacles and how to overcome them. The focus is on *process learning* and on potential benefits for each of the above sectors and for local society as a whole.
Figure 1  The ‘ideal’ partnership formula
order; while civil institutions are voluntary actors guided by altruism and solidarity.

Motivation is another multi-faceted factor within partnerships. Given different driving forces it is no small task to create a common understanding of means and objectives within partnerships, not least acceptance of the other partners’ reasons for entering partnerships. Balancing profit maximisation with altruism to create an efficient working structure and culture that can match all the partners’ objectives and, not least, resources is essential if a partnership is to maintain the partners’ motivation and enthusiasm for the overall objectives.

Another potential area for friction between partners is time-scale. Public authorities, operating within the framework of stability and legitimacy, generally have a longer time horizon than partners from the business community, whose focus is markets and competition. Also, the resources that partners can contribute differ greatly: some volunteer-run, community-based organisations may have scarce manpower resources, making it difficult to keep up with the resources and, not least, level of professionalism of both public authorities and enterprises.

Local anchorage is one of the driving forces behind overcoming these barriers: local businesses, local civil society, and local public authorities come together in order to do something good in the local area.

Partnerships may result in a less systematised approach than those normally expected from public authorities, but may also prove to be flexible solutions to complex problems, particularly if the actors involved succeed in overcoming stereotypes: for example, civil organisations believing businesses to be exclusively interested in profit; businesses believing public authorities to be too formalistic; and so on. Furthermore, different working cultures and values must be accepted and, not least, all partners must acknowledge that partnerships may have different objectives for different participants. For instance, as experienced in a recent study (Westphalen 2001), business may have a purely profit-oriented incentive for participating in partnerships, while community-based organisations get involved in order to support the interests of their members. This may create tensions,
especially if working cultures differ, as is often the case: for example, local municipalities have a longer time-horizon for reaching decisions and implementation, whereas businesses have a much shorter time-span for generating profits or, as a minimum, securing some return on investments.

As illustrated in Figure 2 (Westphalen 2001), the core objectives of actors participating in partnerships are often diverse. Generally, partnerships require that partners look beyond merely technical and objective-oriented means of co-operation and be aware of differences. This is a process, it must be noted, in which both the internal and external pressures on organisations towards flexibility and adaptability should not be underestimated. For instance, individuals representing organisations in a given partnership may face strong pressure from within the organisation for instant results and/or returns from colleagues sceptical of forming partnerships with often uneven or unusual partners.

There are still many challenges ahead. One of the most tangible has to do with finance. In respect of most of the partnerships surveyed continued funding is uncertain, a circumstance which may of course negatively
influence the possibilities for longer-term planning and ultimately the sustainability of these local collaborative efforts. Self-sustained co-operation – for example, partnerships where all partners provide resources on an altruistic basis – is rare.

3. The growing use of partnerships

The EU is increasingly using partnerships for general policy formation and co-ordination, for example, NAP employment and NAP inclusion where the National Action Plans are developed by governments in co-operation with the social partners and NGOs. Furthermore, the EU advocates the use of partnerships in specific programmes, such as the structural funds and in Community Initiatives (European Foundation 1998). The ESF Article 6 directly points to developing partnerships to combat unemployment.

Nationally, governments have given area-based partnerships a broad and complex agenda in recent years as a means of addressing economic and social questions (OECD 2000). Partnerships that involve both macroeconomic planning and local co-ordination, formation, and implementation have thus become a focal point for examining new solutions to a complex mix of social and economic problems.

Regionally and locally partnerships are used to obtain higher quality at lower cost in the implementation of projects, be they aimed at identifying entrepreneurs, supporting the unemployed, or ensuring employability and flexibility in the workforce. ‘These new alliances represent an important source of innovation in both practical action at the local level and policy-making at the European and national levels’ (Nelson and Zadek 2000).

New social partnerships are formed around a broad range of socio-economic elements, including, but not limited to, labour-market issues. As dominant actors, the social partners are progressively becoming involved in areas previously considered public matters or community concerns outside their primary raison d’être; these are increasingly core activities within industrial relations specifically and in respect of the objectives and policies of the social partners generally.
Partnerships are a means of overcoming strict divisions between various sectors, public, private, and civil, and between various actors, such as enterprises, training institutions, public departments, and so on. As such, they are ideal for providing more flexible and cost- or expertise-optimising instruments for project development and implementation, in respect of policy-making, business management, and project execution.

Although consensus and partnership are increasingly becoming a mainstream philosophy, drivers are still needed to initiate partnerships. Individuals and organisations can ensure continuous improvement and dissemination of experience and knowledge at individual, local, national, and international levels. In this process it is essential to differentiate between outcomes for the partnership as such and outcomes for each partner, and to acknowledge that both sets of outcomes must be satisfactorily met.

The potential of new social partnerships can be described as follows: participants seek to achieve more than the sum of their individual parts by creating leverage and synergy based on and between key components of the partnership — context, purpose, participants, organisation, and outcomes.

4. Risks and challenges

Although partnerships have expanded the arsenal of policies and tools available to combat socio-economic problems, they are no panacea. Furthermore, partnerships raise at least three fundamental concerns.

First, partnerships may in fact represent a hidden shifting of the balance between public and private, market and civil. This may raise fundamental reservations for all actors: for example, to what degree does business want to take on social responsibility; to what degree do public authorities want to hand over responsibilities and decision-making powers; and to what degree do civil organisations want to participate in formalised and binding partnership structures? In other words, do we want such a shift of responsibilities to take place in society?
Secondly, the short-term gains achieved by the technical and pragmatic utilisation of partnerships may undermine long-term institutional settings aimed at promoting social cohesion. For instance, long-term reliance on the business community to ensure societal goals cannot replace governments’ and public authorities’ responsibilities as the primary guarantee of social welfare provision, but it may undermine their authority with the result that in times of crisis or economic recession they are not able to take over if businesses withdraw from social obligations. Utting (2000) clearly points to this critical aspect of partnerships: ‘perhaps the most significant concern with some forms of voluntary initiatives and partnerships is that they may serve to weaken key drivers of corporate responsibility – namely government regulation, collective bargaining and certain forms of civil society activism.’

Thirdly, partnerships may also negatively affect ‘business-as-usual’ procedures, structures, and organisations internally as well as externally. While it is generally positive to challenge long-established perceptions and stereotypes, too fluid borderlines between actors’ responsibilities, constantly changing structural platforms, and ongoing transformation of job functions and networks may lead to negative stress for both individuals and organisations, resulting in below optimum performance. The transition from relatively strict sets of roles and functions within relatively well-known systems to a focus on values and actions in a complex web of systems and subsystems is extremely volatile, at least in the transitional phases. In this respect it is important also to stress the organisational and individual need for continuity and stability. Neither individuals nor organisations can work efficiently under constant pressure for change and transformation and constantly having to enter new network formations.

In other words, there are limits to partnerships. Current consensus-oriented pragmatism should therefore not mislead us into believing that underlying differences have ceased to exist between diverse segments of society or between different actors or even within specific organisations. Nevertheless, the area of common interests has undoubtedly widened, so providing wider scope for co-operation alongside mutually shared objectives. The room for developing new partnerships between hitherto
opposed actors is increasing, as can be demonstrated when organisations such as Greenpeace or Amnesty International form partnerships with multinational companies once perceived as the ‘enemy’.

5. The potential of partnerships – a social capital approach

Apart from their technical, means–ends potential, partnerships may, in contrast to the risks mentioned above, entail community benefits beyond the specific project.

In a social-capital perspective, partnerships and networks may form new means of consolidating and strengthening the social fabric of communities when other forms of social-capital formation seem to be withering away: for example, participation in social activities, membership of organisations, and volunteering (Putnam 2000). The importance of social capital as a necessary prerequisite for social and economic prosperity should not be underestimated, since, in Tom Healey’s words (OECD 2001), ‘networks together with shared norms, values and understandings . . . facilitate co-operation’.

In this perspective partnerships may in fact be the facilitators of the three essential elements that create social capital (Woolcock 2001): (i) bonding between equal partners, (ii) bridging between unequal partners, and (iii) linking partners with power structures, as depicted in Figure 3 below:

![Figure 3](image-url)
In these terms, the greatest achievements of partnerships may well lie beyond the specific purpose for which they are created: that is, in their ability to promote overall trust- and confidence-building in communities. In other words, the long-term societal influence of partnerships may be in overcoming prejudice, ignorance, and mistrust between individuals and organisations rather than in achieving their stated objectives.

6. Conclusions

The partnership has become one of the essential means of combating socio-economic problems such as social exclusion and the integration of minority groups. This seems like a natural development at a time when business is incorporating stakeholder strategies into management thinking; public authorities are decentralising, marketising, and even outsourcing services; and civil organisations are becoming professionalised.

Furthermore, if increasingly complex problems are to be addressed successfully the expertise of different agents must be integrated. Partnerships and other forms of flexible networks are ideal organisational structures in this respect and may, as a positive side effect, strengthen social capital beyond providing solutions to specific problems.

However, it must be underlined that partnerships as a technical solution and organisational structure for specific issues may have unintended and negative implications for other structures. For instance, it would be imprudent to believe that partnerships can take over prime responsibility in combating essential societal problems such as unemployment, poverty, and social exclusion. Rather, partnerships can complement but not substitute public policies and initiatives from other organisations.

However, the evidence exists to show which added advantages derive from partnership co-operation, and what the potential threats or unavoidable disadvantages are, especially when compared to other problem-solving means and structures. Benefits may include financial gain or increased efficiency, but also wider societal gains such as a contribution towards social cohesion and development, thereby boosting social capital-oriented approaches.
References


Enhancing youth employability through social and civil partnership
Partnership in the framework of the EU employment strategy: case studies
A ‘new deal’ through partnership, a new approach to employability: the case of the New Deal for Young People in the United Kingdom

Colin Lindsay

1. Introduction

Following the election of a Labour government in the United Kingdom in May 1997, Prime Minister Tony Blair chose to make his first major policy speech on a subject that was to form a crucial theme for the new administration. Outlining some of the key ideas behind the Government’s social inclusion strategy, the Prime Minister identified the primary objectives of his ‘welfare to work government’ as being ‘to attack unemployment and break the spiral of escalating spending on social security’ (Blair 1997). The New Deal for Young People – an active labour-market programme directed towards those aged 18–24 who have been registered as unemployed for at least six months – has since become the central element of a policy agenda designed to achieve these objectives.

The New Deal was introduced nationally in April 1998, having been previously operated in twelve ‘pathfinder’ areas. It features a number of elements designed to improve the basic skills and employability of participants, namely (DfEE 1997):

- ‘Gateway’ assistance, including counselling, jobsearch training, and careers advice. The aim of the Gateway is to assist the most ‘job-ready’ clients to locate employment immediately, and to prepare those who require further assistance for participation in one of four training options.

- The aforementioned four options: (i) full-time, subsidised employment for up to six months, with participants paid at the ‘rate for the job’ and given training towards a recognised qualification; (ii) full-time education and training for those without formal qualifications; (iii) work within the voluntary sector; or (iv) participation in Environmental Task Force projects.
• A ‘follow through’ strategy to assess the needs of clients during and after their participation in New Deal options, and to identify any further assistance required to facilitate a return to employment.

Critics of the New Deal have argued that the Government’s warning that young people would have ‘no fifth option’ of passive income support exposes the programme’s American-influenced, workfarist rationale, or at least implies a maintenance of the UK’s recently deeply reactionary approach to dealing with the young long-term unemployed (see, for example, Peck 1999). However, the New Deal cannot be viewed as merely a continuation of the policies of the preceding Conservative government, which sought to ‘encourage’ the unemployed to take the most direct route into work by tightening social security entitlement rules and implementing an increasingly stringent regime of job-seeking activity as a condition of receiving benefits.

Nor is the apparent ‘newness’ of the New Deal merely the reflection of a ‘uniqueness of rhetoric’, employed by the Government to imply a break with previously unsuccessful labour-market policy initiatives (Foden 2000). Rather, an analysis of the relevant policy and design documents, and early evaluations of the New Deal’s implementation and development, might lead us to the conclusion that the programme can genuinely claim to have three clearly distinctive features (Lindsay 2000):

1. A client-centred approach: the New Deal seeks to tailor advice and training provision in order to meet the requirements of individual participants. To this end, each participant is assigned a ‘personal adviser’ in an attempt to ensure continuity and provide one-to-one counselling where required. A wide range of counselling and other assistance is available during the Gateway period, whilst it is hoped that the availability of a range of distinctive training options will result in provision that is genuinely responsive to the specific needs of individual clients.

2. A ‘real work’ focus: the last decade of Conservative government (1987–1997) was distinguished by a noticeable retreat from the provision of work-based training for the unemployed. In contrast, the New Deal has emphasised entry into work as the key objective for its par-
Participants, and involves a commitment to subsidise employment for six months (at a ‘rate-for-the-job’ salary) for up to 40 percent of the client group.

3. **Delivery through local partnerships:** local partnerships have been responsible for the planning and implementation of the New Deal in 144 delivery unit areas across the United Kingdom. Whilst there is considerable variation in the size and composition of New Deal partnerships, partners tend to have been drawn from key actors such as the Employment Service, local employers, the trade union movement, local Training and Enterprise Councils (TECS), voluntary sector organisations, education and training providers, and careers advisory services.

To a significant extent the third of these elements, local partnership, can be viewed as an essential component facilitating the implementation of the other two. An important element of the New Deal’s client-centred approach involves the pooling of knowledge and resources from a number of local partner organisations in order to provide the best mix of provision for each participant. Similarly, in order to put into practice the New Deal’s commitment to real work experience as a route to full-time employment, the involvement of private enterprise (and the large-scale public sector) in the provision of subsidised employment and training places has been an essential requirement.

**2. Delivering the New Deal through local partnerships**

In reality, partnerships exist at two different levels within the New Deal’s structures. At the strategic level, partnerships are concerned with the needs and priorities of the local community and with monitoring and reviewing progress. At the delivery level, smaller and more specialised ‘taskforce’ groups have been established in order to provide the wider strategic steering groups with feedback regarding the design of specific New Deal options, and to take day-to-day decisions on the implementation of the programme.

However, whilst partnership has been promoted as a guiding principle under the New Deal, control over vital elements within the process of
decision-making and policy implementation has largely been retained by the agencies of central government. Prior to the programme’s national ‘roll out’ in April 1998, the Government charged the national Employment Service with overall responsibility for leading the delivery of the New Deal at the national level. Accordingly, local Employment Service managers were given the important task of establishing initial partnership frameworks and approaching potential participants. The Employment Service’s unique ability to co-ordinate policy nationally and its experience in large-scale programme delivery had thus guaranteed it a crucial strategic role in the process of local partnership formation and development.

However, whilst a degree of autonomy was granted to local Employment Service managers during the early stages of planning and consultation, the Government insisted that, in the vast majority of delivery units across the UK, final contracting arrangements should be structured according to four basic models of partnership (DiEE 1997):¹

1. **Individual contracts**: where the Employment Service (ES) leads the delivery of the New Deal, but contracts with one or more providers in order to deliver services;

2. **Employment Service consortia**: where the ES has a single contract with a lead organisation representing a consortium which leads the implementation process and delivers the bulk of New Deal provision;

3. **Joint venture partnerships**: where the ES participates in a consortium of equal partners from a range of backgrounds to deliver the New Deal;

4. **Private sector-led partnerships**: where (in ten unit-of-delivery areas) the ES contracts with a single private sector organisation or consortium which takes the lead role in the implementation process.

¹ In Scotland, however, the overarching responsibilities of the Scottish Office (and now the Scottish Executive) enabled first central government and now the devolved administration to adopt a more interventionist approach, directly co-ordinating the process of partnership formation, whilst empowering local Employment Service officials to manage the day-to-day implementation of the New Deal programme.
3. Delivery through local partnerships: the potential for ‘added value’

Central government has therefore retained a strong role in guiding the formation of localised partnerships delivering the New Deal programme. However, there is no doubt that the very existence of such partnerships marks a significant break with previous active labour-market policies in the UK. This shift in emphasis is best explained with reference to the efficiency and efficacy benefits that the Government hopes to reap as a consequence of the New Deal’s reliance upon a partnership-based delivery mechanism. It is perhaps therefore important to more clearly identify and define these potential benefits, before discussing the extent to which New Deal partnerships have successfully accessed the ‘added value’ associated with such an approach (Lindsay 2000).

- **Flexibility and integration:** the Government has argued that the New Deal’s partnership-based delivery mechanism has made it possible to tailor its provision according to the problems and opportunities of local labour markets, and has the potential to eventually facilitate the further co-ordination of national, regional, and local policies and providers. It is therefore hoped that effective partnerships will facilitate the integration of the New Deal with other existing forms of provision for the unemployed, thus enhancing these programmes’ employment potential by improving linkage between training initiatives, job opportunities, and the unemployed.

- **Innovation and evaluation:** by encouraging the development of a flexible programme that operates slightly differently across delivery areas, ministers hope to encourage experimentation and innovation, and the emergence of new ideas and solutions at the local level (DfEE 1997). Beyond the obvious benefits of such an approach, the New Deal’s localised network of partnerships has been promoted as allowing for a process of comparative appraisal, so that best practice can be identified and design features can be evaluated, enabling the Government to ‘find out what works, support the successes and stop the failures’ (Blair 1997).
Mobilisation and legitimation: it has been suggested that the interests and concerns shared by actors at the local level, and the localised forums within which they are discussed, have proved to be useful in mobilising employers, community groups, and other interested parties in support of the New Deal’s policy goals. The Government clearly hopes that local partnerships will add legitimacy and credibility to the New Deal, a further benefit which might be viewed as both practical and political. The Employment Service’s increasingly rigorous approach to ‘benefit policing’ (particularly in relation to the stringent regime of the Jobseeker’s Allowance) has significantly undermined its credibility in recent years. It is hoped that a partnership-based approach will enable the Employment Service to build trust with sceptical clients and local service providers.

Local knowledge and shared expertise: a defining feature of any partnership process is the manner in which resources, knowledge, and expertise are shared in order to maximise the quality and efficiency of services, and the New Deal’s partnerships seek to facilitate just such an approach. In particular it is hoped that the experience of working in the community held by local authorities and Third Sector organisations (including the former’s experience as a large employer in many areas) will help to ensure that the New Deal’s provision mix reflects the particular combination of problems faced by employers and job seekers in specific areas. The prominent role of private sector companies, both as individual participants and through Training and Enterprise Councils, is further intended to ensure that the programme’s training options – and its participants – appeal to recruiting employers.

4. The New Deal: the limitations of local partnerships

The New Deal’s delivery arrangements clearly represent an attempt to access benefits typically associated with inclusive policy implementation mechanisms that draw upon existing forms of social and civil partnership. However, early evaluations seeking to analyse the process of partnership formation and policy implementation have identified a number of real and
potential problems that might threaten the effectiveness of the New Deal’s delivery. It has, for instance, been suggested that the local flexibility promised by the New Deal – and so the responsiveness and innovation that were to be its products – have remained more of an aspiration than a reality (Millar 2000; Peck 1999).

Whilst the development of delivery arrangements was – and continues to be – marked by a highly efficient process of policy implementation, the pace of change has tended to preclude genuine innovation and experimentation (Hasluck 2000). Indeed, within ‘pathfinder’ areas (and now more widely), there is evidence to suggest that partnerships have adopted a ‘safety first’ approach, with the Employment Service assuming the lead role in many areas solely to avoid the need for more complex contracting arrangements (Tavistock Institute 1998; 1999).

The extent to which different social partners have found a voice through the partnership process also remains a matter of some debate. The Trades Union Congress (TUC) has argued for union involvement at all levels of the New Deal’s partnerships, from the development of local consultative arrangements to the monitoring and evaluation of ‘delivery-level’ partnership activities (Excell 2000). However, whilst trade unions have retained a role in the strategic planning and monitoring of the New Deal’s progress, there is evidence to suggest that day-to-day operational (that is, delivery-level) decisions often tend to be made by the Employment Service in collaboration with a few key service providers.

The operation of a two-tier partnership system is in keeping with the design of the New Deal. However, given evidence of the apparent importance of delivery-level decision-making (as opposed to, for example, the model of partnership employed) to performance outcomes in individual New Deal partnership areas, it is a matter of concern that in some cases trade unions – and other important local actors – have found their role limited mostly to the strategic level of partnership relations (Hasluck 2000).

It has also been suggested that, conversely, private sector inputs have had a disproportionately strong influence on the partnership process in many
aspects of the New Deal’s delivery. Peck (1999) argues that the relatively permissive and voluntaristic approach to partnership formation under the New Deal for Young People is likely to ‘validate and ossify’ existing, privatised forms of labour-market training, rather than establish the inclusive approach to planning and provision promised by government ministers. This may prove unhelpful given the considerable flaws that were detected in the TEC-dominated system of training and guidance for the unemployed instituted under the previous Conservative government.

The dominant influence of private sector priorities has also resulted in the emergence of a ‘hierarchy of options’ within the New Deal, primarily benefiting the programme’s employment subsidy option. Ministers’ assurances that the New Deal’s four training options enjoy ‘parity of esteem’ is contradicted by the quite open prioritisation of entry into unsubsidised and then subsidised jobs as the first objectives for participants; the extensive funding directed towards the employment subsidy option provides further evidence of its pre-eminent place within the New Deal programme.

The impression of a hierarchical system is reinforced by the preferential forms of incentive offered to participants in the employment option of the programme. The TUC has joined other key actors in calling for all participants undertaking full-time work-based activity to be paid at the ‘rate-for-the-job’ (TUC 1999). However, those undertaking training within the voluntary sector or on Environmental Task Force projects (which are often administered by voluntary organisations in conjunction with local authorities) continue to be paid ‘benefit-plus’ allowances.2 As a result, the most able candidates immediately seek – and are directed towards – employment-focused activity. This process, and the relatively low proportion of participants leaving the New Deal’s benefit-plus options to enter employment, has contributed to the impression that these options are a dumping ground for the ‘unemployable’, arguably therefore replicating the

2 ‘Benefit-plus’ allowances involve job seekers being paid at the normal rate of social security benefit plus a nominal allowance for expenses while undertaking training. This unpopular (and arguably workfarist) system was employed within the Youth Training and Training for Work programmes that preceded the New Deal.
exclusion and discrimination experienced by less able participants in the wider labour market (Van Doorn and Pike 1999).

5. Inclusive partnerships and conflicts of interest

The New Deal seeks to include government agencies, trade unions, employers, and Third Sector organisations within a process of joint-working in order to implement a complex series of training and support functions. Understandably, a number of evaluations have reported a degree of tension affecting the relationships between partners involved in a process through which they clearly wish to see their own, differing priorities stressed. For example, whilst many employers have expressed a reluctance to reform their training practices in order to accommodate the standards of the system of National Vocational Qualifications (NVQ), trade unions have consistently argued for a greater commitment to training, enabling participants to attain higher levels of qualification (TUC 1999).3 Elsewhere, somewhat predictably, a degree of tension has also been observed between private and Third Sector organisations, previously engaged in an advocacy role, and government agencies (in particular the Employment Service) which had formerly provided a regular target for their campaigns. At a more practical level, the preparedness and willingness of some local Third Sector actors to fully commit themselves to the partnership process by delivering vital services has also been called into doubt. Many such organisations have found that they possess neither the necessary administrative capacity nor sufficient financial resources to make such a contribution (Lindsay 2000; Van Doorn and Pike 1999).

Many of the problems discussed above represent familiar expressions of the internal tensions that tend to distinguish the early stages of partnership formation within the field of social inclusion policy. However, the New Deal’s validity has faced a more fundamental form of questioning,

3 The TUC has argued that the New Deal’s target of training participants to NVQ Level 2 should be raised to the higher skills Level 3, and that provision should be made to allow participants to continue their training to this level if they leave the New Deal prior to its completion.
not with reference to the partnership model through which it is delivered, but regarding the entire rationale of the programme, and specifically its inability to stimulate labour demand within depressed local economies.

6. The New Deal and the ‘jobs gap’

The New Deal for Young People is in many ways typical of recent policy responses instituted by many European governments to counter youth unemployment. These policies have tended to focus on supply-side issues, and are clearly influenced by the European Employment Strategy’s emphasis on personal employability as a central concept in addressing the barriers to work faced by young long-term unemployed people. However, it remains clear that the New Deal’s singularly supply-side focus will struggle to address the fundamental problem facing all such welfare-to-work programmes: the strong correlation between weak labour demand and high ‘welfare usage’ (Peck 1999).

The effectiveness of any programme that seeks to place the long-term unemployed in work will inevitably be affected by the levels of demand within local labour markets. It has been suggested that the New Deal and similar supply-side measures fail to reflect this reality (see, for example, Peck 1999; Turok and Webster 1998; Webster 1999). Only in particular areas will a programme aimed at improving the employability of individuals result in additional employment, by assisting expanding organisations to fill pre-existing vacancies. In other areas, characterised by high unemployment and weak labour demand, measures focusing purely on the ‘skills gap’ affecting individual job seekers cannot successfully address the ‘jobs gap’ (that is, lack of opportunity) that will continue to restrict their progress into work.

More specifically, in the United Kingdom, increases in employment in recent years have not reversed a trend that has seen major cities’ share of national employment fall (particularly in the North of England and Scotland). The main reasons cited for the fall in urban employment include the decline of manufacturing industry and the underdevelopment of the service sector in inner city areas. Indeed, the notion of the ‘post-
industrial city’ based on service sector employment and information technology has been described as ‘a good spin, but a very partial reality’ (Turok and Edge 1999). Even where a real expansion in the managerial and professional sectors has been evident in some urban areas, low levels of upward mobility have often presented a barrier to increased local labour-market participation. Whilst this situation would appear to imply a skills shortage, it is not one that the New Deal – aimed at assisting those with very low skills and facing other forms of severe social disadvantage – will be able to tackle.

There is strong evidence to support this line of argument. Analyses of regional (and intra-regional) labour-market data in the United Kingdom have repeatedly drawn attention to the concentration of both general unemployment and long-term unemployment in former industrial areas in the North of the country (Green 1998; Turok and Webster 1998; Turok and Edge 1999). The highest unemployment rates (using Labour Force Survey/ILO measures) continue to be reported in cities which have experienced a rapid and continuous process of deindustrialisation since the 1980s, such as Liverpool, Glasgow, and Hull (all of which, for example, had unemployment rates of over 10 percent in 1999, compared with rates of less than 4 percent in many rural and smaller urban areas in the South of England) (Webster 2000).

Given the apparent correlation between high levels of general unemployment and similarly high youth and long-term unemployment in many cities (with changes in long-term unemployment closely mirroring those in total unemployment after seasonal demand fluctuations are accounted for), it would appear that the urban ‘jobs gap’ in some areas of the UK may be more important than the personal characteristics of individuals in explaining the continuing problems faced by job seekers in accessing employment (Machin and Manning 1998; Webster 1997; 2000).

The urbanisation of the unemployment problem in the UK therefore presents a significant challenge for the Government’s welfare-to-work strategy, particularly given that the New Deal’s client group is inevitably largest in those areas where the labour market’s capacity to absorb unemployed
workers is weakest. As already suggested, even at the peak of the economic cycle, unemployment remains high in many of the Northern inner cities and peripheral housing estates where the New Deal’s client group is concentrated. Indeed, more than half of the New Deal’s 18–24 client group is concentrated in just 18 of Britain’s 471 local authority areas, the majority of which serve mainly urban communities in the North and West of England and in Scotland (Martin, Nativel, and Sunley 2000).

Perhaps predictably, evidence has already begun to emerge suggesting that New Deal partnerships operating within relatively buoyant local economies tend to have greater success in placing the job-ready into work than those based in depressed urban areas. In depressed areas characterised by weak labour demand the recruitment of New Deal clients for the employment option has tended to lag (whilst even where a substantial proportion of participants have been placed in employment there is a strong potential displacement effect) (Hasluck 2000; Martin, Nativel, and Sunley 2000).

In these areas, the New Deal risks raising clients’ employability without actually assisting them to enter work. The manner in which New Deal retains a ‘real work’ focus without making provision for the creation of real work may therefore undermine the credibility and effectiveness of the programme in communities where intervention is most urgently required.

The experience of similar welfare-to-work programmes elsewhere suggests that even the New Deal’s employment subsidy option cannot hope to resolve these issues: ‘in order to be subsidised, the jobs must first be there’ (Peck 1999). Thus, we might argue that the jobs gap in Britain’s cities cannot be bridged by supply-side measures aimed at increasing employability alone. Nor can the new opportunity that New Deal partnerships seek to deliver be separated from ‘the geographical conditions and disparities which structure its realisation’ (Martin, Nativel, and Sunley 2000).

It would appear that the Government has begun to accept that the geography of local labour markets (and particularly the problem of localised demand deficiencies) will have a significant impact on the effectiveness of individual New Deal partnerships. Ministers now openly acknowledge the
need to strike a balance between demand-side and supply-side measures.\(^4\) However, the Department for Education and Employment remains committed to a welfare-to-work agenda that heavily emphasises the latter form of policy intervention. Even the area-based regeneration programmes recently initiated by the Department of the Environment (DETR) and of Trade and Industry (DTI) similarly fail to come to terms with the fundamental problem experienced by many urban localities: that of a basic absence of employment opportunities (Lindsay 2000).

7. The New Deal: the future for partnership

The New Deal for Young People clearly marks a significant turning point in the development of British active labour-market policies. The programme has been the subject of considerable investment in terms of financial and political capital, and its success is of great importance to a government that has placed welfare-to-work at the centre of its social and economic policy programme. However, the New Deal represents more than a publicity-driven repackaging of former policies, or even a further lurch towards American-style workfare. Its prioritisation of ‘real work’, whilst perhaps resulting in a programme rather too concerned to address employers’ priorities first, at least represents a commitment to training and guidance that genuinely has the potential to provide linkages between the young long-term unemployed and the active labour market.

Similarly, whilst it has been suggested that the adoption of employability as a key concept for welfare-to-work strategies by many European governments (including the UK’s) reflects an analysis of the problem of long-term unemployment which ‘blames the individual’ (Serrano 2000), the New Deal has arguably demonstrated the (admittedly limited) benefits of the ‘drive for employability’ in informing holistic or client-centred approaches to service provision. Certainly, the one-to-one counselling provided by personal advisers and the range (and choice) of assistance

---

offered under the New Deal has been welcomed by policy analysts, partner organisations, and participants alike (Millar 2000; Tavistock Institute 1999).

The New Deal’s commitment to delivery through local partnerships has facilitated progressive changes in the implementation of policy. Nevertheless, the sheer scale of the task that has been set for the New Deal for Young People has meant that certain models of partnership have been less flexible and inclusive than was first envisaged by the Government. After a cautious start many New Deal partnerships have now made progress in building a wider network of participating employers and service providers (Hasluck 2000). However, it would appear that wider consultation at the delivery-level is still required in order to ensure that genuinely inclusive partnership relations are not restricted to broad-based planning exercises (which in themselves occur within budgetary and policy design parameters established by central government).

Effective and inclusive partnership relations are also crucial if the New Deal for Young People’s undoubtedly innovative and helpful employment-subsidy option is to continue to serve the interests of clients first, rather than provide a pool of cheap short-term labour for employers. On the other hand, it would appear that greater efforts could be made to address the needs of those not yet equipped to cope with the world of work, and to ensure that those who are directed towards employment are indeed job-ready – one of the most common complaints voiced by participating employers has been that candidates leaving the Gateway phase of the programme still lack basic work skills (Millar 2000; Van Doorn and Pike 1999).

The extent to which New Deal partnerships can evolve or develop within their existing roles, so that they might also address the vital issue of demand deficiency in local economies, remains to be seen. Localised policy delivery structures which build upon existing forms of social and civil partnership do indeed have the potential to act as a ‘driver for a revitalised social economy’ (Serrano Pascual 2000). However, in areas where labour demand remains underdeveloped, different forms of partnership may be
required to take more direct action to ensure that the young unemployed are provided with high quality training and useful work experience.

To this end, the Government has acknowledged the recent success of small-scale ‘intermediate labour market’ (ILM) programmes in some urban areas of high unemployment in Central Scotland and elsewhere. These ILM programmes combine individualised counselling and training with work experience on regeneration projects which would not otherwise be carried out by the private or public sectors (thus minimising displacement effects). A number of innovative programmes adapted from ILM initiatives operated by Third Sector organisations have been piloted by the Department for Education and Employment in areas of particularly high unemployment.

It is hoped that these fledgling job creation and placement schemes, known as Employment Zones (which have now been established in 15 urban areas for a two-year trial period), will eventually be extended and integrated with the New Deal and other labour-market and regeneration policies. Perhaps the Employment Zone’s most innovative feature is the manner in which its partners have been empowered to pool resources from various employment and regeneration budgets (most significantly, including monies previously made available for benefit payments). Funds are then used to form a ‘Personal Job Account’ which unemployed clients can ‘spend’ on intermediate labour-market training (much as described above), business start-up support, or full-time education.

Employment Zones may evolve to become an important element in the British approach to welfare-to-work. These new forms of partnership, which during their initial operational phase are being directed towards the long-term unemployed over the age of 25, may eventually be used to address the ‘gaps in provision’ for young job seekers left by the New Deal. Whilst not providing full-time job opportunities per se, they might at least provide young people living in depressed labour markets with the chance to access real work experience. Otherwise, the New Deal’s inability to stimulate job opportunities within low-demand labour markets will clearly threaten its credibility and effectiveness. Put simply, if the New Deal’s
partnerships are not flexible enough to arrive at new policies designed to address the tenacity of long-term unemployment amongst the young in Britain’s inner cities and elsewhere, they will eventually come to be seen as little more than unaccountable and ineffective quangos (Lindsay 2000).

The extent to which the New Deal for Young People’s partnerships are permitted to build upon existing local networks, and adapt their structures to incorporate new initiatives that are responsive to local labour-market conditions, will largely determine the programme’s overall success across the country as a whole. A New Deal programme which does not commit itself to developing a more interventionist role in generating job opportunities within areas of high unemployment risks becoming discredited in the very parts of the UK where its help is most needed. The New Deal will prove to be a success in these areas only if it offers measures to address the employability and skills needs of individuals, whilst also developing new forms of partnership to ensure the provision of the commodity most sought after by the young long-term unemployed – real and sustainable job opportunities.
References
Tavistock Institute (1999) New Deal for Young People: national case studies of delivery and Enhancing youth employability through social and civil partnership


Webster, D. (1997) “Welfare to work: why the theories behind the policies don’t work”, in Working Brief 85, 9–10


Sheffield Intermediate Labour Market Programme: a case study

Doug Low

1. Introduction

The following article was stimulated by my input into the ETUI's Brussels conference held on 6–7 November 2000. It is not an academic research paper but draws largely upon observations and ideas developed by the CFFE as a practitioner, based on its experience of utilising the 'New Deal' as a funding source for 'Intermediate Labour Markets' (ILMs) in Sheffield.

The first section of the paper offers a brief history of the development of the ILM and other related programmes from a CFFE viewpoint. The paper goes on to describe the principle components of the Sheffield ILM, its achievements, and the rationale behind its development. In conclusion, I argue that, while the New Deal has had a very positive effect on long-term youth unemployment and has facilitated the development of ILMs; and that while partnership working has by and large been a positive process; the bureaucracies of funding organisations inhibit and threaten innovation and the operation of programmes. Additionally, while the 'New Deal' is fundamentally different from what went before, the 'tough love' approach of the Government stigmatises unemployed people to the detriment of their employability and employment. Moreover, Third Sector, not-for-profit organisations such as the CFFE add an entrepreneurial dynamic to the operation and development of labour-market entry programmes that cannot be provided by statutory partners. I also argue that labour-market entry programmes, such as ILMs, that link support for unemployed people with the expansion of the jobs market, are effective, particularly in deprived areas of the country that have been receiving regeneration funding, and that a rethink of what is regarded as a 'real job' is long overdue. I suggest that the skills and experience associated with jobs in the Third Sector, as well as their duration, compare favourably with jobs in other sectors.

Enhancing youth employability through social and civil partnership
2. Background

Sheffield Centre for Full Employment was set up in 1981 to help unemployed people with advice and guidance, and to campaign for positive policies and actions to tackle unemployment. Mainly funded by Sheffield City Council, it had a clear remit to have a positive effect on the local economy and labour market.

The Centre began promoting (ILMs) as far back as 1994, but it was not until 1997, with a general election impending, that key organisations in the city started to take an active interest.

Bolstered by the forthcoming change of government and the strong advocacy skills of the TU board member, the Centre entered into meaningful discussions with the TEC (Training and Enterprise Council) about developing an ILM in Sheffield.

Sheffield has a relatively strong and diverse voluntary and community sector, to which the Centre – itself a not-for-profit company – has strong links. The voluntary sector in Sheffield has good growth potential and the organisations were carrying out, in general, work of social value. Their work was additional and had the potential to obtain external resources, though the majority of the organisations lacked the capacity to draw on these resources. By and large, most voluntary organisations had good and supportive employment policies.

The Centre considered that developing an ILM within the voluntary/community sector in Sheffield would both bring vital resources to organisations on the ground to maintain and expand their work of social value, and at the same time expand the labour market, providing a wide variety of employment opportunities, giving ILM employees a better chance of entering the unsupported labour market and staying in work in the future.

Sheffield TEC had begun a wage subsidy programme for private sector employers of 18–25-year-olds, funded through ESF (European Social Fund) Objective 2 and a youth-focused SRB strand. The Centre persuaded the TEC to expand and alter this programme to include voluntary and
community sector employers. The TEC contracted the Centre to conduct a feasibility study, and then to be the managing agent for a pilot ILM programme with 56 workers in 28 voluntary and community sector organisations.

There was early recognition of the potential offered by the New Deal initiatives, launched in 1998, for an ILM linked to the mainstream benefits system. A partnership steering group was set up, chaired and serviced by the Centre, bringing together the TEC, the Employment Service, the City Council, and Sheffield Careers and Guidance Service. This led to the development of a programme, based on the pilot 56-place programme, paid for through a mixture of New Deal, ESF, and local regeneration finances known as SRB. Providing ILM places for 166 long-term unemployed 18–24-year-olds in 80 Third Sector organisations, the programme established the ILM approach as a key component in Sheffield’s regeneration strategy.

All Sheffield ILM programmes utilise the same basic model. The funding for the programme comes from a variety of sources. Normally a voluntary sector organisation would find it time consuming and complicated to access these funds directly. One application for ILM workers draws down a variety of funds. In this way the funding design for the programme becomes entirely self-contained and relatively easily accessible.

3. What has the ILM achieved?

By the end of the current programme (February 2001), 472 unemployed people will have been employed, and in the city in one year over 500 people will be supported in employment and employed on the ILM programme. It now ranks as one of the largest employers in the city.

An independent evaluation of the Sheffield ILM programme conducted in October 2000 by Leeds Metropolitan University found that:

- 73 percent of those interviewed had found work after having been employed on the ILM programme;
- 58 percent were in work at the time of the interview;
The CFFE calculated that between 60 and 61 percent of those completing the ILM programme entered employment. The ILM programme has, in terms of getting people into work, proved extremely effective. Although the programme seems expensive per individual supported, its success rate makes it one of the cheapest options when taken on the basis of cost per job obtained. Additionally, the CFFE did a survey of 200 people entering the programme and found that, cumulatively, they were GBP 750,000 pounds better off than on benefit. Those on the programme also put back into the Exchequer, through tax and National Insurance, GBP 250,000.

Combating disadvantage

Around 50 percent of participants are drawn from the Black and ethnic communities in the city, and almost 50 percent of the employees are placed with Black and ethnic organisations. Indeed, the programme has supported the development of an umbrella organisation working with Black organisations to build their capacity.

New industries

The ILM has also acted as stimulus and support for the development of Sheffield’s Cultural Industries Quarter. Importantly for those working in that area was the way that the under-25 ILM brought young people into active participation. One employer commented that having young people around was very important: ‘they are the same age as our target audience, and they bring in new ideas and a different view of the city. Without having the ILM here we would have been cutting our services’.

Another employer in a similar field points out that they had been involved in the ILM programme since the beginning: ‘5 years ago we employed 6 people, mostly part-time, we now employ 26 people’.

1 Quote from ILM employer on video. The video was commissioned by CFFE, but was produced by an ILM employer and an employee supported by the ILM programme carried out the work. It gave a clear view of the strengths and weaknesses of the ILM.

2 From the same video.
Environmental, childcare, and advocacy

There has been a considerable effect on the environment; one project alone planted 25,000 trees alongside a motorway to absorb carbon emissions in an area with high levels of asthma among young children. A wildlife trust has grown enormously with the support of the programme and has managed this year to take the majority of the ILM supported workers into permanent employment. Childcare, which was a target area for the ILM, has also increased in the city due to the programme. The advice centre’s network has particularly benefited from ILM workers and has supported innovative projects, such as an advocacy worker based at a doctor’s surgery. This seems to have worked well: to quote the Practice, ‘an extremely effective worker; she has been the community’s link to the practice, a vital part of helping with user involvement’.

42 jobs in the Education Action Zone

When the Government announced that 47,000 classroom assistant jobs would be created over the following two years, the Centre developed an Education Action Zone programme. It is similar in many respects to the ILM programme. It also differs in the crucial respect that the Centre employs the ILM workers and a manager for the programme and places the employees in schools. The participants are a mixture of over- and under-25-year-olds. The current programme ends in 2001, but the Centre has negotiated a continuation of the programme over 2001–2002.

4. The Ethos of the CFFE

The ethos that has underpinned the Centre’s approach to the development of the ILMs is the belief – born of 20 years’ experience – that the biggest barrier to employment for unemployed people is the fact that they are unemployed; employers tend to see them as part of a group of people who are not desirable as employees. This stigmatisation of the unemployed as ‘work shy’ was compounded and encouraged by the

---

3 From the same video.
Conservative Government to legitimise their policies and blame unemployed people for their own predicament.

The development and design of the ILM has been largely influenced by our desire to distance, as far as possible, ILM employees from their qualifying status (that is, long-term unemployed needing support to get into the labour market). We have tried to achieve this by:

- never referring to the ILM as a scheme;
- always talking about ILM jobs;
- involving a wide range of employers, so that the fact that you are employed by an organisation does not immediately tell future employers you are in assisted work;
- ensuring a competitive interview process to facilitate integration into a job;
- establishing terms and conditions of employment which are the same as other employees in the firm (as far as possible);
- referring to individuals only in terms of their job title and getting them to think of themselves in that way;
- in the job search activity ensuring that CVs and letters to employers are done on the basis of work experience and make no reference to the ILM, unless such a reference would advantage the candidate.

5. Some areas to develop

The Centre has played a pivotal role in developing a sub-regional partnership to undertake ILM activity, using Objective 1 ESF money to finance 1,000 ILM jobs per year across South Yorkshire. Furthermore, the CFFE is developing labour-market specific ILMs related to identified growth in the local economy and supported by European structural funds. To mention only two examples of this:

1. *Sport as a labour market*

The CFFE is working closely with the principal Black sports organisation
in Sheffield to develop an ILM targeted on sports activity as an employment market. The Sports Council has shown a lot of interest but, as yet, no firm commitment. We are hopeful that we can bring this to fruition some time in 2001.

2. ICT technicians in education

Under the region’s Objective 1 priorities, the education authorities are committed to upgrading the ICT infrastructure in schools. The CFFE is working in partnership with a local ICT educational centre to develop the labour market for ICT technicians from ILM participants.

The CFFE is the only voluntary sector organisation in the country that has been able to take such a pivotal role in the development of ILMs. As a TUC supported centre it has the support of the national TUC in this. As Richard Exell (Economic and Social Affairs Department, TUC) comments:

The TUC has been arguing for some time that the New Deal programmes are excellent, but should be supplemented by a job-creation programme, based on the idea of “intermediate labour markets.” (See for instance our report, Reinforcing the New Deal, second edition, April 2000). Intermediate labour markets provide paid work for unemployed people on projects with a social purpose. They are particularly attractive in areas where the local market economy has partially collapsed, and differ from the open labour market, in that they exploit social markets unattractive to the market sector.

This briefing looks at the intermediate labour markets that have been established in Sheffield. The TUC is proud that the lead in setting them up was taken by the Centre for Full Employment, a member of the network of TUC-recognised Unemployed Workers’ Centres. The Centres have a tradition of providing practical services that are valued by unemployed people, whilst at the same time making a serious contribution to policy debates, and the CFFE is helping to keep this tradition relevant. (Briefing Paper no. 42)
6. Strengths and weaknesses of partnership working

Organisational and departmental approach of public organisations

Our experience in Sheffield, in terms of partnership working, has been largely positive. As already discussed, the strategic development and direction of the ILM programme is done through a local partnership. The partnership brings together all the principle funders and delivers within the ILM programme at a strategic level. There is an immediate benefit in terms of ‘added value’ in that it facilitates the coherent strategic and operational focusing of funding resources towards a common objective.

There are further benefits to participants in that the close working relationship between the CFFE as managing agent of the programme and the New Deal advisors and careers staff makes possible a joint focus on client-centred solutions to client problems and directs ILM participants to a range of support organisations, such as debt support organisations, drug dependency units, specialist refugee organisations, professional welfare rights providers, and other Employment Service initiatives such as the newly created Action Teams.

The structure and focus of the Sheffield ILM model brings additional ‘added value’ in several ways. First, all work undertaken by the ILM workers is with not-for-profit organisations and the work must be of social value, building ‘community capacity’. Secondly, the network of voluntary/community/environmental employers, because of the nature of the services some of them provide, (such as advice work, youth services, debt support, education and training), gives ILM workers access to a range of support services that are not as easily accessible to participants on other New Deal options. Thirdly, the participants have the professional support of trained guidance workers, pre-entry, throughout the programme, and up to thirteen weeks after finishing. Fourthly, each participant is offered a ‘better-off calculation’ from a CFFE trained advisor prior to taking up the job. This significantly cuts down on drop-out in the early stages of the programme and ensures that an individual is not worse off. Finally, because the CFFE has a close network of providers, we are able to group
together organisations to increase the coherence of provision and add synergy to the programme.

However, the experience of partnership working, while having undoubted benefits, also has its down side. Under the previous government, training programmes targeted on the unemployed were largely organised through the network of TECs and delivered through private training, leveraging in public finance for private training organisations. The TECs, which were run like private companies with boards dominated by business interests, were supposed to bring an entrepreneurial business culture to the provision of training. The most noticeable influence of the private sector in the provision of government training schemes was that success was measured by the private providers, in terms of profits: the health of the TEC’s balance sheet was the main measure of success as far as the business-dominated TEC boards were concerned. Considerable profits were made for questionable provision and sizable surpluses were accumulated in TEC reserves.

However, the move back to statutory and municipal provision, with the local authorities and the Employment Service (ES) leading the process, can stifle the potential of the New Deal in a number of ways, with the Employment Service assuming the lead role in many areas solely to avoid the need for complex contracting/re-contracting arrangements.

In our experience, it is particularly difficult to bring together a complex range of funding packages to deliver ILMs because of the demands of competing bureaucracies, which all require their own forms of paperwork, monitoring, and so on. There has been little attempt by the ES nationally to experiment with approaches like the ILM if it does not fit the national framework. This leads to an unbelievable amount of duplication. Indeed, we are under almost constant audit as the managing agent and the ILM employers are inundated with monitors from different funding regimes, often implemented by the same agencies.

Ironically, the demise of the TEC and the assumption of an underwriting function by the local authority made this worse rather than better. The absence of a structure and personnel, with officers that have both the
experience and authority to release funding, and in the time scales necessary to operate the programme, constantly threaten its collapse. The organisational and departmental restrictions on public organisations limit their ability as lead bodies to operate across the board, particularly in matching funding resources. Indeed public organisations often seem to act as if they were in competition with each other and with different departments within their own organisation.

**New social entrepreneurs**

In addition to the benefits described above, in the Sheffield model a number of benefits have come directly from the role played by the CFFE and its nature as a not-for-profit voluntary sector organisation taking a lead role within a partnership, both in a strategic and in a delivery capacity. It is arguable whether these benefits would have been achieved if the lead organisation within the partnership had been one of the statutory players. I would argue that the Sheffield experience and success are to a considerable extent the result of the role played by the CFFE and its structure as a not-for-profit organisation.

With private providers, success is measured in terms of profit; as a Third Sector organization, outcomes and the value of provision to unemployed people are the measurement of our success. However, while we make no profits and pay no shareholders, in common with private providers we are not cushioned by our public or municipal status: any failure to deliver or develop new areas of work, or to be cost effective, means we rapidly go out of business.

As a TUC Centre and not-for-profit organisation we find a certain irony in the fact that we are continually expected to bring to the process the virtues attributed to the TECs, dominated as they were by private employers: dynamism, risk taking, and identifying new opportunities, products, and services. I think this is an interesting development.

**The stigmatising role**

Having been involved in what one might call the ‘unemployed movement’
for nearly twenty years, I was well acquainted with the policies of the 1979–1987 Conservative government which ‘sought to “encourage” the unemployed to take the most direct route into work by tightening social security entitlement rules, and implementing an increasingly stringent regime of job-seeking activity as a condition of receiving benefits’. Having dealt with the effects of, and campaigned against, this form of ‘encouragement’, I agree with Colin Lindsay’s view that the New Deal cannot be viewed as merely a continuation of previous policies.

There is a strong argument that the previous (Conservative) government’s policies were fundamentally motivated by the belief that it is essential, in order to ensure that the rest of the workforce be ‘kept in line’, that a sizeable portion of the workforce should be unemployed or underemployed. The problem of unemployment for the Conservatives was not the effect on the economy of the underutilization of large sections of the workforce, but the cost of their maintenance. It is also worth pointing out that in terms of combating long-term unemployment their policies were singularly unsuccessful. Successive initiatives such as ‘Employment Training’, ‘Training for Work’, and many of the Youth Programmes were viewed by the unemployed as ‘punishment’; no one really believed in the possibility of getting a decent job. Indeed, our experience would suggest that government programmes stigmatised the participants and had a negative effect on their employability. There are numerous individuals who have obtained a range of high-level vocational qualifications while on schemes; who are on courses for the fifth or sixth time; but without being able to get a job.

I would argue that, regardless of what some rightly perceive as the similarities in present government policy to what has gone before, the cynical use of the unemployed as what was described by an Old German Philosopher as ‘the reserve army of Labour’ has played no part in the formation of present government policy. However, the ‘tough love’ vocabulary of the New Labour Government, epitomised in the high-profile warning that the young would have ‘no fifth option’ of passive income

---

4 Colin Lindsay, ‘A “new deal” through partnership, a new approach to employability: the case of the New Deal for Young People in the United Kingdom’, in this volume.
support, the compulsory elements of the New Deal for 18- to 24-year-olds and the compulsion within the New Deal pilots for over-25s does indicate that there is a strong belief on the part of some ministers and senior civil servants that a sizeable proportion of the unemployed are simply ‘work shy’. I would suggest that this is reinforced by the Government’s desire to pacify perceived public opinion of the unemployed as ‘work shy’, which was engendered and cultivated by the previous government. The task of convincing employers to recruit unemployed individuals would therefore be made considerably easier if every announcement about the New Deal was not predicated by statements on compulsion. It reinforces the view of the unemployed as work shy and mitigates against their employability. The prominence given to the view of the unemployed as ‘work shy’ and the way it impacts on the new ways of working are, in my view, unhelpful in the operation of active labour-market measures.

‘Real jobs’: what are they?

Colin Lindsay points out (in this volume) that a policy that focuses on the ‘skills gap’ of individuals cannot successfully address the ‘jobs gap’ that will continue to restrict progress into work. While we would not see the ILM programme as a panacea for all unemployment, we would argue that, in its own limited way, it is a far more coherent approach in depressed areas, as it addresses both the skills gap and the jobs gap.

After three years of running the ILM we have a thriving network of community/voluntary sector environmental organisations involved in the programmes as employers. Some have increased their core workforce fivefold with the help of the ILM programme. Young people who were previously written off are becoming part of the solution rather than the problem. This, we would argue, flows directly from the fact that the ILM programme links regeneration with employment as a capacity-building measure for what is clearly going to be an important and growing sector in an Objective One Area.

However, we constantly have to answer the question: are these real jobs and are they sustainable? My colleagues and I have worked in the Third
Sector for the past 15 years. During that time we have dealt with redundancies from across Sheffield’s traditional industries. Many of those who have been made redundant are now working within a growing network of Third Sector organizations – many of which are now ILM employers – delivering new services.

In addition, experience and skills gained while working in the voluntary sector – communications skills, problem solving, ICT, working with people – are transferable skills identified as essential by Sheffield employers. These skills, coupled with an ability to learn (not merely the possession of NVQs [National Vocational Qualifications] in itself), make up an employability base which constitutes sustainability within a changing labour market.

However, we would welcome a debate on what are real and sustainable jobs. That debate needs to take into consideration the changing nature of work, and the local jobs market in specific periods of economic development. It also needs to address why resources going to the Third Sector are seen as subsidies, while resources going to the private sector are viewed as investment in employment incentives. Resources earmarked for employment growth should be judged not on what sector they go to, but on the results they achieve.
Social pacts and boosting youth employment
in Spain: work in progress

Jorge Aragón

1. Introduction

It cannot be said that there is an integrated policy for boosting youth employment in Spain. This is largely due to the fact that there is no coordinated strategy for combating unemployment in general, despite the fact that a large number of actions have been undertaken in this area in recent years.

This situation can be put down to various factors, two of which deserve special mention. First, the structural characteristics of the Spanish economy: late industrialisation and a heavy dependence on foreign trade meant that the economic crisis of the mid-1970s resulted in a much higher level of unemployment than in most other European countries. Secondly, until very recently the social welfare system was underdeveloped and actions designed to boost employment were few and far between.

At the same time, Spain’s entry into the European Economic Community in the mid-1980s was accompanied by a policy of deregulating the labour market and making it more flexible. This led to temporary contracts becoming widespread, which in turn caused high levels of job turnover and job instability, both of which have had a particularly severe impact on young people.

Consequently, the Spanish labour market today is characterised by a low activity rate (62 percent compared with an EU average of 69 percent), high unemployment (15 percent compared with 8 percent across the EU as a whole), a high level of temporary contracts (33 percent compared with an EU average of 13 percent), and a low percentage of part-time contracts (8 percent in contrast to 18 percent). These trends are significantly accentuated in the case of young people under the age of 25.
Among this group, the activity rate is 41 percent, unemployment stands at 28 percent, and temporary contracts account for more than 70 percent of all contracts. This may at least partly explain why 45 percent of young people between the ages of 20 and 24 are still in education compared with an EU average of 38 percent, and why on average young people do not leave their parents’ home until they are about 30 years old (Serrano 2000b).

In light of the above, it is understandable that policies intended to boost youth employment should mainly be implemented through general actions aimed at combating unemployment and reducing the prevalence of temporary contracts. One good example is the campaign to tackle the problem of temporary contracts among young people,¹ recently launched by the trade unions as part of a new round of negotiations between unions and employers aimed at reducing the prevalence of temporary contracts and promoting stable employment. Whilst it is true that the employment situation of young people has a number of specific characteristics, many of the problems and challenges facing unemployed young people are nevertheless closely related to those facing unemployed people in general.

Only in recent years has there been a significant rise in the number of actions designed to promote employment and reduce the level of temporary contracts. This is largely a result of national agreements between trade unions and employers aimed at making employment more stable and promoting collective bargaining (1997), the development of various regional agreements designed to boost employment (the regions have extensive powers in this area), and the implementation of the EU's Employment Strategy which was agreed at the Luxembourg Summit and has been put into practice through the National Employment Action Plans.

Despite the positive results achieved by these measures and the fact that the social partners are playing a growing role in their development, two factors are preventing them from being even more effective. The first is the fact that the implementation of active employment policies has been

¹ The campaign was called ‘No more instability’ and was launched by CC OO’s Youth Section in February 2001.
decentralised through the passing of legislation providing for non-profit employment agencies, temporary employment firms, and, latterly, the creation of ‘Integrated Employment Services’ (SIPES) which allow public–private partnerships between non-profit organisations to sign cooperation agreements with the Department of Employment (INEM), enabling them to become involved in a number of services, including the coordination and implementation of active employment policies designed to get job seekers into work. The second is the devolution to the regions of responsibility for active employment policies and the Public Employment Service, previously under the centralised control of the Department of Employment. The result of this is that many of Spain’s autonomous regions now have their own public employment service and are responsible for policy administration in the fields of training, career guidance, and the advertising and filling of job vacancies.

The arguments presented below are based on the assumption that employment policies do not increase employment on their own. They can be successful only if they form part of a complex of economic policies (from macroeconomic policy through to education or policies designed to promote research) which all work together towards the same goal. What this means is that employment measures can work well only if there is proper coordination between the people responsible for implementing them and if evaluation methods are in place that allow the necessary adjustments to be made depending on how successful the measures are. This is a process in which the social partners have a lot to offer.

This paper seeks to examine the extent to which employment policy in Spain has been well coordinated, with particular reference to measures aimed at boosting youth employment. It begins by describing the way in which employment policy has evolved in Spain and the role played in its development by the social partners and social dialogue with the state. It then looks at the various employment schemes implemented in the autonomous regions, concentrating on their main characteristics, their approach to youth employment and to promoting new types of jobs in the field of community services, and the role of the social partners and social dialogue. Next, it analyses the way in which responsibility for running pub-
lic employment services has been devolved to the regions, and the consequences of this for employment policy. Finally, it presents the trade unions’ evaluation of Spain’s National Employment Action Plan for the year 2000, summarising the main criticisms of the measures that are currently being taken in this area.

This paper welcomes the initiatives that have been agreed by the social partners to make employment more stable, as well as the progress that has been made towards greater integration of the various employment measures, the coordination of which has been significantly enhanced by the European guidelines, although much still remains to be done.

Nevertheless, it is also felt that in order for the recently adopted decentralised model for employment policy administration to achieve its full potential to enable more efficient policy implementation, major improvements are necessary in the coordination of actions between the various levels of government responsible for it, greater specialisation in the actions undertaken by the different public and private players involved, and appropriate evaluation systems which, in consultation with the social partners, allow the results achieved to be improved upon.

2. Employment policy and social dialogue in Spain

Employment trends in Spain since 1977, the year in which the transition to a democratic political system began, have closely mirrored the ups and downs of the economic cycle. A period of recession accompanied by a significant rise in unemployment (1977–1985) was followed by a period of economic growth and falling unemployment (1986–1991); then came another recession (1992–1994) which preceded a further phase of growth that has lasted from 1995 to the present day.

Although the economic cycle is the main explanation for unemployment trends in Spain, and although its ups and downs over time have broadly matched those in the other major countries of the European Union, it is nonetheless necessary to take particular factors into account that distinguish Spain from other European countries, since these factors may help us to understand why unemployment is still so high today.
The key distinguishing features of Spain are as follows: an economy heavily dependent on imported energy, making it more vulnerable to an oil crisis; heavy technological dependence on abroad; industry concentrated in low-tech, labour-intensive sectors where demand is either mature or waning on international markets; an extremely large agricultural sector; a low percentage of women in the labour market; a low level of skills among the workforce; and an inadequate welfare state and social welfare system, with insufficient government programmes for tackling social issues, including a shortage of employment initiatives. These features, which also characterised the industrialisation of the Spanish economy in the 1960s, made it particularly vulnerable to the world economic crisis of the 1970s which occurred at the same time as the political transition to democracy. The result was a massive rise in unemployment against the background of a policy of economic adjustment combined with the establishment of a more developed tax system and the expansion of the social welfare system, including the advent of the first measures designed to promote employment.

In light of the above, three main phases in employment policy in Spain can be identified. The first, which lasted until the mid-1980s, was characterised by the development of the legal and institutional framework for democratic industrial relations, as established by the Workers’ Statute and the Employment Act of 1980. This phase also saw the introduction of a few isolated youth employment initiatives, which would later form the basis of two specific measures for helping young people into employment that still exist today, albeit in somewhat modified form: ‘work placement contracts’ (contratos en prácticas) designed to offer temporary employment to young people with university degrees or secondary-level vocational qualifications, and ‘training contracts’ (contratos de formación) which are temporary contracts aimed at those under 21 years of age with few qualifications.

---

2 It is important to realise that previously there had been no such thing as employment policy, both because of the limited nature of the welfare state and because of the way in which emigration, mainly to industrialised countries elsewhere in Europe, served to prevent unemployment from developing into a serious problem.
and which combine training and work experience. The impact of these measures, at a time of mass unemployment, was extremely limited.

Social dialogue during this period led to the signing of a number of general agreements (the Interconfederal Framework Agreement of 1980, the National Employment Pact of 1982, the 1983 Interconfederal Agreement, and the 1985 Economic and Social Pact) which were specifically aimed at consolidating democracy and political stability. These agreements concentrated on particular economic policy measures in which labour-related issues and especially employment initiatives were of secondary importance. The obviously political role of the agreements, which were clearly intended to legitimise government policy (the government was actually a party to some of them), led to a major split between the two main trade unions, Comisiones Obreras (CC OO) and UGT.

The second phase was characterised by the spread of temporary contracts throughout all groups in the labour market as a result of the ‘temporary contract for the promotion of employment’ (contrato temporal de fomento del empleo) which was created as part of the reform of the Workers’ Statute in 1984, during a period of strong economic growth and rapidly rising employment. This phase also saw the use of ‘work placement contracts’ and ‘training contracts’, stimulated by the reduction of employers’ national insurance contributions for this type of contract, as well as the introduction of some specific youth employment initiatives such as the ‘Escuelas-Taller’, a type of vocational training centre designed to help under-25s into employment through sandwich courses combining training with community work. At the same time, the first steps were taken towards developing a vocational training policy for the unemployed, something which until then had been virtually non-existent and which arose from the prospect of Spain’s imminent entry into the European Economic Community.

Economic growth during the second half of the 1980s meant that employment also rose sharply. However, the new jobs were exclusively temporary in nature and were associated with a process whereby workers on permanent contracts were replaced by workers on temporary contracts, particularly young people. This led to the labour market becoming increas-
ingly divided between workers with permanent contracts and temporary workers, mostly young people and women, who accounted for more than 30 percent of the entire workforce, and who had to endure inferior working conditions and social welfare provisions.

Whilst the rapid rate at which jobs were being created initially made it possible to claim this policy of deregulating the labour market as a success, the recession at the beginning of the 1990s demonstrated how insecure these new jobs really were. Of the 1.7 million net jobs that had been created over the six years between 1986 and 1991, nearly a million were lost in the space of just three years (1992–1994).

Now that the democratic political system was considered to have been consolidated, this phase was characterised by the collapse of the social dialogue that had been built up during the previous phase and a rise in joint trade union actions. Major conflicts arose with regard to various employment measures, resulting in a series of general strikes. The first, in 1985, was due to the reduction of welfare payments to pensioners; the second, in 1988, was in response to a draft youth employment scheme which was rejected by the trade unions and which never saw the light of day; the third, in 1992, was in protest at the cutting of the level of unemployment benefit; and the 1994 strike came about as a result of a labour-market reform which included a new apprenticeship contract for young people.3

There were nevertheless some isolated partial agreements, bipartite between trade unions and employers, and also tripartite, including the government. These related to vocational training, pensions, employment initiatives for agricultural workers, employment rights of public sector workers, and the out-of-court settlement of industrial disputes.

This period could be described as the maturing of industrial relations in a consolidated democracy where employment and workers’ rights come to acquire increased importance in the social dialogue. This process was supported by cooperation between the trade unions, as evidenced by the

---

3 For reasons of space, it has only been possible to provide a simplified description of the characteristics of and reasons for the disputes.
Priority Proposal of the Trade Unions (Propuesta Sindical Prioritaria) in 1987 and later trade union documents which laid out the main joint demands of CC OO and UGT.

The third phase has been characterised by persistently high levels of unemployment throughout the population and the prevalence of temporary contracts, with more than one-third of wage earners being on this type of contract. The most important development during this phase was provided by the agreements signed in 1997 by the trade unions (CC OO and UGT) and the employers’ association (CEO-CEPYME). These agreements were valid for four years and were designed to promote stable employment and to make collective bargaining more dynamic and better coordinated. They also seek to encourage the use of permanent contracts, to make it easier for young people to find work and to receive vocational training that combines classroom training with work experience, to specify and define the cases in which temporary contracts may be used, and to improve the social welfare provisions for part-time workers. These aims were later translated into legislation and were included in Spain’s 1998 Employment Action Plan.4

Possibly the most significant employment policy measure during this period was the creation of the new ‘permanent contract for the promotion of employment’ (contrato indefinido de fomento del empleo) which is aimed at groups among which either unemployment or the level of temporary contracts is particularly high (young people, women, the long-term unemployed, over-45s) and which provides for reductions in employers’ national insurance contributions and lower statutory redundancy pay than ordinary permanent contracts. At the same time, the terms of ‘training contracts’ and ‘part-time contracts’ were strengthened, although in the case of the latter this was done without the support of the employers.

In this phase, which is still ongoing, the social partners have been much more autonomous in terms of the development of social dialogue. The major trade unions and employers’ associations have taken the lead in

4 Royal decrees 8/97 and 9/97 (16 May).
Some youth employment initiatives in Spain

Training contract. Aims to provide technical and practical training in a trade. Combines training with work experience and is designed for young people between the ages of 16 and 21.

Work placement contract. Seeks to provide appropriate work experience for people with university degrees, secondary or higher level vocational qualifications or other qualifications that are officially recognised as being equivalent.

Permanent contract for the promotion of employment. Aims to promote stable employment among particular groups, including the under-30s. It involves reductions in employers’ national insurance contributions and lower statutory redundancy pay.

Vocational training centres (Escuelas Taller and Casas de Oficio). This scheme is aimed at getting young unemployed people under the age of 25 into work by combining training with work experience in the field of community services, that is, jobs that are of benefit to society at large. The professional skills and experience gained by the participants are key to helping them find work.

Agreements between the Department of Employment (INEM) and central and regional government, universities, and private non-profit organisations. These agreements seek to encourage the recruitment of unemployed people for jobs in the field of community services by subsiding their wage costs.

Agreements between the INEM and local authorities. These agreements seek to encourage the recruitment of unemployed people for jobs in the field of community services that are the responsibility of the local authorities (either services that are run directly by the local authorities or ones that are subcontracted to a private firm) by offering 100-percent subsidies for their wage costs.

Local Employment Initiatives. These are intended to promote, stimulate, and fund initiatives that seek to exploit currently untapped opportunities at local level, making an innovative contribution to stimulating the local economy and boosting employment. The different types of support on offer include financial assistance for firms that take on unemployed people, for local authorities to help with the recruitment of Employment and Local Development Officers, or for people setting up their own business.

Capitalisation of unemployment benefit. This is designed to help unemployed people trying to obtain work by joining a cooperative.

National Training and Into Work Plan (Plan FIP). Young people receive special attention on the courses that form part of this plan.
bringing about a radical change in approach as far as employment policy is concerned. In the face of the widespread flexibility resulting from the prevalence of temporary contracts and the deregulation and instability of working conditions, the new approach is based on negotiated flexibility, with the emphasis very much on ensuring more stable jobs and better employment rights and social welfare provisions. These social pacts also cover issues that were previously dealt with in partial agreements, such as occupational training and in-service training, and whilst the employment measures that they tend to promote are increasingly specific in terms of the subjects covered, they differ from previous phases in that they are also much better integrated, with collective bargaining playing a more important role in terms of their implementation.

3. Employment pacts in the autonomous regions

The creation of a devolved state

The regional aspect of employment policy has received increasing attention in recent years. In Europe, there have been a number of different approaches to designing new job creation policies over the last ten years, all of which have identified the regional dimension as a priority, with particular emphasis on developing the internal potential of each region or local community.

At the same time, the growing importance of the regions in the design and implementation of employment policy has been accompanied by greater recognition of the need for social partner (trade unions and employers) involvement. In general, experience has shown that active employment measures are more effective if the social partners are involved in the specific details of the process either at sectoral or regional level. Conversely, if the major social partners are not on board and are not committed to the process, this can have a very negative impact on the successful implementation of employment measures.

In the context of social dialogue and participation in Spain, the level of the autonomous regions has become increasingly important for negotiating and signing agreements related to employment and economic and
social issues. A number of factors have contributed to the growing importance of this type of regional agreement. Initially, during the second phase described above, which began in the mid-1980s, regional agreements played a secondary role by reducing the amount of conflict that arose from the failure to reach agreements at national level. More recently, the trend towards transferring responsibility for social and employment matters to the regional level in accordance with the creation of a ‘devolved state’, as provided for by the Spanish Constitution, has led to regional agreements becoming widely accepted in their own right and has ensured their continuity, so that today they have become an area of particular significance in the development of social dialogue.

It is important to remember that during the period mentioned above a significant number of powers in the field of employment were devolved from central government to the autonomous regions. This affected both the specific administration of employment policy in each region and the structure of the public employment services responsible for its implementation, which had previously been under the centralised control of the Department of Employment, making it more difficult to coordinate existing employment measures.

The legal framework for the implementation of employment policy by the regional governments is provided by the Spanish Constitution, which came into effect in 1978 and which defines how power should be shared between central government and the autonomous regions. The Constitution combines, albeit rather vaguely and ambiguously, the political aim of promoting a decentralised model which recognises the social, cultural, and political diversity of the different autonomous regions with a series of limitations on the regions’ powers designed to guarantee equal civil and employment rights throughout Spain.\(^5\)

---

5 The regions’ powers are also subject to various general principles or rights, although this does give rise to a number of contradictions. These rights include the principle established in the Constitution of a ‘single national economic order’, the same labour law to apply throughout the country, one single social security system for the whole country, and the maintaining of a single unified state welfare system for all citizens.
This legal framework forms the basis of the employment actions undertaken by the different autonomous regions. Their employment policies are determined by various factors: the economic, social, and cultural characteristics of the region in question, the political colour of the regional government, the make-up of the regional parliament, and, at a different level, the extent to which trade unions and employers in the region cooperate with each other. The result is a broad spectrum of different situations with large variations from one region to another. In this context, the role of the social partners in achieving coordination across the whole of Spain is becoming increasingly important.

The Spanish Constitution stipulates that the state is solely responsible for drawing up basic labour law, although it may be implemented by the autonomous regions (Article 149.1.7). However, the regions’ powers with regard to employment policy are greater than this might suggest, since employment policy is not simply a matter of labour law and can be considered to form part of overall economic policy. Although according to Article 149.1.13 of the Constitution the state has sole responsibility for deciding the fundamental principles of overall economic planning and for its coordination, Article 148.13 states that the autonomous regions are responsible for fostering economic development within their region, in line with the overall goals that have been set by national economic policy.

What this means is that the Constitution allows the autonomous regions to develop their own employment programmes (under any one of a wide range of different names and legal structures) as long as they do not encroach upon areas that are the sole responsibility of the state, particularly labour law. For example, the autonomous regions can create subsidies encouraging employers to take on workers as part of a job creation programme, but they cannot alter the overall regulations governing employment contracts, since this is a matter for the state.

The devolution of responsibilities to the autonomous regions is something that has been happening gradually since the 1980s, although it has accelerated considerably over the past decade. Devolution is now almost complete in the field of employment and in other social policy areas such
as education, health, and social services. One of the responsibilities that has already been transferred to all the regions is the running of the public employment service (with the exception of the administration of unemployment benefit which is seen as part of the social security system, something which continues to be designed and run by the state). This includes responsibility for running state occupational training and employment schemes within the autonomous region.

**Evaluation of the regional employment pacts**

Particularly towards the end of the 1990s, there was a process of intensive negotiations between trade unions and employers in the autonomous regions, resulting in the signing of regional Employment Pacts or Agreements in virtually all the regions. A comparison of the different Pacts (Aragón, Rocha, and Torrents 2000) allows the following observations to be made.

First, most of the Pacts are *tripartite* in nature, in other words, they have been agreed by the government, trade unions, and employers. This demonstrates the fact that the social partners play a key role, since they are jointly responsible for developing employment policy both at national and at regional level. This strengthening of cooperation between unions and employers in Spain is not unconnected to the fact that, as already mentioned, the trade unions have made combating unemployment a priority in terms of both their strategy and their demands. They have been significantly assisted in this respect by the emphasis that the EU has placed on employment policy and social dialogue, particularly since the Luxembourg Summit and the signing of the Treaty of Amsterdam.

Secondly, it is notable that in most of the autonomous regions the Employment Pacts combine specific employment measures with, for example, other industrial-policy and education-policy measures. This is positive insofar as employment measures should indeed be designed and implemented as part of an overall package of integrated and coordinated economic and social policies. Nevertheless, when the detail of the various Pacts is examined, it can be seen that they vary as regards their sophistication: while some of the Agreements are very comprehensive and specify various measures, others are very basic and generic.
Thirdly, an analysis of the type of employment measures included in the Pacts reveals a high degree of similarity in the aims prioritised in the actions of the different autonomous regions: promotion of stable employment, either by creating new types of contract or by converting temporary contracts into permanent ones; encouraging self-employment; promoting vocational training in its different forms but with particular emphasis on occupational training; coordination and strengthening of public systems for the provision of career advice and guidance and advertising job vacancies; measures to support business; and fostering equal opportunities by prioritising groups that have particular difficulty in finding work.

Among the main factors responsible for this convergence – not only between the autonomous regions themselves but also vis-à-vis the content of Spain's National Employment Action Plan – are the external stimulus provided by the Extraordinary Summit on Employment held in Luxembourg in 1997, as well as the fact that the previously mentioned Interconfederal Agreements for Stability in Employment are widespread throughout the regions. These are two extremely important points of reference which have been explicitly taken into account by the different players (the regional governments and the social partners) and which have contributed to a greater or lesser extent to the content of virtually all the regional Employment Pacts.

Fourthly, having analysed the content of the Pacts, as regards their implementation it can be seen that there are significant differences in the extent to which their aims have been translated into concrete measures. These differences are mostly due to the specific political and social situation in each region (for example, the weakness of a particular regional government or the extent to which the main social partners are involved).

Fifthly, there are significant differences in the type of intervention, with considerable variations both in the methods used to deliver an action and, more fundamentally, in the level of funding made available. These differences

---

6 What we are referring to here is the range of methods used to deliver a given measure: subsidies, training courses, and so on.
are particularly relevant with regard to recruitment policy, since they mean that even neighbouring regions may allocate very different levels of funding to promoting the recruitment of people belonging to the same group. This is especially significant in view of the fact that recruitment policy is at the heart of measures aimed at promoting employment, and there is a danger of these differences leading to competition between regions, with negative consequences for social cohesion.

Sixthly, one of the weaknesses of the convergence described above is that in most cases the content of the Pacts is not based on a sufficiently in-depth study of the characteristics and deficiencies of the region’s labour market. In general, the regions have restricted themselves to a descriptive and superficial analysis of the traditional statistical indicators. Thus, although it is possible to point to some differences in terms of the priority attached to different target groups of unemployed people, which would seem to support the implementation of decentralised employment actions at regional level, the priorities established do not always match the needs of the regional labour market in question.

In this respect, it is important to remember that Spain’s socio-economic structure is characterised by acute regional variations, with major differences between regions with regard to factors such as population, structure of the economy, or income levels. Likewise, the labour market also differs considerably from one region to the next, and even neighbouring regions can often have very divergent levels of employment and unemployment. Furthermore, it has been shown that these differences have remained constant over the years (Alonso and Izquierdo 1999).  

Seventhly, the systems for evaluating the measures taken leave a lot to be desired. In the vast majority of the pacts, institutional evaluation procedures were not agreed from the outset, for example, stipulating which bodies are responsible for evaluation and defining the involvement of the social part-

---

7 Indeed, the most recent European Commission report on the implementation of the National Employment Action Plans identifies the continued existence of these regional differences as one of the areas requiring remedial action in Spain (European Commission 2000).
ners; basic evaluation methodologies and indicators were not developed either. Similarly, whilst in some regions the implementation and results of the pacts have been evaluated after the event, many regions have failed to do anything at all in this respect. Indeed, to date only seven autonomous regions have carried out official evaluations of their Employment Pacts: Andalusia, Castile and La Mancha, Castile and León, Extremadura, Galicia, Madrid, and Navarre. The other regions have yet to complete an evaluation, although some, such as Aragon and Murcia, are in the process of doing so, whilst others, such as the Basque Country, have carried out partial evaluations concentrating on the implementation of specific programmes (Rocha and Aragón 2001).

All of the above indicates that the situation needs to be reviewed in order to prevent the differences that may arise from the actions described above from causing distortions in the different regional labour markets in the medium to long term.

In this whole process, which is still of fairly recent origin, it is necessary for the responsibilities to be defined more clearly in order to safeguard employment measures from duplication and in particular to prevent them from conflicting. To this end, it is becoming increasingly clear that there is a need to develop mechanisms that will allow coordination and cooperation between central government and the autonomous regions, in order to ensure that their actions complement each other. Irrespective of how the Constitution may be interpreted in this respect, there can be no doubt that this will require a political commitment to joint planning based on the principle of codetermination, in order to achieve an approach which strikes a reasonable balance between national unity, social acceptability, and regional autonomy.

Youth employment and the new social economy

The autonomous regions’ employment policies have concentrated, to a greater or lesser degree depending on the region in question, on different groups of unemployed people: young people, women, people with disabilities, the long-term unemployed, the over-40s, and other disadvantaged groups, seeking to complement the measures taken by central govern-
ment. One of the groups with the highest unemployment figures across the different regions is young people, and they have received special attention.

In general, the regional agreements prioritise actions for a particular group by boosting the level of funding allocated to this group by the state. For example, in the case of recruitment measures, which are at the core of employment policy actions, it is usual for the subsidies made available to companies that take on young unemployed people to be higher than the general level set by the state.

Table 1 provides a breakdown of the financial incentives available for promoting the recruitment of young people in 1998.\(^8\) It shows how state actions aimed at the recruitment of young unemployed people concentrated on measures to promote permanent full-time employment, whereas at regional level eight different types of contract were employed, although the most widespread type was still the permanent contract, found in twelve regions. It is also worth mentioning that while training and work placement contracts do not receive any special state funding, they are provided for by five of the regional agreements (Andalusia, Cantabria, Comunidad Valenciana, Galicia, and Madrid).

Another trend that can be identified is that, with the exception of Asturias, Extremadura, and the Basque Country, the regions where youth unemployment is higher than the national average are the ones that tend to promote the widest range of different contract types for young people. Thus, youth unemployment for the whole of Spain stood at 33.4 percent in 1998 (the year of the study being used). The figure was higher than this average in eight of the autonomous regions: Asturias (49.8 percent), Andalusia (48.6 percent), Extremadura (41.7 percent), Castile and León (41.4 percent), Cantabria (38.2 percent), the Basque Country (36.4 percent), the Canary Islands (35.2 percent), and Comunidad Valenciana (33.6 percent),

---

8 It should be pointed out that this table provides an overview of the type and number of measures undertaken, but it does not provide information on either the funding that each region allocated for the implementation of these measures or the number of people who benefited from the measures.
Table 1  Measures designed to promote the recruitment of young unemployed people, by region (1998)

<table>
<thead>
<tr>
<th></th>
<th>Ia</th>
<th>Ib</th>
<th>Ic</th>
<th>Id</th>
<th>Ie</th>
<th>If</th>
<th>Igh</th>
<th>Li</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Andalusia</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aragon</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Asturias</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balearic Islands</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canaries</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cantabria</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Castile and Leon</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Castile and La Mancha</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catalonia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Comunidad Valenciana</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extremadura</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Galicia</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Madrid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Murcia</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Navarre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basque Country</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rioja</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Ia: permanent full-time contract; Ib: conversion of temporary contract into a permanent one; Ic: temporary contract; Id: training/work placement contract; Ie: contracts where unemployed people take up the jobs of people who have taken early retirement (contrato de sustitución); If: contracts where unemployed people take up the work of people who have opted for partial retirement (contrato de relevo); Igh: contract resulting from reduction/restructuring of working hours; Ii: permanent part-time contract.


whilst the regions with the lowest figures were Navarre (22 percent), Aragon (23.7 percent), and the Balearic Islands (25.8 percent). As far as the number of different measures for promoting the recruitment of young people are concerned, three regions stand out: Cantabria, with seven different types of contract, Castile and León with six, and Andalusia...
with five. In contrast, four regions have not introduced any measures for young people at all: Aragon, Asturias, the Balearic Islands, and Navarre.

Another approach which has been popular in the autonomous regions, and which has a direct impact on youth employment initiatives, has been the promotion of jobs in the field of community services, sometimes referred to as New Employment Opportunities. The measures used include encouraging the development of local employment schemes, providing incentives to employers to take people on, subsidies for people starting their own business, and training geared towards new types of employment.

The state is committed to promoting regional employment initiatives that foster, stimulate, and fund programmes for the creation of stable jobs through the setting up of small businesses that seek to exploit currently untapped opportunities at local level, making an innovative contribution to stimulating the local economy and boosting employment. The idea is for the local authorities or regional government to instigate, participate in, or co-finance these initiatives.

A number of different measures have been taken at regional level to promote these New Employment Opportunities. These include the development of local employment schemes, incentives for employers to take people on work placement or training contracts, encouraging self-employment in the field of New Employment Opportunities, subsidies for public sector jobs in community services, appointment of local development officers to contribute to the economic recovery of rural areas, financial assistance to agricultural areas for the creation of jobs in new sectors, and funding for projects that form part of EU initiatives.

9 The fact that Asturias has not introduced any measures for young people could be because its pact was not signed by the major trade unions. In Extremadura and the Basque Country, on the other hand, only stable forms of employment have been promoted (permanent full-time contracts or the conversion of temporary contracts into permanent ones). It should therefore be remembered when interpreting the statistics that negotiations between trade unions and employers may have led to some regions deciding to concentrate mainly or even exclusively on promoting stable jobs.
### Table 2  Promotion of new employment opportunities by group and region (1998)

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Andalusia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aragon</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Asturias</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Balearic Islands</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cantabria</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Castile and Leon</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Castile and La Mancha</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catalonia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Comunidad Valenciana</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extremadura</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Galicia</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Madrid</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Murcia</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Navarre</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basque Country</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rioja</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Aragón, Rocha, and Torrents (2000).*

New Employment Opportunities were promoted in eleven autonomous regions in 1998: Aragon, Asturias, Castile and La Mancha, Castile and León, Catalonia, Extremadura, Galicia, Madrid, Murcia, Comunidad Valenciana, and the Basque Country. In terms of the groups targeted by these measures, six of the regions (Castile and León, Castile and La Mancha, Extremadura, Galicia, Madrid, and Navarre) had initiatives aimed specifically at young unemployed people (Table 2).

The promotion of new jobs in the area of community services is extremely important in terms of both job creation in general and job creation for
young people in particular. The lower level of employment traditionally found in Spain (and other southern European countries) compared to the rest of the European Union is mainly concentrated in four sectors where there is a particularly low level of state intervention: the civil service, education, health care and social services, and ‘other services’ (excluding domestic services). If Spain had the same level of employment in these sectors (which are heavily dependent on intervention via the welfare state) as the European average, its overall activity rate would be 6.2 percent higher and unemployment would be 10 percent lower (assuming that the current activity rate remained unchanged). In other words, the combined figures for activity, employment, and unemployment would be broadly similar to the European average (Cachón, Aragón, and Rocha 2001).\footnote{In 1997, welfare expenditure in Spain accounted for 21.4 percent of GDP compared to an EU average of 28.2 percent.}

These social needs (particularly in the realm of social services and ‘other services’) are largely being met by local authorities and private grass-roots organisations, and there is a lack of proper coordination with the various employment initiatives, although these more often than not provide the funding. This lack of coordination is contributed to by the previously mentioned failings in the systems for identifying needs and for evaluating the measures implemented under the employment initiatives.

In any case, the growing importance of the ‘new social economy’ and the work of non-profit civil associations should not be allowed to obscure the fact that ‘Third Sector’ is a term used to describe a complex reality and covers a wide range of very different groups, ranging from traditional workers’ cooperatives and private companies that were bought out by their workers when they were heading for bankruptcy, to social organisations that are heavily dependent on the government or new social movements that aim to produce goods and services for the social welfare and care of the most disadvantaged individuals and groups in society. This is exemplified by the fact that just three organisations account for more than 60 percent of the jobs created using the portion of income tax allocated to the
promotion of community services: the Red Cross, under the auspices of the state, Caritás, run by the Catholic Church, and the National Association for the Blind, a state-run organisation. After these three comes a vast array of much smaller organisations with a wide variety of goals. They are characterised by a high level of financial dependency, usually on the state, a very fragmented institutional basis, a very loose organisational structure, and by the fact that there are significant differences in terms of the management models that they employ (Rodriguez Cabrero 2000).

In light of the above, it is not surprising that there should be a degree of tension and a lack of communication between the trade unions and civil or voluntary organisations. These social-economy organisations, which are striving to cover new social needs, need to combine their efforts with those of other existing organisations in order to elevate these new social needs to the category of civil rights that are catered for by the state. Otherwise, they will be relegated to the role of providing ‘handouts’ or ‘charitable assistance’ to cover the welfare needs of the most disadvantaged groups. In doing this, they will simply be discovering ‘employment niches’ that can only be filled by people working under unstable working conditions in what amounts to the privatisation of activities that should be the responsibility of the state. Indeed, an analysis of temporary employment trends since the 1997 agreements for stability in employment described above reveals that whilst temporary employment has fallen by almost 4 percent in the private sector, it has risen by the same amount in the public sector, especially at local level, something which may well be related to the growth in these new types of jobs.\textsuperscript{11}

One contentious area in terms of the relations between trade unions and civil organisations is the complex way in which voluntary work relates to employment. As the conclusions of the 1st Conference of Voluntary Workers from Spain, Portugal, and Latin America point out:\textsuperscript{12}

\textsuperscript{11} It should not be forgotten, however, that the private sector accounts for 80 percent of temporary jobs.

\textsuperscript{12} Conclusions of the 1st Conference of Voluntary Workers from Spain, Portugal, and Latin America, December 1999, Santiago de Compostela.
Although the two things are not incompatible, there are certain dangers implicit in the relationship between them. In this respect, it is necessary to remember that voluntary work is not simply cheap labour, but also that civil organisations are not merely a makeshift means of meeting needs that should really be the responsibility of the state.

The reform of the welfare state and the profound changes that our societies are currently undergoing explain the complexity of the relations between the social partners and civil society, and also provide a good reason to improve communications between the two groups at a political level and to ensure better coordination of their actions. A more thorough evaluation of regional employment initiatives would make an active contribution to this goal.

4. The challenges posed by devolution to the regions of responsibility for running public employment services

Historically speaking, Spain has had an employment policy for a relatively short time, and the same can be said of the structures for the coordinated administration of this policy throughout Spain. The 1981 Employment Act (Act 50/1981) stipulated that the Department of Employment (INEM), which was created in 1978, should be solely responsible for all matters pertaining to the advertising and filling of job vacancies, vocational qualifications, career guidance and information, occupational training, and eligibility for and payment of unemployment benefit.

Although the INEM was felt to have done a good job during the 1980s and the first few years of the 1990s as far as the administration of unemployment benefit was concerned, its inefficient management of active employment policies was always a cause of considerable public debate.\(^\text{13}\) This led to the ending of INEM’s monopoly of this field in 1994, although not without some social conflict. Legislation was passed providing for non-profit employment agencies, temporary employment firms, and, latterly, the creation of ‘Integrated Employment Services’ (SIPES) which allow public–private partnerships between non-profit organisations

---

\(^{13}\) For example, as far as filling vacancies is concerned, only 10 percent of all jobs were obtained through the INEM.
to sign cooperation agreements with the INEM, enabling them to become involved in a number of services, including the coordination and implementation of active employment policies designed to get job seekers into work.

At the same time, in keeping with the political principle of creating a devolved state already described, from 1996 onwards the active employment policies that had been the sole preserve of the INEM began to be decentralised, and today many of the autonomous regions are already responsible for running their own public employment service and for the administration of policies regarding training, career guidance, and the advertising and filling of job vacancies.

These changes, which are clearly significant as far as the implementation of overall employment policy is concerned, are even more important in the case of youth employment initiatives, since young people have a particularly high uptake of training and career guidance measures, are especially attracted to new types of employment, and are much more likely to be geographically mobile than other groups.

The various reforms that have been described have led to a new model for the administration of employment policy and the emergence of new public and private players involved in its implementation. The devolution to the regions of responsibility for the public employment service was carried out not only in order to meet the political requirements of the Constitution, according to which the regional authorities should play a major role, but also in order to bring the public bodies responsible for the administration of employment policy closer to the people at whom the measures are targeted. The way in which the new public employment service model was designed required the regional governments to undertake integrated actions with a view to ensuring more efficient policy implementation.

However, since this new model was introduced, it appears that the fact that the relevant agencies are geographically closer to the place where employment measures are implemented is, at least for the time being, not leading to a significant increase in the confidence that businesses have in

228  Enhancing youth employability through social and civil partnership
the public employment service or in the extent to which people use it as a means of finding work, despite the improvements that are being made to the service, in particular with regard to the publicising of its activities in the different regions (Consejo Económico y Social 2000a).

It could be argued that the transfer of responsibility for running the service from the INEM to the autonomous regions was begun before the flaws in the old system had been ironed out, leading to many of these flaws being repeated in the new system. Furthermore, this transfer is being carried out before a legal framework for regulating the new decentralised public employment service model has been developed, as provided for by the 1997 Long-Term Employment Plan, which, among other things, would have served to guarantee consistency in the content and dissemination of information about the service across all the regions.

What this means is that, as far as the matching up of situations vacant with people available for work is concerned, it cannot even be said with any certainty that all the vacancies available will be advertised throughout an autonomous region, let alone across all the regions in the country. Indeed, as was the case when the INEM was in charge, the area in which employment services are active is confined to the ‘employment catchment area’, which usually means that the search for people to fill vacancies concentrates on the local area or district surrounding the job centre in question. Hence, this major limitation of employment service provision is an issue even within individual regions and not just at national or inter-regional level.

The current project to introduce an integrated information system – known as the Integrated Service for Public Employment Services (SISPE), and which is being jointly designed by the INEM and the autonomous regions – should allow an exchange of data that will permit coordinated advertising of job vacancies within each region and eventually also between different regions.

The second goal of the reforms was the participation of new public and private players in the development of increasingly sophisticated and diverse employment initiatives. The aim of involving these players was, as
stipulated in Act 10/1994, to enable ‘maximum specialisation and to get as close as possible to the sources of employment’. There can be no doubt that the prospects of increasing the efficiency of active employment policies were improved by the ending of the INEM’s monopoly and the opening up of the administration of employment services to non-profit agencies, together with the broadening of the range of players involved in the policies designed to help people find work to include town councils, the social partners, grass-roots and voluntary organisations, and so on. However, rather than greater specialisation and closer contacts with the target groups, what actually seems to be happening is that everyone is starting to do their own thing, with very little coordination between the players involved in the administration of employment policy (leading to the risk of actions becoming fragmented) and with a marked lack of specialisation and correspondingly inefficient results.

The involvement of private entities in public employment services can contribute to more efficient policy implementation owing to their better understanding of the needs of industry and the specialist knowledge that they can offer in some situations. They can bring added value as long as their involvement does not amount to their simply taking responsibility for matters which should in fact be dealt with by the public employment service. The creation and proliferation of parallel structures for the implementation of employment policy, even if they are joint bodies involving trade unions, employers, and the government, can be counterproductive and lead to resources being spread too thinly and responsibilities not being clearly enough defined (Consejo Económico y Social 2000b).14

14 In 1999 there were 54 employment non-profit agencies in total, the majority of which (33) had not chosen to specialise to any significant extent, either in terms of the industries they covered or in terms of their target groups. This was due to the fact that these were mostly public agencies run by local councils. Twelve of the agencies were run by professional associations and universities and a further three by Chambers of Commerce. In total, 29 of the agencies were privately run and 25 were state-run. Fifty-seven percent offered their services free of charge, while the rest charged a fee the level of which varied considerably. Finally, as far as their role of advertising and filling job vacancies is concerned, a mere 4.4 percent of the vacancies advertised were filled (Economic and Social Council 2000a).

A complex picture has been painted of employment policy in Spain, its institutional framework, and the players involved in its implementation. Spain’s National Employment Action Plans have to some extent reflected this diversity and the changes that have been described. In spite of the criticisms that will be made in the following paragraphs, the framework of employment actions agreed as part of the Treaty of Amsterdam is leading to a better understanding of the reality and contradictions of employment policy in Spain. As such, it has the potential to have a positive influence on the future development of employment policy by helping to make it more coherent.

The key measures contained in Spain’s National Employment Action Plan 2000 mostly involve employment actions targeted at the main categories of unemployed people, as defined by the Luxembourg Summit guidelines: young people, women, long-term unemployed, and so on. The responsibility for these actions lies with different levels of government, and various public and private players are involved in their implementation. The measures provided for by the Plan offer little that is new compared with the actions that were already under way before the EU agreements were signed. Consequently, the social partners, and in particular the trade unions, have not supported the Plan, despite the fact that it includes some of the measures that were agreed during the process of social dialogue which led to the signing of the agreements for stability in employment in April 1997. It is worth looking at the main reasons for the critical attitude of the trade unions (CC OOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOO0
economic growth. If this is taken into account, it can be seen that in real terms the Plan represents a reduction in government funding for employment initiatives.

Finally, although the situation has gradually improved since the first Plan was drawn up, the involvement of the social partners in the main stages of the process (design, implementation, and evaluation), and at the different levels of its implementation (national, regional, and local), is still felt to be by no means sufficient.

These are the main reasons why the country’s major trade unions, CC OO and UGT, have not supported the various National Action Plans. They feel that the content of the plans should not simply be restricted to existing measures with the sole aim of meeting the formal requirements of the European guidelines but should rather take steps to tackle the real problems of the labour market by improving the coordination of employment initiatives, using indicators that allow for quantitative and qualitative monitoring of their success, providing adequate funding, and ensuring that the social partners are always involved in the process.

The trade unions’ main criticisms have led them to draw up the following list of demands:

Greater emphasis on job creation measures, that is, not just measures to improve unemployed people’s employability, but also the promotion and implementation of major initiatives to create jobs that cover social needs which are not being met by the market.

The introduction of new measures to promote more stable jobs using legal, economic, and administrative means to reduce the number of temporary contracts. Measures to prevent employers from repeatedly re-employing the same people on fixed-term contracts and to put the brakes on the trend towards indiscriminate subcontracting which is leading to a growing deterioration in working conditions and an increase in industrial accident rates.
Better integration of employment measures based on a more precise definition of the target groups. It is necessary to go beyond the overly generic current division between young people, adults, and the long-term unemployed in order to develop definitions that allow the groups that are most seriously affected by unemployment to be prioritised, and to determine more accurately which actions are best suited to the needs of each group. This would enable government funding to be used more efficiently and would make it easier to evaluate initiatives.

The introduction of comprehensive personal action plans tailored to the employment needs and skills of each unemployed individual (that is, a whole range of measures targeted at individuals). Most unemployed people simply participate in isolated actions rather than benefiting from such integrated action plans.

As far as youth employment measures are concerned, the action plans should promote schemes that combine training with work experience. This type of scheme, which is more successful at getting people into work, accounted for just 5 percent of all initiatives in 1999, while the majority of actions involved only career guidance and training. Youth employment can also be promoted by more extensive use of training and work placement contracts, which are still seriously underused, and by more precise regulation of the voluntary work undertaken by students participating in the National Training and Into Work Plan (Plan FIP), in order to prevent them from creating a substitution effect.

Greater emphasis in occupational training on jobs for which there is a shortage of skilled workers as a consequence of the erosion of the traditional process of people being trained on the job over a number of years, something which has been undermined by the decentralisation of production and the increase in temporary jobs.

A better balance between active and passive employment measures by introducing reforms to unemployment benefit. It is necessary to revise the eligibility criteria for unemployment benefit so that a greater number of unemployed people are guaranteed an income level that enables them to look for work and retrain.
Greater specialisation by the different players in terms of the implementation of actions. The Plan should be used as a means of organising and coordinating the division of responsibilities between central government, the autonomous regions, local authorities, and the other organisations involved. The policy of ‘everyone being responsible for everything’, which is largely how things have been done up until now, has been clearly shown to be inappropriate, limited, and inefficient.

In accordance with the above, local authorities should concentrate – in cooperation with central and regional government – on the implementation of employment programmes and initiatives (local employment initiatives, vocational training centres, employment workshops, and so on), since they are best placed to undertake actions to boost the local economy. Other participating organisations could specialise in more simple information and guidance actions, taking advantage of the fact that they are closer to the target groups. The public employment services are in charge of a more complex system and should therefore be responsible for advertising and filling vacancies in the labour market and for promoting occupational mobility and equal opportunities for all job seekers.

The way in which these responsibilities are divided up should be properly coordinated, on the one hand in order to ensure the effectiveness of the personal action plans and on the other so that the employment actions undertaken by each player are in keeping with their specific characteristics and administrative capabilities, in order to avoid overlapping of responsibilities.

For these aims to be achieved, it will be necessary to improve the coordination and efficiency of the employment services. This will involve reforming the Employment Act and creating a National Employment System which will bring together the national and regional employment services, coordinating them in such a way that, in cooperation with the social partners, they can ensure that there is a single labour market throughout Spain, as well as guaranteeing equal opportunities, free movement of workers, and all the other basic employment rights.
At the same time, it will be necessary to promote the currently underdeveloped National Qualifications System and to introduce a monitoring and evaluation system for the National Employment Action Plan which is able to measure the effectiveness of each action and how successful they are at helping people into work.

6. Conclusions

Employment policy in today’s Spain is implemented by a range of different authorities, each of which currently has responsibility within its own region for the areas attributed to it by the Constitution. The Devolved State is a political model based on the diversity of different regions that offers great potential, and as such it is important to keep developing this model.

In this context, it is necessary to achieve greater coherence in the employment policies implemented by the different levels of government and in particular by the autonomous regions. First of all, more internal coherence is needed, insofar as employment initiatives need to be better tailored to the specific socio-economic characteristics of each region. This will also require the introduction of rigorous evaluation systems that have been agreed by consensus, so that the development and implementation of the Pacts can be properly monitored.

In addition, the aspect of external coherence needs to be tackled, in other words, making sure that the employment initiatives undertaken by the various levels of government are complementary and properly coordinated. Although this problem mainly relates to the roles of central and regional government, it is also necessary to take into account employment actions implemented both by local authorities and at a supranational, European level. In the latter case, a number of steps have been taken, mostly since the end of the 1990s, towards developing a coordinated employment strategy for EU Member States.

Finally, the involvement of various public and private players in the implementation of employment policy, in line with the Spanish model of devolution, means that it is necessary for there to be greater specialisation in the tasks carried out by each of these players and greater coordination.
of the measures introduced. This is a fundamental requirement in order to ensure the efficiency of these measures, and is particularly important in the case of employment actions aimed at young people.

In this respect, cooperation between the social partners at regional level has been important in improving coordination between autonomous regions. In recent years, the social partners have played an increasing role in the design of employment policies, and this has had a clearly beneficial effect both in terms of the joint responsibility shared by trade unions and employers and in terms of the contribution it has made to ensuring that political power is exercised more democratically. This demonstrates that genuine involvement of the social partners not only improves the extent to which employment initiatives take into account the specific characteristics of different regions or sectors, but also has a beneficial effect on social cohesion right across the country.

However, this might also cause us to wonder what would happen if the current high level of successful coordination between the social partners could not be achieved. In such a situation, not only would the implementation of measures be far less effective, but also the differences between the autonomous regions with regard to the design of their employment policies would probably be much greater.

In light of the above, it would seem that in order to ensure compatibility between the process of devolution and the maintenance of social cohesion and a single national market, a number of elements need to be in place. First, the trade unions and employers need to continue to work together in order to provide a thread of coherence running through all the different regional and sectoral levels at which employment policy is implemented. Secondly, central government needs to keep working to improve the coordination between the different levels of government, both as far as the design of employment initiatives is concerned and as regards the development of mechanisms for controlling the allocation of resources, particularly with regard to preventing state funding from being used to duplicate the same actions.

Translated from the Spanish by Joaquin Blasco
References


Enhancing youth employability through social and civil partnership


Partnership within the framework of the EU employment strategy for young people: the case of Spain

Juan Ignacio Palacio Morena

In memoriam Lluís Fina

1. Introduction

In order to analyse the participation of those generically known as social agents in plans to develop the European Employment Strategy and to combat youth unemployment, we must clarify the meaning and scope of such terms as ‘social agent’, ‘European Employment Strategy’, and ‘youth unemployment’, as well as the concept of participation.

The term ‘social agent’ (‘social and civil partnership’) embraces a large number of extremely diverse bodies and institutions, ranging from trade unions and employers’ organisations to not-for-profit associations. Rather than embroil ourselves in this complex conceptual polemic, however, let us substitute the term ‘civil society’ so as to highlight what such different agents have in common in respect of their composition, the aims that they pursue, and the means they employ to achieve these aims. ‘Civil society’ may be defined by contrast with the state and the market; it represents a distinct organising principle of social life. Compared with the state and its coercive, planning power, civil society embodies ethical–ideological and consensual features and, in the context of the principle of need and the spontaneous action of the individuals and enterprises that characterise the market, embraces an affirmation of the ethical–political world and of freedom.

* This final version owes much to the debate that took place during the Seminar, and particularly to comments and suggestions from the Seminar Coordinator, Amparo Serrano. She deserves my warmest gratitude, but I wish to make it clear that I alone am responsible for the focus and limitations of this paper.
Dominant liberal-individualist and authoritarian-socialist conceptions frequently confuse civil society with the market and the state, or else view civil society in a purely instrumentalist way. By doing so, they deny or limit the possibility of there being socially effective individuals, and hamstring the emergence of new forms of social organisation in which freedom and consensus count for more than simple need and mere strength.¹

When we talk about the ‘European Employment Strategy’, there is a presumption that there is a corpus of long-term measures that will secure ‘full employment’ (or something like that) throughout Europe, but although the Strategy certainly represents a major step forward, it only contains the definition of a series of over-generic objectives to be implemented within each state. Such a corpus of measures could hardly be described as a European strategy.

‘Youth unemployment’ conventionally refers to unemployment among people aged 15–24, although it is sometimes extended to include 29-year-olds. A product of this age segmentation is that the term ‘youth unemployment’ conceals two interrelated, but distinct problems: one is the question of labour-market insertion; the other – a quite separate issue – concerns people finding jobs, and who have joined the labour market and are members of the economically active population, irrespective of whether they have found work and hung onto it. Integration in the labour market is something which, by its very nature, affect young people; obtaining a job, on the other hand, is common to the entire active population.

All of these clarifications are important when it comes to defining what is meant by ‘participation’. Participation involves representativeness and the effective capacity for intervention, and it means that members of participative bodies must be representatives of the social agents. The problem

arises when trade unions and other not-for-profit social organisations (‘civil society’) obtain political legitimacy to represent, under the law or from the state, even when their social representativeness is, to say the least, doubtful. We are then closer to the instrumentalisation of civil society by the state and political parties – this is usually known as clientelism, or even corporatism (which, as Gramsci showed, confuses political society and civil society) – than to genuine democratisation.2

The effective capacity for intervention also relies on the presence, at each of the steps or levels at which an action is being carried out, of – in this case – a youth employment policy. It requires a linkage between these various levels that is not purely administrative (that is, bureaucratic). Irrespective of the participants’ social legitimacy, there also arises the question of social reinforcement which is, if anything, even more complex. If we do not want social participation to turn into clientelism or corporatism, the problem and the strategy, if the matter is to be resolved, need to be appropriately delimited.

As this paper has already made clear, the European Employment Strategy suffers from the lack of a focused definition of the issue of unemployment, and of youth unemployment in particular. This has hindered the establishment of a sufficiently complex corpus of actions capable of bringing about effective reinforcement between the levels. It is based quite simply on a statement, or description, of high, persistent levels of youth unemployment, and contains no analysis of the reasons or theoretical suppositions with a view to explaining the root causes. This rules out the possibility of drawing up a real employment strategy at European level. Unemployment in Europe, like many other issues, continues to be seen as the sum of national situations. Attempts to resolve the problem at the level of each of the Member States (it is presented as a sign of decentralisation and democratisation) stands in the way of true democratisation in the sense of a linkage between all the relevant levels. Until the problem of unemployment in Spain (it is, after all, the country with the highest

---

unemployment in the European Union) is no longer seen as purely national – that is to say, a problem peculiar to Spain – not only will it be impossible to draw up an effective employment policy in Spain itself, but the whole of the European Union will continue to suffer the consequences.

The question goes much deeper than the transfer of structural funds from countries that are more developed – or better situated, in terms of employment – to those that have higher rates of unemployment. The relatively satisfactory situation as regards youth employment in countries such as Denmark, the Netherlands, Austria, and even Germany reflects the higher level of development of these economies, but also masks shortages of skills on the market, and the lack of labour force mobility at European level. This works to the disadvantage of the European Union as a bloc when competing with the United States, Japan, and South-East Asia; furthermore, if some groups of less developed countries were able to integrate their economies more effectively the EU would face problems in relation to them, too. Another facet of the same problem is emigration from less developed countries; clearly, this cannot be separated from the issue of unemployment, and youth unemployment in particular.

Specific features of the case of Spain accord with these initial observations: first, the main data relating to the Spanish youth population are compiled from a socio-employment standpoint; secondly, the focus is on the European Employment Strategy that spawned the Spanish Employment Plan, with special emphasis on the need to define an active employment policy based on industry and technology policy. Job creation does not depend so much on voluntarism, or on a definition of generic objectives that becomes increasingly focused from European to national, regional, and local level, or even on isolated labour market reform; it is much more reliant on the definition of a Europe-wide policy aimed at improving the competitiveness of the productive fabric. Only when we begin to catch the occasional glimpse of a European education, research, and skills defence policy will it be possible to enhance the capacity to generate employment throughout the European Union. This is particularly important in countries and regions which, like Spain, have to grow at above-average rates to achieve convergence without relying excessively on
already high technological dependence. We will therefore examine labour-force supply problems that are mainly linked to features of the education system, and labour-force demand problems directly related to the structure of the productive system and R and D policy. After analysing the European Employment Strategy, we shall look at the meaning and scope of the participation of social agents (‘civil society’) in this Strategy. The biggest problem is knowing how virtual this involvement is, and whether it effectively contributes to the objective of job creation that it theoretically seeks to achieve. We will close with some brief conclusions.

2. The youth population of working age

According to Eurostat figures, of the 47 million young people in the European Union in 1999, only a little over 22 million had joined the labour market (activity rate: 47.3 percent), 3.8 million were unemployed (unemployment rate: 16.9 percent), and of the 18.4 percent in employment, over 7 million were on fixed-term contracts (temporary employment rate: 39.1 percent). The case of young Spanish workers is paradigmatic: Spain has low labour market integration (activity rate: 41.4 percent), very high unemployment (28.3 percent), and the highest level of temporary work (70.1 percent).

In any event, this is no conjunctural problem. Comparatively speaking, Spain has shown little capacity for employment generation in comparison with Europe as a whole, while, in turn, the number of jobs created for every point of increase in GDP has been lower in Europe than in the USA, and with the same or higher growth rates. This makes sense, given that it is based on lower levels of productivity, since convergence in productivity involves greater increases in production than in employment in relative terms. What really matters is the process’s pace and intensity. Excessively speedy convergence can lead to serious imbalances which,

---

3 All of these figures are taken from the Eurostat Labour Force Survey, but should be interpreted with caution as calculations have been obtained by rounding figures, and sometimes by comparing dates that are not strictly relevant. None of this significantly alters the data or the conclusions that may be drawn from them.
apart from triggering very high, short-term adjustment costs in social and economic terms, cause blockages that hinder ongoing, stable growth.

During the period of most intensive economic growth, between 1960 and 1975, Spain experienced very high emigration, and attempts were made, with little success, to control the serious imbalances and fluctuations at macroeconomic level through the famous ‘stop–go’ policy. Something similar – together with other characteristics, mainly derived from the stability that has enabled the Spanish economy to integrate into the European Union – has been happening over the last 25 years: the rates of unemployment and temporary contracts have been the highest in the European Union throughout this period (around twice and three times the European average respectively). As has often been argued, this is not easy to explain. In the case of Spain, conjunctural elements relating to demography (the ‘demographic boom’ of the 1950s and 1960s) and to recession in economic growth (as in the period 1973–1986) have converged with structural issues linked to characteristics of the productive fabric and the system of labour relations.⁴

In any event, a limited capacity to generate employment, particularly employment that is stable and characterised by acceptable skills and remuneration levels, has been combined with a level of labour force supply distorted by an education system that makes it difficult for young people to enter the labour market.

3. The European Employment Strategy and the Spanish National Employment Plan

Concern about employment has been a constant feature of the countries of the European Union mainly since the 1980s, when a striking comparison with unemployment rates in the United States and Japan was observed. However, it was only towards the end of the 1980s that the need to draw up a Europe-wide policy to combat unemployment was con-

firmed. The premises of a Europe-wide unemployment strategy were established in 1993 with the publication of Jacques Delors’ White Paper on Growth, Competitiveness and Employment, and in 1994, following the failure of national employment policies, ‘a strategy was designed at the Essen Summit that led to the sustainable reduction of the high level of unemployment based on macroeconomic policies and structural reform’.\footnote{C. Martín, España en la nueva Europa (Madrid: Alianza Editorial, 1997).}

The Amsterdam European Council in 1997 took another step forward when it agreed to include a Chapter on employment in the Treaty on European Union, and then in November of that year a European Employment Strategy was produced at the Luxembourg Summit. At the Cardiff Summit in June 1998 the emphasis was on the need for structural reforms to improve the capacity for innovation and the effectiveness of substantive markets (that is, goods and services); and at the Cologne Summit in June 1999, we saw coordination of economic policies and broader social participation in the development of these policies with a view to guaranteeing a framework for more stable growth. At the Helsinki Summit in the second half of 1999, the objectives and guidelines of employment policies were identified more clearly, and individualised recommendations for Member States were produced for the first time; and the Lisbon Summit in March 2000 reiterated the need to focus on the introduction of information technology as an axis of innovation.

Progress in this direction has been accompanied by growing political and social consensus on the need to acknowledge the overriding importance of active policies based on innovation and education, and set in the context of a stable macroeconomic framework and wide-ranging social dialogue, linked to vocational training as the key area where qualifications and innovation converge (Leonardo da Vinci Vocational Training Programme 2000–2006). The four main pillars that define the European Employment Strategy guidelines (improving the capacity for employment integration, developing entrepreneurship, encouraging the adaptability of workers and enterprises, and strengthening policies for equal opportunities) effectively focus attention on innovation and education.
However, despite the emphasis on the role of active measures, no connection has been established between structural funds and industrial, educational, and research policies. It is claimed, either explicitly or implicitly, that the fundamental basis of job creation lies in innovation linked to research and training, and in improvements to the competitiveness of the markets that make up the European productive system; it is not based on an analysis of the productive structure, or of education and R-and-D systems in the European Union generally. As a result, it is not possible to provide coherent, effective responses in the various national states, and within a genuine European strategy for employment. This has led to the establishment of measures including quantitative objectives for creating employment, and to the extension of programmes for training and retraining the workforce, in each country, but as they do not form part of a strategic definition of European industry and education policy, their effectiveness remains somewhat in doubt. Instead of introducing more skills into the markets and reinforcing a Europe-wide education and R-and-D system, preference has been given to a policy of concealed subsidies and more actions involving training and so-called research, increasingly focusing on the local level.

The guidelines for Spain’s Action Plans for Employment over the last few years reflect the four pillars defined at European level. The focus is on prioritising the instrumentation of active measures that seek to increase the capacity for innovation, entrepreneurialism, and the necessary flexibility needed to adapt to changes throughout the productive system. This is particularly important insofar as Spain has the highest rate of unemployment in the European Union, and passive measures have been given considerable prominence because of the direction that various governments have imposed on employment policy. In turn, this has developed

6 L. Cachón and J. I. Palacio, ‘La política de empleo en España’ (see note 5).
8 OECD, Employment Outlook (Paris: OECD, various years); European Commission, Employment Outlook (Luxembourg: Office for Official Publications, various years).
into a framework of growing decentralisation, with numerous pacts and measures designed to encourage employment in the various Autonomous Communities, and even in a large number of local authorities.\footnote{J. Aragón et al., *Pactos y medidas de fomento del empleo en las Comunidades Autónomas* (Madrid: Ministry of Labour and Social Security, 2000).}

Most actions have taken place in the field of training and employment integration. Most competences, particularly those in education and vocational training, are in the hands of the Autonomous Communities. However, this does not yet apply to employment demands from the public employment agency, the Instituto Nacional de Empleo (INEM – National Employment Institute), even though some issues (that is, training and insertion) ought to be closely linked. Anyway, alongside the actions of the Autonomous Communities, there is a statutory programme run by the state, and a large number of local and local authority initiatives. Space does not permit an enumeration of the standards and measures adopted over the last few years at different levels of the Spanish Administration.

Higher R&D expenditure and increased GDP-linked job creation point to a small improvement, which might reflect the effectiveness of the measures adopted. However, there has also been a deterioration in the commercial and technological balance sheets, and a relative decline in R and D expenditure in the private sector compared with the public sector. Most newly created jobs are still temporary, and all the evidence suggests that pay differentials between companies tend to be accentuated in line with persistently high technological and productivity disparities within the goods and services markets. During the second half of 2000 and in the early part of 2001, the pace of job creation also appears to have slowed down.\footnote{Economic results for the year 2000 indicate that there has been a downturn in the rate of employment creation, a substantially increased deficit in the commercial and technological balance sheet, and a year-on-year inflationary upturn of 4 percent. Figures for January 2001 show a significant rise in unemployment.}

The repeated failures of Spanish employment policies to get significantly close to average levels for the European Union – and the failure of the latter to attain a situation which is to all intents and purposes full employment,
such as exists in the United States and Japan – indicates that there are structural problems linked to employment supply and demand that have not been addressed in these policies. The basic idea that has inspired European employment policies has been flexibilisation of the labour market, in the sense of deregulation leading to a reduction in labour costs. It has been assumed that a higher level of unemployment is unequivocal proof of rigidities in the labour market: the more unemployment there is, the more rigidity there is on the labour market and, therefore, the more need for flexibilisation (that is, liberalisation). The problem therefore comes down to a question of simply adjusting supply and demand through payroll (that is, salaries and other labour costs), thereby ignoring the characteristics of labour supply and demand and its main determinants, or at the very least regarding them as of secondary importance.

This diagnosis produces recipes that are easy to carry out as they can be imposed in a completely decentralised way country by country, without the need for EU–level coordination: the countries with the highest levels of unemployment, such as Spain, are the ones that will have to establish much more drastic forms of liberalisation. Both the 1984 reform, which prompted a wide range of (fixed-term) temporary working arrangements, and subsequent agreements on pay restraint between government, employers, and trade unions did much to take this liberalising philosophy forward. The result has been a disproportionate increase in part-time working – to three times the European average – in the last 15 years, and growing dualisation of the labour market in respect of labour costs. Furthermore, after all this there has been no quid pro quo in the shape of a significant reduction in the number of jobless: during this period, unemployment has remained anchored at around twice the EU average. As already stated, the European-level employment policy guidelines from the Luxembourg Summit appear to have abandoned the simple liberalising line and now focus on the importance of active, training-based policies and encouragement for a culture of innovation. But there is no diagnosis of the education system, or of the production structure and industry and technology policies that could lay the foundations for this new view of the unemployment problem, and make a genuine European-level strategy possible.
4. Labour supply and the education system

It beggars belief, as awareness grows that the education system is growing increasingly ineffective at producing responsible citizens capable of entering the labour market, that appropriate measures have not been adopted. The problem, as a recent study shows, is not primarily to do with expenditure on education, but with how the money is spent and (to put it in a different way) the structure of the education system. In 1995 – and we shall limit the comparison to the European Union and the United States, with special reference to Spain – total education expenditure accounted for 6.6 percent of GDP in the United States, 6.1 percent in the European Union, and 6.2 percent in Spain; the figures as proportions of public expenditure on education are 5 percent, 5.1 percent, and 4.9 percent respectively. Enrolments for the 15–24 age-group stand at 54.9 percent in the United States, 58.7 percent in the European Union, and 58.6 percent in Spain, but on the human capital index that synthesises the strength and effectiveness of the education system, the United States scores 98.3 percent, the European Union 49.9 percent, and Spain 35.1 percent. The index takes into account a number of variables, including higher total expenditure per student at all levels of education in the USA than in the European Union and Spain. This also manifests itself in a higher drop-out rate and a lower survival rate in tertiary education in Spain (9.22 percent and 67.91 percent respectively) than in the European Union as a whole (4.42 percent and 83.47 percent); Italy is the only country with worse rates than Spain (10.86 percent and 63.13 percent).  

11 C. Martín (ed.), *Capital humano y bienestar económico: la necesaria apuesta de España por la educación de calidad* (Madrid: Círculo de Empresarios, 2000).

12 All of these figures are taken from C. Martín (ed.), *Capital humano y bienestar económico* (see note 12). Specifically, data on education expenditure are set out in Graph 4.2 (p 169) and Table 4.2 (p 188); enrolment rates and the Human Capital Index are in Graph 3.1 (p 167) and Appendix 2, where there are also some indices; and drop-out and survival rates are in Table 4.3 (p 189). The drop-out rate is defined as the percentage of pupils who enrol in a year, do not complete their studies, and do not enrol the following year. The survival rate is the percentage of pupils who enrol and complete their studies.
The absence of a European education system, and particularly of a university system that links up with the R-and-D system, is hindering a way of training the workforce that sets human capital standards as high as those in the United States. We also have a structural qualifications deficit caused by the education system itself, which in turn cannot be replaced or complemented by training measures similar to those proposed in the European Employment Strategy and, therefore, in National Employment Plans. This is particularly serious for countries such as Spain where hyper-development in university education contrasts with under-development in vocational training. Vocational training programmes – and the varied collection of employment integration measures that embrace a wide range of employment and training – are, for the most part, palliatives trying to make up for shortcomings in the training of people who have entered the labour market, whether employed or not, without the necessary preparation. As these shortcomings are very common, even among people who have university degrees, it is hardly surprising that there should be a proliferation of courses outside the education system: FORCEM continuing training, training contracts, practical experience contracts, workshops and ‘job centres’, courses linked to the Plan de Formación e Inserción Profesional (‘Plan FIP’ – Training and Employment Integration Plan), courses and initiatives in social work run by local not-for-profit bodies and institutions, recruitment incentives given to employers, and ideas such as ‘new job springboards’ and ‘social employment plans’. All of these vocational training courses and programmes play an ambiguous social role that is hard to monitor and evaluate, covering areas that should already have been dealt with, and complementing basic knowledge and attitudes that should have been acquired in the education system and in the workplace. It is by no means clear that they can remedy shortcomings in technical and cultural knowledge that flow from structural defects in the education system, or that they are able to substitute for the role played by the education system in continuing training and vocational re-training.

The problems in the education system are largely shared by other European countries, but what is particularly striking is the low profile of higher, non-university training, and medium and higher vocational training.\textsuperscript{14} The education system argues that only failures and the maladjusted should enter employment at the age of 16 or 17, and proposes helping them to make up for their training deficits through special ‘social guarantee’ courses and programmes designed to enable them to obtain diplomas.\textsuperscript{15} Basic vocational training, euphemistically known as ‘middle-grade training cycles’, is only attended by school ‘failures’ aged over 18, and by people who usually, for one reason or another, come from poor family backgrounds, and do not complete their Bachillerato.

People who escape the stigma of working and undergoing vocational training, and actually pass the Bachillerato, may then choose from among the ‘higher-grade training cycles’; they may join these directly or go to university, as long as they pass the entrance examination. More recently, 18–19-year-olds have been given ‘another bite at the cherry’ if they fail school or find themselves in a difficult family situation that forces them to drop out of university. This continues to be seen as the panacea for social progress, notwithstanding the widespread proliferation of university degrees with vocational connotations.

That completes the construction of the inverted pyramid that defines the Spanish education system: at the top, a large number of students with higher or long-cycle university degrees, who are quite old, yet have no professional experience, and have a high rate of failures and drop-outs; just below them, a significantly smaller number of graduates with middle-rank or short-cycle degrees who often want to obtain better qualifications; lower down, an even smaller number of students on ‘higher-grade training cycles’ whose certification does not give them direct access to the

\textsuperscript{14} L. Fina, ‘Plan de acción para el empleo: España, Bélgica y Holanda’, in Políticas de empleo en la Unión Europea: Presente y Futuro (Vitoria: Federación de Cajas de Ahorro Vasco-Navarras, 1999).

\textsuperscript{15} CEDEFOP-ESIN Consultants, El sistema de formación profesional en España (Luxembourg: Office for Official Publications of the European Communities, 2000).
university system; and lastly, the narrow base of the pyramid made up of those who undergo basic vocational training, and ‘failures’ who enter employment at a younger age and are supported by ‘social guarantee’ programmes. This consolidates the common view of early employment (before the age of 20), and of involvement in vocational training as the result of social failure in contrast to the more ‘respectable and legitimate’ extension of one’s studies.

This explains why 15.4 percent of Spaniards aged 20–29 are in higher education, four points above the European average of 11.65 percent, and why Spain has a higher percentage of people aged 30–34 with higher degrees (25 percent), almost five points above the average for the European Union.16 Although there are no comparative figures for other countries, enlargement at university level will encourage a high rate of academic failure with numerous drop-outs, transfers between degree courses, extending the number of years, and often a lower technical, cultural level, together with even fewer links with the employment and social worlds.

The high levels of unemployment and temporary employment are combined with fierce social polarisation among young people themselves. In 1995, one in every four people aged 25–34 was unemployed, those with higher degrees accounting for a smaller percentage; of the employed, only 41 percent of those with higher diplomas were in professional or managerial jobs. In the 25–34 age-band, we have a minority of about 7 percent who have high-level jobs with relatively good salaries and job security; the remainder (25 percent) are unemployed, or do low-skilled jobs on low wages and with little job security.17

Significantly, unemployment rates in Spain compared with the EU average rise in line with level of education: in 1993, this accounted for 170.6 percent

---

16 Author’s research based on data taken from European Commission, Cifras clave de la educación en la Unión Europea (Luxembourg: Office for Publications of the European Communities, 1997). The figures refer to 1995.

in compulsory education, 219.6 percent in secondary, and 230.4 percent in tertiary; in 1997, these rates were 159.2 percent, 210 percent, and 234.4 percent. The problem is clearly getting worse, although it tends to be brushed under the carpet on the grounds that there is less unemployment among university graduates than among those with lower levels of education. This is true, but the Spanish rate was 75.6 percent in 1997, compared with only 61.7 percent in the European Union (compared with 70.1 percent and 62.2 percent respectively in 1993).18 This is also reflected in pay by level of education. Annual salaries for 1995, measured in 1999 purchasing power parities, of those who completed regular compulsory education in Spain were around three-quarters (76 percent) of pay in the United States, and 58.8 percent of rates in the European Union. The same exercise using higher secondary education gives Spain two-thirds (65 percent) compared with the United States, and 60 percent in comparison with the European Union. As for tertiary education, it is barely half (56 percent) of the United States and EU figures.19 As we can see, university graduates have lower rates of unemployment and higher salaries in all countries, but compared with the European Union and the United States, Spanish graduates have relatively high rates of unemployment and they earn proportionately less that those with lower qualifications. These figures clearly illustrate the relative abundance of graduates in relation to non-graduates.

For vocational training to spread its wings and have the prestige it deserves, there needs to be a broad supply of non-university higher education, and the universities must not monopolise it. The separation of subjects with more vocational orientations from other university disciplines (the Bricall Report),20 and the setting up of a European university

---

18 These figures are taken from the Eurostat Labour Force Survey.
19 These figures have been calculated on the basis of data in OECD, Education at a Glance, and Eurostat, Statistics in Focus 8 (1998).
system (the Bologna Declaration), were the first steps in constructing a space for vocational training. Once vocational training is generally regarded as a respectable option, we can address the installation of a new vocational training linked to the definition of the Sistema Nacional de Cualificaciones Profesionales (National System of Professional Qualifications). In the meantime, we must make it clear that the absence of a European university system which, like that in the United States, has a system of ranking universities that enables students to choose and move around, is a serious handicap for the whole of the European Union. It is not just that education expenditure has not managed to train a workforce with a sufficiently broad range of well certificated skills; it also places obstacles in the way of an R-and-D system more closely linked to the productive system and the development of an innovation culture. Having a university degree is less effective in shielding the holder from unemployment or under-employment in Spain than in other EU countries, and even less so by comparison with the United States; this is yet another symptom of its relative abundance.

When we come to consider the involvement of the social partners in youth employment policies, we shall see the impact it has had; first, however, we shall look at problems relating to labour demand.

5. Labour demand and the production system

In the book containing all interventions at the May 1999 seminar on youth employment policies sponsored by the European Trade Union Institute and the Friedrich Ebert Foundation, and in the summary at the beginning of the same publication, questions are asked about the link between

---

23 A. Serrano (ed.), Tackling youth unemployment in Europe. Monitoring the European employment strategy (Brussels: European Trade Union Institute); see also A. Serrano, ‘The role of social and civil partnership networks in combating youth unemployment: bridging the gap between the European and the local level’, in this volume.
technological change and the need for skills. Without a doubt, the problem does not lie either exclusively or mainly in the labour force supply and its characteristics, but in demand. Numerous studies have shown that the employment generation capacity of Europe (measured in terms of an increase in employment) is lower than that of the USA.\textsuperscript{24} The same thing has been observed in comparisons between Spain and the European Union as a whole.\textsuperscript{25} Back in 1960–1975, before the crisis ushered in persistently high rates of unemployment, studies by the Ebert Foundation and the Instituto Nacional de la Industria (National Industry Institute) showed that Spain had little employment creation capacity, and that this was largely due to its technological dependency.\textsuperscript{26}

The relationships between growth, technological change, and employment are very complex, and have received considerable attention in the economics literature,\textsuperscript{27} but we may proceed on the basis that an economy’s growth and employment generation capacity are closely related to its production structure or specialisation, and to the degree of innovation or potential for endogenous development. Economies that specialise in less dynamic activities from the point of view of technology and growth in

\textsuperscript{24} See, for example, OECD reports, \textit{Perspectivas de empleo} (Madrid: Ministry of Labour and Social Security, various years), and also \textit{Employment in Europe} (Luxembourg: European Commission, various years).


\textsuperscript{27} A good summary is to be found in P. Sánchez, \textit{Los efectos del desarrollo tecnológico sobre el empleo} (Madrid: Ediciones Encuentro, 1997).
demand tend to grow less, or at least tend to create less employment. If their growth mainly depends on the installation of high-level technology through importing goods with a large technology component, and outward payments for patents and technological services, the relationship of employment generation to growth in GDP falls below that of economies with a high capacity for innovation.  

This appears to be the case as far as the Spanish economy is concerned. The opening to the outside world and the liberalisation of markets has forced many Spanish enterprises to be more competitive. However, this process has largely relied on importing capital and technology, and no parallel attempt has been made to acquire innovation capacity. The shortcomings in the education system that were highlighted in the last section have made the assimilation, technological dissemination, and effectiveness of R-and-D expenditure very difficult. Even more important has been the weakness of the innovation culture in Spanish society, a society weighed down by many years of protectionism, state intervention, and relative isolation. The opportunities created by gradual liberalisation and integration into the European Union have been exploited mainly by the more dynamic companies to obtain power in the market; the foundation of the productive system, which is made up of myriad small and medium-size enterprises, has been unable to make satisfactory use of these opportunities, however. This requires a more decisive attempt to improve the capacity of innovation through more active industry and technology policies.  

---

28. Machovec makes this point well when he says that ‘from a neoclassical perspective, technology transfer is a legitimate route to higher GDP . . . However, without competitive institutions to diffuse new methods and to guide adaptation to change, imported technology will be a costly mistake’ (P. M. Machovec, Perfect competition and the transformation of economics [London–New York: Routledge, 1995], p. 280).

Because of their microeconomic nature, these policies must, by definition, be implemented in a sectorally and geographically decentralised way. However, there needs to be a strategy for the whole of the European Union if these policies are going to be effective in the market. By analogy with what was said about the education system, and particularly the university sector, there is no Europe-wide R-and-D system and no Europe-wide strategy for industry and technology policy, as there is in the United States and Japan.

Markets in the European Union are still not well integrated. The various Member States have their laws, institutions, and restrictive practices, but often – and certainly in the case of Spain – political–administrative decentralisation makes matters worse. The absence of Europe-wide industry and technology policies encourages the proliferation of local, clientalist practices, but simultaneous attempts by the Spanish government at national, Autonomous Community, and local authority level to increase employment through investment and incentives to innovate (but avoiding direct employment subsidies) have not been terribly successful. The problem lies not only in a lack of coordination and administrative efficiency in implementing the measures, or in the content or general direction, but also in a political and social dynamic where, given the absence of a policy encouraging cohesion of the social and productive fabric, one may permit oneself the luxury of spending more but with relatively less effectiveness. The necessary decentralisation and greater involvement of the social partners often dissolves into local interests and ineffective, short-term measures.

The main aim of industry and technology policy is to help improve the base of the productive system, which is composed of small and medium-size enterprises. It is vitally important not to box such enterprises in with aid and subsidies, but instead to guarantee effective competitiveness in all markets, to encourage the joint appearance of collaboration and research networks linking these enterprises, and to defend the transparency and functioning of the rules of the game in such a way that there are better opportunities for all. Other major steps have included the setting up of
‘help desks’, the opening of technology centres and parks, and the linking of subsidies and aid to innovation projects and activities. However, in this field, there is always the danger that information, regional and local technology centres, and the aid and subsidy network will have excessively local targets, which can generate clientelist structures. Information must flow in all directions, and efforts must be made to ensure that there is no pointless proliferation of analogous (and often spurious) investigations in different areas of a given country and in the European Union as a whole.

A very simplistic view of competition is hindering progress in this direction in most markets. Liberalisation is confused with the absence of rules, but in fact, to ensure that markets function – and do so as efficiently as possible – liberalisation requires the establishment of clear, transparent regulations, the prioritisation of research and technological development on the basis of the needs of enterprises and consumers, and a functioning Europe-wide policy to protect skills. The need for social and economic cohesion not only meets a legitimate social aspiration for greater equality and more stable development, but also is essential if markets are to function effectively.

There is, however, a structural deficiency in the European Union associated with its own productive system, and which retards the demand for labour. Unemployment is not primarily a labour-market problem, despite frequent protestations and calls for increased flexibility. It is clear that rigidities in the labour market can to some extent reproduce and broaden the inefficiencies of substantive markets (that is, goods and services), but it will be impossible to eradicate these rigidities and reform the labour market unless active policies are introduced to increase competitiveness on product markets. The improved structure and content of collective bargaining – the principal way in which the trade unions can affect the restructuring of enterprises and markets – is one of the keys to a greater capacity for employment generation.
6. The social partners’ involvement in employment policy

The social partners are involved in National Employment Plans based on European Directives in two ways: (i) the social legitimisation of the Plans, and (ii) making them effective (because of their microeconomic qualities, they have to be implemented in a decentralised manner). The social partners consciously or unconsciously accept this legitimising role mainly in exchange for winning (or hanging onto) a share of social power. The meaning and scope of these plans is not questioned, and when they are criticised, this does not imply a refusal to take part in implementation, or an attempt to alter the objectives or undermine the effectiveness of the measures. When all is said and done, the social partners do not have an alternative to the employment policy of the European Union and of national governments. We also need to ask ourselves about the extent to which an alternative might be expected or even demanded from the social partners. At the same time, in Western democracies perhaps political parties are the only institutions capable of asserting the opinions and social involvement of all citizens.30 On the one hand, notwithstanding the high profile of the European Trade Union Confederation (ETUC), the trade unions are fettered by numerous limitations and are unable to articulate a Europe-wide alternative; on the other hand, non-governmental organisations and other not-for-profit organisations represent a densely populated constellation of micro-organisations with very varied objectives and structures, and are incapable of overcoming their dispersion alone.

The main difficulty arises when we see how European Directives have redefined the issue of unemployment, and therefore that of employment policy: the emphasis on the development of a flexible, liberalised labour market has given way to a more complex conception that sees training and the promotion of innovation as boosting employment creation. However,

---

30 This wide-ranging theoretical issue is essential to a discussion of the social partners’ involvement, but it falls outside the remit of this book. For more information, see the publications referred to in note 1. We are addressing a problem that impacts on the basic meaning of the word ‘democracy’. In other words, what does ‘democratisation’ mean?
this shrewd move has not been accompanied by a diagnosis of the situation of the education system or of the productive and R-and-D systems in order to establish a Europe-wide strategy in these areas. The distortions that current national systems introduce into the structure and quality of labour-force training cannot be corrected or compensated for by the vast range of training packages contained in the National Employment Plans. A similar comment may also be made concerning the measures dealing with labour-force demand; this is mostly linked to the second pillar of the European Directives, which refers to ‘developing entrepreneurship’. The competitive weakness of the European productive system, and the absence of policies promoting and defending competition at European level, are the reasons behind a limited capacity for employment generation. It cannot be tackled by voluntarist actions based on local innovation subsidies and incentives to respond to unmet needs and make better use of local schemes (for example, ‘job springboards’ and ‘social and local employment initiatives’).

The absence of any form of hierarchising EU-wide objectives and measures means that practices that have proved to be negative are not eliminated, or that their greater or lesser usefulness and effectiveness is not identified. Decentralisation and increased involvement on the part of the social partners often result in more or less demagogic actions on the part of regional and local authorities, most of them supported by social organisations which, at best, try to deal with a number of collateral issues that prove to be unacceptably disturbing, and which can even set in motion uncontrolled social reactions. The key problems informing employment policy are the absence of a European education policy viewed from a labour-force-supply perspective, and of an industry and technology policy that contributes to the setting up of an R-and-D system, and to the correction of structural defects in markets throughout the EU from an employment-demand-and-generation perspective. However, the involvement of social agents in employment plans that do not address these issues is pointless.

It is clearly not the job of the unions and non-governmental organisations to define a Europe-wide education and R-and-D system. Otherwise,
though, the involvement of the social partners, particularly the trade unions, in training and vocational re-training policies – and in the technological and organisational restructuring of enterprises and productive sectors – is, at best, purely defensive. They frequently fall into clientelism and a simple struggle to control the management of funds earmarked for these purposes. For the most part, collective bargaining confines itself to pay rises and seeks to take advantage of the ability of this or that company to find the money. Instead of trade union action aimed at improving the training and professionalisation of all workers, and multi-level (that is, territorial and job-related) collective bargaining focusing on key markets, what we have is an opportunistic use of the structural funds intended for vocational training and employment integration, and a system of collective bargaining that simply reproduces corporate schemes.

In Spain, as in the south of Italy, and generally in the traditionally less developed areas of the current European Union, the problems of unemployment and labour-force insertion are more acute, and show up major weaknesses in those countries’ systems of production and education. It is not a matter of a failure to participate or decentralisation, as there has usually been widespread social participation, with particular involvement on the part of trade unions and employers’ associations: indeed, this was written into the aforementioned pacts, and into employment encouragement measures in Autonomous Communities and local authorities.\(^{31}\) Many of these plans and measures have been aimed directly at young people, and implemented and developed by a variety of youth and other social organisations, most of them not-for-profit.

The political and social mobilisation that resulted in the European Directives that flowed from the Luxembourg Summit has triggered a degree of positive reaction. The active, microeconomic nature of the employment measures has sharpened in response to the excessive drift towards passive, macroeconomic measures, and this has inevitably resulted in greater political and social participation as the active, microeconomic

---

31 J. Aragón et al., Pactos y medidas de fomento del empleo, op. cit.
measures had, by definition, to be implemented at a disaggregated level both sectorally and territorially. However, there is evidence of an imbalance between territorial and sectoral decentralisation, and between the roles of traditional social agents and new-style social organisations. Territorial decentralisation has become generalised, but it has not been balanced by the appearance of sectoral plans. The trade unions and employers’ associations continue to play a very important political role that goes beyond their representativeness and their capacity for social linkage.32

When there are neither truly competitive markets nor policies governing them, social participation in employment policy frequently turns into the opposite of what it set out to be. The trade unions and the employers’ associations are trying to take advantage of incentives to employment in order to consolidate benefits and privileges, or else to achieve the social legitimation that they do not have in their own domains. Instead of promoting more competition in the markets and encouraging the development of a highly skilled workforce, they have adopted defensive positions with regard to jobs and purchasing power; however, protection is only available for those who have achieved a degree of job security. The trade unions have restricted themselves to seeking measures to provide social protection and the employers have tried to cut labour costs when the core of the problem is elsewhere. Trade union critics of the employment plans put forward by the Spanish government only say that nothing has been done to reduce working time and increase unemployment benefits. The employers complain that their demand for an across-the-board cut in social security contributions has been ignored.33

Unfortunately, nobody is arguing for an industry and technology policy that will develop the capacity for innovation and set up networks which

promote research and technological development activities. That would require not only a long-term commitment and a huge effort on the part of the employers and the trade unions through their most representative organisations to support and nurture these measures, but also a more general mobilisation on the part of society as a whole, involving the definition of general criteria for dealing with basic problems at European level, irrespective of whether they are subsequently implemented at national, regional, or local level.\textsuperscript{34} The basic problem comes back to coordination, and not just at a purely administrative level, but also at the political and social levels. It is not so much a matter of superimposed actions soaking up resources earmarked for vocational training and insertion, as of the existence of structural problems that decentralisation and the participation of the social partners do not correct of themselves (in fact, they sometimes makes them worse).

Most problems have got worse over the last few years; for example, the inverted pyramid of higher training, with its basis of diplomas (middle-level, strictly vocational, and slightly broader than long-cycle university courses), has got bigger. There is a growing symmetry between a social and productive system that requires initiative and mobility, and a family, entrepreneurial, and institutional environment that encourages young people to be passive and immobile. The transmission of technical and vocational skills is steadily taking over from that of methodological and attitudinal skills.\textsuperscript{35} An awareness of technological weakness and relative backwardness in new information technology has led to massive investment in IT infrastructures and networks, and generally underlines the paramount importance of technology. But it has been forgotten that technological progress relies on basic research, and that the assimilation and dissemination of technology is more of a methodological and attitudinal problem than one of simple technical knowledge.

\textsuperscript{34} Cachón and Palacio, ‘La política de empleo en España’, op cit.

\textsuperscript{35} See A. Serrano, ‘The role of social and civil partnership networks in combating youth unemployment: bridging the gap between the European and the local level’, in this volume.
7. Conclusions. The role of social organisations and the state in the vocational training and insertion of young people

Employment, particularly youth employment, depends fundamentally on the innovation capacity and openness of the economy, and on the flexibility and linkage of the training system. Spain has a low level of home-grown innovation and a weakly structured education system with little capacity for meeting the needs of a changing productive environment. There can be no other reason why Spain should have the highest unemployment and temporary employment rates in the European Union, and why significant polarisation should already be taking place among young people: a minority get high-responsibility, secure, well paid jobs, while the majority remain out of work for long periods, or else frequently change jobs, moving from one sphere of activity to another, and so have fewer opportunities to obtain qualifications and socio-professional promotion. The involvement of the social actors is limited to mitigating the more negative effects of the situation, and there is no social pressure for real social change as regards markets and the education system.

The absence of an industry and technology policy, and of a Europe-wide system of vocational training and insertion, decisively informs national employment policies, which themselves have recently been watered down into poorly structured measures. In Spain, as in other less developed parts of the European Union, an attempt is being made to compensate for a low level of competitiveness on the markets and an education system that has serious basic defects – and is in the form of an inverted pyramid (a large number of long-cycle, higher graduates and a small number of technical and professional graduates) – in order to enable young people to find work and acquire skills through a wide range of measures. The fact that these measures have been quite incapable of dealing with the structural defects of the production system and of vocational training has led to a proliferation of local corporatist interests that use the crossover points of employment policy to shore up their enterprises and extract a modicum of social legitimation and political influence.
Educational and family environments in Spain encourage young people to be passive and immobile. There is a large number of university centres, but nothing remotely in the way of a national-level higher education system, and this means that most 18–24-year-olds study at the nearest university to their parental home and at their parents’ expense. On the one hand, there is no non-university (or, to be precise, vocational) higher education, and very little competition between universities, resulting in an inevitable decline in the quality of teaching and the production of a labour force with inappropriate skills and levels of education. University graduates occupy the high-responsibility, skilled jobs, but also the middle-ranking jobs that could be taken by technical and professional staff who do not need degrees. The demand for highly skilled and less skilled professionals with the appropriate vocational training is barely met and, faced with such difficulties, many small and medium-size enterprises are readily inclined to abandon any attempts to modernise. Growing illegal immigration is encouraging this trend with immigrants agreeing to work in sub-human conditions, and with no way of accessing the training measures set out in employment plans.

This situation is transferred to the labour environment in the form of higher unemployment and poorer working conditions. This is where the trade unions and employers’ associations come into their own, though they sometimes also want to, or have to, fill voids left by other organisations, such as professional, neighbourhood, student and youth associations, cultural centres, and other voluntary bodies. The weakness of the social fabric and of state policy at European level is giving the trade unions a quasi-monopoly over socio-political action; in contrast to this, it would be better to consolidate ‘civil society’, establishing a richer politico-institutional framework in which the unions would have to do more to keep their social hegemony.36

The state administration is formulating policies that tend towards what some writers call ‘plane curve optimisation’: that is to say, measures are

36 Some of these issues are addressed in Robert Michels, Las partidos políticos: un estudio sociológico de las tendencias oligárquicas de la democracia moderna (Buenos Aires: Amorrortu, 1969).
being adopted that improve a given accepted practice, in contrast to questioning the practice, with the possible result that the objectives and means of social intervention are reformulated. This is nothing more than a manifestation of the well known phenomenon of transition from the legislative state to the administrative state, which relegates parliament – and therefore all political and social action – to a subsidiary, ‘compensatory’ role.37

Translated from the Spanish by Michael Cunningham

Partnerships in French youth employment policy

Florence Lefresne

1. Introduction

Given their size,¹ public policy measures have contributed to a considerable degree to remodelling the standards for integrating young people in France into the world of work. The status granted to the young person (trainee or salaried worker), the nature of the employment contract (individual or standard for the whole of the working population), the duration of the contract (permanent or time-limited), how the training is defined (place of exercise, degree to which it is codified, and so on), whether it is given in and for the private or public domain, and whether under a measure that targets all unemployed young persons or a particularly defined sub-sector, are all criteria that go to define the ways in which young people are integrated into the world of work. These cannot be reduced to a series of technical structures or legal arrangements: *they are the outcome of processes of negotiation, agreements, or conflicts which are inherent in the heterogeneous strategies of the players involved.* This means that integration schemes reflect not only the diagnosis of the public authorities as to the nature of the obstacles to youth employment, but also the relations between these authorities and other players.

This system of players has become particularly complex. The first intervening parties at the central level are the public authorities, with schemes aimed at varying ends (improving young people’s ability to acquire and hold down jobs,² reducing unemployment, training, and so on), and at dif-

---

1 900,000 young people, or the equivalent of one year's population increase, are involved in employment policy measures. One young person in three in work under the age of 25 is employed under an into-work integration scheme. More than half of all young people who do not have the general *baccalauréat* enter an into-work scheme at least once during the six years following the end of their initial training.

2 It is important to note that the French authorities refuse to talk of ‘employability’. For a discussion of this point, see Lefresne (1999a).

Enhancing youth employability through social and civil partnership
ferent social players, each with its own specific interests. France occupies a midway position between a model in which the rules of integration into working life are set unilaterally by the state, and a model in which they are produced jointly by the social players. In this country public policy works essentially through incentives (part one), seeking to promote, though without ever succeeding, a form of negotiated integration through alternance (mixed work/training) to which the social partners are officially invited but in which their activity is in fact pretty weak (part two). But a complex game can also be observed between players within the public authorities, which are subject to a double movement of deconcentration and decentralisation. The result is an often ambiguous sharing of responsibilities for building local partnerships, on which, however, the success of an employment strategy depends (part three). Finally, these partnerships are heavily solicited for the purpose of implementing measures aimed at exploring new employment possibilities in the non-market sector (part four).

2. **A theoretical framework: work integration models and forms of public intervention**

Extending the approach taken by Garonna and Ryan (1989), we suggest a theoretical distinction between four ways in which a group of persons can be integrated in the labour market, based on different forms of intervention by the public authorities (Gautié and Lefresne 1997):

- *regulated integration*, that is, by means of regulations issued by the public authorities. One instance is the quota systems that are imposed for employing disabled persons in many countries;

- *negotiated integration* is illustrated by the German apprenticeship system. Based on a set of complex regulations (social and institutional), it is managed primarily by the social partners (employees’ and employers’ associations) and representatives of the Länder,

- *incentive-based integration* refers to all incentive-based schemes, primarily financial, introduced by the public authorities in order to promote employment and/or training, and in so doing, to integrate a particular target group in the labour market;
Table 1  Professional integration models

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Public</th>
<th>Joint</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentive</td>
<td>Regulated integration</td>
<td>Forced integration</td>
<td>Negotiated integration</td>
</tr>
<tr>
<td></td>
<td>Incentive-based integration</td>
<td>Sheltered integration</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Competitive integration</td>
</tr>
</tbody>
</table>

Source: Lefresne (1999a).

- competitive insertion covers the situation where the integration in the labour market of different groups is secured purely by the play of commercial regulations, in particular as regards salary flexibility.

This typology (see Table 1) is based implicitly on two dimensions. The first of these is the way in which integration is regulated, with three theoretical types: (i) unilateral definition of the rules by the public authorities, (ii) joint regulation by the public authorities and the social partners, and (iii) direct regulation by the market. The second dimension is the nature of the rules issued by the public authorities: regulations or incentive-based.

A number of employment policy developments are leading us to add to this typology the model of forced insertion, corresponding to a specific and radical form of regulation: the granting of unemployment benefit, or simply the right to sign on as unemployed, are subject to (re)entering work (workfare) or participation in training programmes (trainingfare). Forced integration differs from regulated insertion in that whereas in the first case the burden of the constraint falls on the young person, in the second case it falls on the employer.

On the other hand, in the incentive-based insertion model, very different configurations can arise depending on an employer’s position on the labour market. We distinguish in particular the model of sheltered integration, which falls into the category of offering incentives to encourage employ-
ers to recruit, but in the non-market sector, where the constraints linked to recruitment are by nature significantly different from those in the market sector. By definition, public authority intervention and control are more direct in this sector, as is expressed in particular by a more countercyclical use of these measures.

In this type of integration, employment policy intervenes directly at the levels of regulated (and forced) integration and of incentive-based (and sheltered) integration. However, the public authorities may also seek to promote the two other forms of insertion: competitive integration, by encouraging direct adjustments by the external market, or negotiated integration, by opting for negotiation between social partners.

Incentive-based integration consists of making it easier for particular groups to access employment by improving their competitive position compared with non-beneficiary groups and/or stimulating recourse to vocational training by offering financial incentives (action on the waiting line). The regulation of this type of integration can be undertaken by the public authorities (the major part of French measures) or can involve the social partners (as is the case for the French alternance measures deriving from the 1983 interprofessional accord; see below).

In France, incentive-based integration is based on various kinds of financial incentive. ‘Pure’ subsidies have taken the form, first and foremost, of exonerations from social security contributions, and, more rarely, of recruitment premiums. Authorisation to pay less than the minimum wage (SMIC) has been reserved for alternance training measures, in return for effective training. We should observe that incentive-based integration is characterised here by an underlying logic of compensation: the public authorities provide financial compensation for the presumed gap between young people’s productivity and their salaries, and pick up the training costs where the existence of the SMIC makes this impossible. Such compensation can be permanent, for example in the case of disabled persons. In the case of young people, it is presumed to cover a temporary stage in the individual employee’s career, on the assumption that the gap diminishes as human capital is accumulated, financed – at least in part – by public financial assistance.
On the other hand, an employment policy which, using the same type of instruments, seeks to promote competitive integration, tries to raise flexibility through purely market adjustments. The compensation approach and the ‘flexibilisation’ approach are in fact based on two different representations of the labour market. In the first case, financial incentives for companies and for any training activities are presumed to compensate individual handicaps, whilst maintaining a reference to the agreed salary standards on the labour market. In the second case, the accent is less on targeting and more on encouraging adjustments directly via salary levels.

Employment policy in France has, since 1983, the year of the inter-professional accord giving birth to alternance systems, been marked by increased reference to negotiated integration and by a reduction of incentive-based integration (with the exception of the young people’s CIE; there are no longer any ‘young people’s’ schemes based on purely financial incentives to recruitment). Parallel with this, the growing importance within overall employment policy of general measures to reduce the cost of employing people in the lower salary bracket falls more under the competitive model.

---

3 The agreement provides for three systems: (i) the Qualification Contract, giving young people aged between 18 and 25 the possibility of acquiring or completing vocational training over a period of between six months and two years (with training taking up at least one-quarter of the total time). Remuneration of between 17 and 75 percent of the minimum wage (SMIC) is paid by the enterprise; (ii) the Adaptation Contract, aimed at improving young people’s ability to hold a particular type of job or employed work in general, and under which the amount of time spent training is relatively limited, with the young person paid 80 percent of the SMIC; and the SVIP (Stage d’introduction à la vie professionnelle – work introduction placement), aimed at giving young people aged 16 to 22 an experience of professional life; (iii) the half-time placement, lasting three to six months, and paid roughly half the SMIC wage and not including training. This particular scheme was terminated at the end of the 1980s.

4 The Employment Initiative Contract, initially reserved for the long-term unemployed, was extended in August 1996 to young people, and falls into this series of financial schemes to assist recruitment (exemption from employers’ social charges and lump-sum premium). There is no training counterpart. Some 80,000 young people are involved.
How do we explain the fact, in France, that this reference to negotiation has never led to a system of negotiated integration into working life?

3. The limited role of the social partners

The 1983 accord, without any doubt, constitutes the apogee of the effort to involve the social partners. On the one hand, the fact that these schemes (with the exception of one of them, see note 3) still exist 17 years later points to their strong legitimacy. On the other hand, the inability of the social partners to define clear rules for alternance can be interpreted as a relative failure despite growing use of these schemes by companies, welcomed as a cheap source of labour (180,000 young people were involved in alternance schemes – not counting apprenticeships – in 1999).

The differing positions of the social players

The concept of alternance training has been marked by major divergences – at least until recently – between employers’ organisations and employees’ representative bodies, and also within the latter, and in particular between the CGT and the CFDT. At the risk of schematising positions that have evolved over time, the CFDT is seeking to promote a form of alternance that makes at least implicit reference to the German model. The argumentation here seeks to combine elements of realism with a normative discourse on conditions for success, the key to which lies in the mobilisation of players. The CGT, for its part, is reticent concerning existing alternance training contracts.5 It denounces a narrow approach to preparing workers for the workplace which is founded essentially on acquiring know-how that is devoid of conceptual content and on the strong financial benefits for companies that have little interest in training and which are inclined to develop temporary, unstable contracts. The CGT’s intervention in this field is marked by a high degree of prudence and calls for guarantees on the amount of training provided outside the enterprise and the conversion of time-limited into permanent contracts.

5 Although it took part in negotiating the 1983 inter-professional accord, the CGT did not sign it, in protest against the adopting of the SIVPs, which were largely imposed by the CNPF (French employers’ association).
Partnerships in French youth employment policy

As part of a process of reflection which has been going on since the 1971 law on continuing training, the CNPF (National French Employers’ Federation), now MEDEF (Movement of French Enterprises), is seeking to encourage, both inside and outside enterprises, a search for ways to create out-of-school training policies. The project of creating veritable alternance vocational training structures for young people which could potentially compete with schools served for a long time as a reference point for employers’ positions in the negotiations surrounding alternance.

At the same time, the CNPF has always sought in collective bargaining to limit the codified element of training, in particular where it takes place outside the enterprise. At the time of the 1983 inter-professional accord, the employers proposed, for example, the Adaptation Contracts and the SIVP, which do not contain any obligation for training outside the enterprise. In addition, the absence of any evaluation of the real content of the transfer of knowledge that is supposed to take place during the period of training, in particular at the workplace, and of the effective role of the ‘tutors’ and of the link between training outside the enterprise and the work post, all raise questions as to whether or how much of this purported training really takes place. All in all, this desire to dodge round a series of rules governing alternance, and to preserve (at least outside the apprenticeship system) a very flexible framework, can lead to a purely market-oriented approach, to the detriment of other directions of alternance.

When all is said and done, the models of integration into the world of work promoted by the different social players refer back to very varied, if not opposing, views of the world. These deep-seated divergences are clearly reflected in the difficulties experienced by the public authorities in promoting a coherent and stable alternance model, despite the recurrent incantation of demands for a mobilisation of the ‘social partners’ and the

---

6 For example, a network of training associations was set up in 1972, under its control, tasked with providing information to and sensitising businesses, and with managing continuing training activities. In each département an enterprise employment delegate was appointed in order to inform heads of enterprise about current alternance schemes.
introduction of a joint management of alternance structures. It is not impossible that these divergences explain, at least in part, a ‘resignation’ on the part of the powers-that-be, and their admission of their continuing political and technical inability to undertake more complex negotiations with enterprises on the way they manage employment. Some would see this fatalism in references to the ‘citizen enterprise’, in an ultimate recourse to a sense of civil responsibility, not governed by any need to achieve a balance between public regulation and the laws of the market. But is anything being put in place to go beyond mere discourse? The Danish example shows that such ‘enterprise citizenship’ can come into being only in a true economy of rights and duties which involves every actor, particularly at the local level, and gives rise to a contract (‘handling plans’) which places responsibility with the individual and thus guarantees his or her autonomy. Rosdahl (2000) thus speaks of the ‘social responsibility of the enterprise’.

Consequences: the weakness of the alternance rules

The impossibility of introducing a negotiated model of alternance is reflected in the public authorities’ weak powers of negotiation with enterprises. This quasi-absence of negotiations leads the programme to misfire in two ways that are regularly denounced:

- The continuing and massive rise in the existing training levels of beneficiaries of the qualification and adaptation contracts (48 percent of the beneficiaries of the latter measure in 1999 had a level of at least baccalauréat + 2). Whereas one of the initial justifications of these alternance systems was to introduce training systems which provided alternatives to the school system for young people often experiencing difficulty with schooling, the programme is addressed today to ever better trained young people and is playing, in the best cases, the role of complement to initial vocational training, giving young people a safe and protected first step into the internal enterprise market. In other cases, it increases companies’ external flexibility.

- The lack of attention to training content is a clear demonstration that these measures have sought to respond to the needs of enterprises and have forsaken the objective of helping young people enter the
world of work. This is very different to the German dual system in which training content is the subject of consultation, negotiation, and strict codification. (Möbus 1996)

France too has an apprenticeship system which is expanding (228,000 contracts a year), but in which the social partners are not involved to a great extent, except to collect and manage the financing funds, which pass through the joint sectoral employer–employee bodies.

In other words, it is an inability to introduce a model of negotiated integration that has led France to take the path of incentive-based integration into working life. The promotion of a more competitive approach appears in part to be strengthened by recent developments in employment policy as a whole. A focus on particular job-seeker categories (young people, the less qualified, the long-term unemployed, and so on) has in fact given way since the early 1990s to more generalist interventions with an emphasis on reducing the cost of labour (Daniel 1998). Article one of the December 1993 Five-Year Employment Act ratifies this development by strengthening measures to lower social security contributions for workers with pay close to the SMIC. In other words, the question arises in the longer term of what public measures should be used to combat the natural selectivity of the labour market in a situation in which options are based more on flexibilisation, generalised to a large number of salaried workers.

As the decentralisation of the vocational training of young people gets under way, a need is arising for reference points common to the various players (public players at national, regional, and local level, and economic and professional partners) in order to develop and coordinate regional training policies. An appraisal of this process shows that the Regional Councils intend, in most cases alone or in partnership with the National Education Authority, to constitute the recognised ‘pivot’ of regional training policies. At the same time, it highlights the practical difficulties of maintaining social dialogue on training and integration at the regional level. Employers’ representatives and, even more so, trade unions, have little opportunity to play an effective role within the regional advisory bodies. On the one hand, this role is too new and some confederations still
lack regional structures; on the other hand, French trade unions in many cases lack sufficient staff to be present in these bodies. In very many cases, direct cooperation exists between the public authorities and local employers’ associations, but without any participation of employees’ trade unions.

4. The complexity of the system of public players

State and regions: two players that are difficult to coordinate

Now that the 1993 Five-Year Act has come to an end, responsibility for training activities lies with the regions, and for actions to promote employment (and integration) with central government. But this border line is proving increasingly difficult to maintain. The distinction between the two fields of action is not at all clear for the constituencies in question. It is generally agreed that what these groups need is a single provision of services combining different types of activity in a long-term perspective. It is not possible to offer a coherent, coordinated set of activities when one’s remit runs to training only, and the regions’ role in training is leading them to demand that they be given responsibility for coordinating actions to promote integration into working life so as to be in a position to offer a consistent overall package.

Central government’s two leading programmes, Youth Jobs (Emplois-Jeunes – see below) and TRACE (see Box I) are based on initiatives by the central authorities. In both cases, the regions were not involved in designing these two programmes, the main partners in which are central government departments, municipalities, the assistance networks (local missions, PAIOs7) and into-work and local development associations, which are more dependent on central government and the municipalities than on the regions. The need for the regions to be involved in the training parts of these schemes therefore poses a problem and reveals tensions that are

---

7 The local missions and the PAIOs (assistance, information and guidance centres – Permanences d’Accueil, d’Information et d’Orientation) are public structures set up in 1992 which guide and help young people in difficulty by treating their problems at different levels (social, employment, housing, and so on) with the support of local partnerships (associations, enterprises, territorial groupings, and so forth).

276 Enhancing youth employability through social and civil partnership
often strong, with a number of regions refusing to commit themselves to an active role under the pretext of not having been involved in setting up these programmes in the first place.

**Delicate interaction between territorial levels**

The *decentralisation* of the legal responsibility for training to the regions is paralleled by another movement, that of a *deconcentration* in the management of into-work structures. The increasingly local management of these structures gives rise at times to difficult and conflict-laden arbitration between central government (deconcentrated employment services operating at *département* level) and the municipalities (elected territorial authorities), some of which are claiming a pivotal role in place of central government, in spite of having only limited legal responsibility for employment and integration into work.

The major institutional conflicts between these various levels are in many cases reinforced by a lack of resources. In most cases regions are forced to seek the help of central government personnel, that is, the Training-Job promoters or the assistance network (PAIOs, local missions), in order to support their initiatives and implement training programmes. This has resulted in multiple conflicts over a period of several years. Some regions are seeking to regain effective command of these actions by recruiting local agents across their territories.

Institutional conflicts exist even within those bodies which depend on central government. Assistance networks are faced with the strengthened role of two powerful public departments, the AFPA (Adult Vocational Training Agency – *Agence pour la formation professionnelle des adultes*) and the ANPE (National Employment Agency – *Agence nationale pour l’emploi*), whose authority, particularly regarding guidance and coordination of benefits, has been strengthened with the implementation of France’s National Action Plan for Employment (see Box 1).

France’s tradition of centralisation has probably introduced a high degree of inertia in taking account of the local level and in interaction between
Box 1  Offering a fresh start to young people and to out-of-work adults (guidelines 1 and 2)

The ‘Fresh Start’ (Nouveau départ) programme, begun in 1998, presents itself in the form of a personalised service of the ANPE (the implementing agency). It is directed primarily at young people aged under 25 in their first six months of unemployment (an estimated 500,000 people a year reach this 6-month level). Four types of activity are proposed, depending on the applicant’s profile: help in job-finding, access to training (taken care of by AFPA), personalised accompaniment by the same counsellor for three months, including a mutual commitment by the young person and the counsellor, and social assistance for young people in serious difficulties. The following resources and players are mobilised:

- the TRACE programme (see below), managed by the local missions and PAIOs;
- integration through economic activity via into-work enterprises and intermediary associations offering work contracts, often in conjunction with social assistance;
- social assistance from the département social services (central government).

In January 2000, 240,000 young people were enrolled in the programme, the results of which are appraised in two ways: the fall in long-term unemployment, and the solutions found four months after people have signed up. During 1999, the number of young people unemployed for more than 6 months fell by 19 percent. Four months after entering the programme, 6 percent are in training, 29 percent have returned to work or are working at least half-time, and 30.5 percent are still unemployed.

The TRACE programme, set up under the 1998 Anti-Exclusion Act, is addressed, preventively, to young people who are in danger of exclusion (without diplomas or professional qualifications, or with social, personal, or family disabilities). The objective of the programme is to enable them to access lasting employment in the form of an employment contract of over 6 months or an alternance training contract. The resources are continuous, personalised accompaniment for up to 18 months, subject to a commitment contract between the young person and the TRACE reference person. The local missions have a steering role, but have to rely on a network of local partners (economic, social, and institutional players). It is on this coordination that the success of the programme is supposed to depend.

From when it started until January 2000, 52,000 young people enrolled in the programme. Initial evaluations show that, 15 months after entering, 58 percent have a job or are in training, but that only 13 percent have left the programme with a stable job, and another 15 percent are waiting to enter a training or into-work programme.
the different levels of public activity. Without seeking here to enter further into the institutional meanders of into-work policy, we would like to stress that good local coordination is a *sine qua non* for proper interaction and exchange between the different schemes and for constructing a genuinely coordinated approach to training and integration paths. One possible consequence of this poor coordination of the various public authority representatives is to give a negative image of institutions competing to grab jobs for their own constituencies. This also places them in a position of weakness in negotiations with enterprises and recruitment bodies (Simonin 1999).

5. *Looking for partnerships in the non-market sector*

The principle guiding the New Youth Job Services (NSEJ – *Nouveaux Services Emplois Jeunes*) programme, introduced by the Act of 16 October 1997, is an initiative based on valorising new professions at various qualification levels, instead of giving priority to lowering the unemployment figures by targeting particularly vulnerable parts of the population. The aim is to render these new personal service jobs (social mediation, environmental work, help for the aged and for young people with schooling difficulties) solvent and permanent at the end of a 5-year time-limited contract. The accent on quality presupposes initially a need to monitor the projects presented by interested employers (public institutions, voluntary associations, local administrations at different levels) which will have to be submitted for approval to the préfet of the *département*.

The absence of targeting (other than the age criterion), the massive size of the structure (350,000 jobs in 5 years), the five-year time frame, and the definition of pathways providing qualifications to new professions are the main advantages of this new programme. Finally, the remuneration offered is better than what is currently provided in youth programmes (full SMIC, with the time-frame constituting ‘the standard’ in the terms of the decree).

---

8 The projects are created under agreements between the potential employer and central government, which define the type of activities being developed.

9 All young people aged 18 to 26 – and in some cases up to age 30 – are involved.
It should be noted that the Youth Jobs scheme represents a step in the direction of standard contracts (full-time private law employment contracts subject to labour legislation, with the 5-year period secured in principle by strong protective mechanisms relating to the annual renewal of the limited-period contract). There are no entry limits in terms of period of unemployment, training level, and so on. The absence of targeting and the desire to base these jobs on professional recognition all go to enhance the status of the beneficiary and to legitimate the jobs created in this way. A number of questions do, however, remain open. The first relates to the relative insolvency of the bodies making use of the programme, in particular voluntary associations which depend on the financial support of central government which finances 80 percent of the salaries of young people in the NSEJ programme. The second relates to the possibility of placing these jobs on a professional basis. This in turn throws up questions with regard to the type of vocational training associated with the job and the type of certification to be introduced for occupations for which neither diplomas nor professional sectoral certification as yet exist. These issues are directly connected to the involvement of the authorities that are responsible for continuing vocational training (the regions, AFPA, professional sectors). We have already pointed to the coordination difficulties that these face in the context of institutional reform of the vocational training system (the French Parliament will be discussing this reform in autumn 2001). The third question under discussion with regard to Youth Jobs relates to the changes introduced into the civil service (a large portion of NSEJ jobs are provided by the National Education Department and the National Police Force, or by major public enterprises such as the SNCF,10 or the RATP,11 or again by local administrations), in which salaries are strongly protected by employees’ civil service status. In recent years we have seen the extension and diversification of temporary contracting in the public sector. For this reason the trade unions are pointing to the danger of the NSEJ programme undermining civil service status. In many cases this is resulting in hostilities which do not facilitate its imple-

10 French national railway company.
11 Paris bus and underground company.
In a context of sharply rising employment, the fact that 24 million francs have been budgeted for continuing the programme in 2001 indicates that the main concern is not to combat youth unemployment. On the other hand, the high proportion of people with diplomas (75 percent of young people in the NSEJ programme have their baccalauréat or a higher qualification), invites us to be circumspect with regard to its counter-selective role, which has never been proclaimed as being of central importance. As a result, one can ask whether in fact the programme is not revealing, indirectly, the failure of the public authorities to carry out a reform of the civil service, leading to a segmentation of statuses with the danger of a loss of cohesion between different groups of workers.

6. Conclusions

The difficulties encountered by the social players (trade unions and employers’ organisations) in building up effective partnerships to improve labour-market opportunities, the problems of internal coordination within and among central and local government bodies, and the uncertain nature of new civil partnerships in what is commonly known as the ‘Third Sector’, contribute largely, in our view, to explaining the difficulty of promoting a model of negotiated integration into working life, even though this is presented as desirable and exists as an implicit reference in European employment strategy. Our analysis thus tallies with that of Bonvin and Bertozzi (2001) who stress the simultaneously centralised and stratified nature of the French regulatory system: ‘Indeed, the French case study exemplifies the difficulties undeniably occasioned by a large number of partners, when a corporatist defensiveness over areas of responsibility wins out over a spirit of cooperation.’

The alternance systems, which give the best results in terms of young people gaining jobs in business enterprises (see Lefresne 2000), supply

---

We should, however, note that some trade unions are using the programme as a major opportunity for enrolling young people. This applies to the FSU, the main trade union organisation within the National Education Department, where temporary contracting has risen sharply in recent years.
answers which seem to meet the needs of employers and those of the young people who are thus enabled to complete their vocational training while having already found a professional situation. But for the least qualified young people, who until now have been largely excluded from these schemes, what is needed is a much more complex system of cooperation between players, involving greater negotiation with enterprises and bodies in the non-market sector, as well as a high degree of mobilisation at the local level. The advent of a more favourable economic climate may make it possible to ease slightly the pressure imposed by the social welfare treatment of unemployment, and to envisage setting up such complex partnerships on a longer term basis.

Translated from the French by Michael Lomax
References


The ‘Youth Jobs’ scheme in France:
an innovative experiment

Richard Sobel and Jean-Pierre Yonnet

1. Introduction: presentation of the ‘youth jobs’ scheme

The ‘new services, new jobs’ scheme was adopted on 13 October 1997. All the players (government, media, beneficiaries of the scheme, and so on) very soon began to describe these new jobs as ‘youth jobs’. We shall retain this designation throughout this paper.

The Government’s aim was to create 350,000 jobs in three years for young people in the fields of sports, cultural, educational, environmental, and local service activities. These jobs must be created in the public, semi-public, and voluntary sectors. The (private law) contracts are of a five-year duration and non-renewable. Beneficiaries must be aged between 18 and 26, or between 26 and 30 if they are not in receipt of unemployment benefit. The young persons are paid 80 percent of the SMIC (statutory minimum wage) by the state, with the remaining 20 percent being the responsibility of the employer (who may in fact pay wages in excess of the SMIC and receive co-funding). Thus each contract costs the state FF 95,000 per year.

Two billion French francs were set aside for the launch of the scheme in 1997, then 10 billion in 1998; thereafter the cost will be FF 35 billion for a full year, without counting supplementary funding. A département may draw on the sums earmarked for the RMI to fund a ‘youth jobs’ worker who is employed by a recipient of the RMI.¹

* Article based on the study ‘Youth jobs and new occupations’ (Will the ‘youth jobs’ scheme lead to permanent employment?). Report prepared for UNSA under an agreement between the Henri Agache Centre (UNSA Éducation) and the IRES.

¹ RMI = Revenu minimum d’insertion (minimum insertion income). This is the basic minimum paid by the state to persons with no means of support.

Enhancing youth employability through social and civil partnership 285
2. Role of local partnerships

Interplay between national level and local level

Prefects, who represent the state in the départements and regions, play a key role. Their task is to approve or reject proposals from local councillors or voluntary bodies wishing to conclude an agreement to create youth jobs. Prefects are guided in their selection of candidates by the services responsible for placing unemployed persons (ANPE – Agence nationale pour l’emploi, National Employment Agency), by local job-search agencies and by travel-to-work area committees.

One original feature of the ‘youth jobs’ scheme is therefore that it combines strong state intervention, through the funding and involvement of Prefects, with considerable decentralisation. Indeed, it is grass-roots decision-makers who decide whether or not to apply for funding of a youth job: school headteachers, directors of voluntary bodies, mayors, and the like.

Furthermore, youth jobs offer an opportunity to develop a number of local partnerships for the creation of such posts: municipalities, voluntary bodies, and trade unions. Thus several municipalities have established a ‘youth jobs agency’ responsible for facilitating the task of project leaders and grouping together similar projects.

Role of the social partners

However, one player is notable for its absence from this revitalisation of local partnerships: employers. France’s employers immediately declared their hostility to the creation of youth jobs, regarded by them as a bureaucratic aid to employment, and even as voluntary sector competition for private service companies. The Government had in addition proposed the creation of 350,000 other assisted jobs in the private sector, but this idea could not be followed through owing to the employers’ negative response. Nonetheless, as we shall see in the paragraph devoted to making these youth jobs permanent, some partnerships have been successfully established with private enterprises to promote the contracting-out of jobs to young people leaving the ‘youth jobs’ scheme.
There is no trade union dimension to the Law on youth jobs, and on the whole the unions have received few requests to participate in local partnerships. The employers’ refusal to become involved in the venture has obviously prevented the emergence of a social dialogue around youth jobs and has consequently reduced the role which the trade unions might otherwise have played.

Whereas particular trade union organisations have expressed reservations and even hostility towards the ‘youth jobs’ scheme, others – first and foremost UNSA and the CFDT – have welcomed it pragmatically. These organisations were well aware of the limitations of the initiative (five-year contracts paid at the minimum wage and largely dependent on public assistance), but at the same time they saw the advantages at once: full-time contracts, complying with the terms of the Labour Code and likely to lift a sizeable number of disadvantaged young people out of unemployment. The survey conducted by ORSEU on behalf of UNSA testifies to these benefits.

However, the trade union organisations have until now mainly played – rather well – their traditional role of defending the workforce. Thus the ORSEU survey has highlighted the role of UNSA trade unions in respect of youth jobs in sectors where this organisation has a particular foothold. But there can be no doubt that a survey conducted on behalf of the CFDT in sectors where it has a strong presence would have produced comparable results.

On the other hand, the trade unions have had little overall involvement in local partnerships for the creation of youth jobs. The hope is that they will be more involved in the second phase, which consists in making these youth jobs permanent.

3. Data for the end of the year 2000

By the end of August 2000, 276,000 young people had been recruited. Allowing for turnover, it can be estimated that by the end of 2000 around 300,000 youngsters had benefited from the scheme: some 250,000 were in post at that point in time, and roughly 50,000 others had already left their youth job for an unassisted position in the public or private sector.
Without actually drawing up an interim assessment, we can already stress the originality of the scheme at this stage in its development. This scheme is in fact open to all young people, with or without qualifications, whether or not they are registered with the ANPE; it offers remuneration at least equal to the minimum wage and a five-year contract of employment, and above all aims to ‘professionalise’ the new jobs which it creates, thereby sparing beneficiaries the stigma of ‘odd jobs’ and ‘dead-end placements’.

Previous work experience initiatives in the non-commercial sector, such as TUC (travaux d'utilité collective – socially useful jobs) or CES (contrats emploi-solidarité – employment solidarity contracts), had in fact stigmatised participants rather than enhancing their prospects: in 1993, fewer than half of the low-skilled young people who went through a ‘measure’ of this type were in employment four years after leaving school, as opposed to two-thirds of youngsters with similar skills who had not participated in any such scheme.

On the other hand, it has to be acknowledged that the political concern to achieve results as rapidly as possible has led to mass recruitment into youth jobs above all in the public sector (in the broad sense) rather than in the local services sector usually operated by voluntary bodies.

4. Main data resulting from the survey conducted by ORSEU on behalf of UNSA

Survey conditions

The survey relied mainly on UNSA’s network of activists. UNSA is in fact a major trade union in the sectors providing youth jobs: the number-one union in the police force, the second in the education system, and the third within the civil service. UNSA is likewise a prominent trade union among public enterprises such as SNCF and RATP. Union density in the voluntary sector is very low, regrettably, but a large number of UNSA activists play a leading role in that sector.

We submitted 1,300 questionnaires to persons on the ‘youth jobs’ scheme and conducted 150 interviews with employers, ‘tutors’, and ‘youth jobs’ workers. Our sample of 1,300 questionnaires is representative of all the
occupations in which such young people are employed. It is very similar overall to the 'youth jobs' population as described by the DARES (Direction des recherches et études du Ministère de l'emploi). Therefore the fact that the responses were gathered through the intermediary of a trade union organisation did not influence the nature of the sample.

Our analysis derives primarily from an in-depth statistical processing of the questionnaires. The interviews enabled us to familiarise ourselves with the employers’ human resources management policies. They also enabled us to illustrate the typical profiles of youth jobs presented in this paper.

Responses to the questionnaire

We asked four sets of questions:

(i) The respondents’ socio-economic situation:

62.6 percent are women.

Their average age is 24.4 years.

Two-thirds hold at least the baccalauréat:

![Educational level]

Figure 1 Educational level

Enhancing youth employability through social and civil partnership
Two-thirds occupy their own homes, but over half are unmarried.

Their parents are in general well integrated in the world of work. Half of the parents are still active, with an unemployment rate three points below the national average.

13 percent of them have a sister or brother on the ‘youth jobs’ scheme.

(ii) The period prior to the youth job:

![Pie chart showing the distribution of youth situations prior to employment.](image)

**Figure 2** Situation prior to youth job

60 percent of the young people chose this job out of interest in the work involved.

Only 20 percent regard this job as a stop-gap solution.

On the other hand, in 84 percent of cases the young person’s initial training bore no relation to the work done in the youth job.

40 percent of the youngsters found their job by applying direct. The ANPE also played an important role, especially concerning recruitment into public enterprises.
Comment

After a first reading we can therefore say that we are dealing with a population coming from backgrounds which are not particularly disadvantaged. Its educational level is good. The majority of the young people are female and have already become independent of the family unit. Thus a large majority of these youngsters are not drop-outs from the education system. Nevertheless, their education had not enabled them to enter the labour market spontaneously.

Whereas a huge proportion of these young people were job-seekers, they did not select their post as a last resort. Thus it would already appear that they took the scheme seriously, regarding it as an entrance ticket into working life.

(iii) Working conditions:

60 percent work 5 days a week.

90 percent do not work at night.

60 percent of ‘youth jobs’ holders in the police force and public enterprises work at weekends.

Relations with the working environment, be it colleagues, other ‘youth jobs’ workers, or management, are deemed positive in almost 80 percent of cases.

The vast majority of these young people regard the work they do as different from that of their colleagues. One notable exception is ADSs (Adjoints de sécurité – Security Assistants) in the national police force, who consider that their work is broadly similar to that of police constables.

67 percent of these youngsters feel that they are rather ill-informed as to their rights. Among their main sources of information they cite the employer (49 percent) and the trade unions (43 percent). Public institutions (ANPE, Works Inspectorate) are hardly ever cited.
Should a dispute arise, assistance is expected first and foremost from colleagues (40 percent), then from the trade union representative (29 percent). Among Educational Assistants (youth jobs in the national education system), 67 percent state that information concerning their rights comes from the trade union, and 34 percent turn first of all to their union representative in case of a dispute. The fact that the teachers’ union (SE UNSA) distributes its monthly journal *Passerelles* to 47,000 of the 60,000 Educational Assistants no doubt has something to do with this finding.

On balance the work is not deemed unpleasant or difficult.

Nevertheless, 50 percent of Educational Assistants complain of stress, as opposed to only 29 percent of ADSs.

Only 48 percent of the young people state that they have undergone training for the duties which they are performing.

In-service training is available for 54 percent of them.

‘Youth jobs’ workers in the education system state that they did not receive any in-depth initial training. Continuing training does, however, take place or is planned, and is generally sanctioned by a diploma recognised on the labour market. Conversely, youngsters in the police force and in public enterprises have received some initial training but no continuing training. As for voluntary bodies and local authorities, circumstances vary enormously.

48.6 percent of the young people consider their initial or continuing training to be inadequate.

40 percent think that the training received will enable them to gain a foothold in the labour market.

*Comment*

The working conditions are very much like those of employees in general. The impression that the bulk of these posts are new jobs is borne out. With some exceptions, the youngsters have not replaced employees on unassisted contracts.
Although these jobs are new ones, it also appears that their working conditions are similar to those of the workforce at large: integration in a hierarchy and in a work process, occurrence of stress which proves that the work is truly interpersonal and not merely a ‘time-filler’, possibility of labour disputes, which are resolved either within the team (assistance from colleagues) or thanks to external mediation (trade union intervention).

Training is always problematic. Either the employer has provided reasonably sound basic training (police, public enterprises) but then considers his duty done and offers no continuing training; or he did nothing when the job began (education system, voluntary bodies) and subsequently attempts to upskill the young people so that they can launch themselves on the labour market. In all cases the youngsters have the feeling that training provision is insufficient, both for the performance of their duties and for their future working life. We shall look in more detail at this training aspect.

(iv) The young person’s perception of the job:

Sixty-eight percent of ‘youth jobs’ workers wish to continue their career in the same sector of activity as their youth job (92.5 percent in the case of ADSs).

92 percent regard their occupation as useful.

51 percent consider that their work is in the process of development (64 percent in voluntary bodies); 80 percent think that their occupation is a new one.

Be that as it may, 56 percent are aware that their work would not exist without assistance from the state.

70 percent of the young people appreciate their situation above all as a period of stability.

40 and 45 percent respectively think that their youth job will have given them initial work experience and some training.

But only 30 percent think that it will have earned them social recognition.
As concerns their future, 81 percent of the young people do not wish to become civil servants and 30 percent are already seeking a permanent contract.

The youngsters are fairly equally divided between being concerned and being confident about their future. Those employed in the police force (almost 80 percent) and in public enterprises are particularly confident. Educational Assistants have the greatest concern (75 percent).

![Pie chart showing concerns and confidence levels among young people.](image)

**Figure 3** ‘In what state of mind do you envisage your future on completion of your period in the ‘youth jobs’ scheme?’

**Comment**

As we have seen, the young people do not regard their job as a last resort. This is borne out by the fact that they wish to continue in the same sector (not necessarily in the same job). Approximately half of them see their youth job as a sort of ‘foot in the door’.

Virtually all of them regard their duties as new or developing. This confirms both the fact that employers have generally devised these youth jobs as new posts and not as a means of keeping young unemployed persons busy, and the fact that needs do exist in the field of ‘relational’ services.
Their perceptions of the future are not devoid of contradictions. Indeed, they would like to continue along the pathway they have embarked on, but cannot see themselves becoming civil servants and are not job-hunting.

The youngsters’ concerns or confidence as to their future cannot be adequately explained by the training policy of their employer or the prospect of their post becoming permanent.

The ‘typical profiles’ below illustrate these contradictions.

5. Typical profiles

We have attempted to draw up ‘typical profiles’ of holders of youth jobs by using the method known as ‘multiple correspondence factor analysis’. Hence the descriptions below correspond not to individuals but to a typology.

Typical profiles in terms of socio-economic circumstances

Thirty-four percent of the young people questioned can be regarded as 'autonomous and employable’. These are the most highly qualified ones (baccalauréat + 2 or more years), they are older than the average, they usually live in their own homes and as a couple, and their parents rarely experience unemployment. For the most part they are Educational Assistants or employed in voluntary bodies, and they chose their youth job out of interest in the work. The 'youth jobs' scheme is evidently an opportunity for them to acquire some initial work experience and supplement a qualification of limited value on the labour market.

Youth jobs as a springboard. Another 20 per cent of our sample share most of the above characteristics, but with a lower level of qualifications (baccalauréat). Many did odd jobs prior to their youth job. For them this position is a springboard to obtaining employment and supplementing an inadequate education.

One might therefore conclude that for these two groups the ‘youth jobs’ scheme serves as an opportunity to improve their employability, and that these young people will subsequently be absorbed into the labour market.
Inherited insecurity. In contrast to the first two, similar profiles, there is another which is far more precarious. Thirty-five percent of our population is affected by ‘inherited’ insecurity. Their social origins are modest (parents’ unemployment rate above average). As a rule they are younger and less autonomous of the family unit than the first two groups. Their educational level is very variable, but in no case had the qualifications obtained enabled them to enter the labour market. This profile includes every single holder of a vocational bacalauréat in our sample. Many of them accepted the youth job because they had received no other offers. Before joining the scheme, they did odd jobs or else nothing at all. They did not really choose their job; for the most part they intend to remain in this post until the end of the five-year period. In short, they have a ‘wait and see’ attitude.

Thus for these young people the ‘youth jobs’ scheme in itself is not a passport to employment. Accompanying measures (training, contracting-out) will prove indispensable.

Youth jobs as a toe-hold. Lastly, we find a very particular profile of youngsters for whom the scheme clearly represents a toe-hold in a given occupation. This category applies above all to Security Assistants (ADSs) in the national police force. These are young unmarried men, for whom the youth job is a means of embarking on a career as a policeman.

Except in the case of the police, the employer is not a key criterion for inclusion in one or another profile. Educational Assistants are more ‘employable’ than the average (64 percent as against 53 percent). Conversely, 39 percent of the youth jobs in public enterprises are occupied by the ‘insecure’ group.

This first typology reveals the persistence of initial inequalities, even within a seemingly homogeneous population like the holders of youth jobs, who to all intents and purposes enjoy the same status and the same rate of pay. The most highly qualified, coming from middle-class backgrounds, have chosen their youth job and treat it as a springboard. Those who are less employable, coming from more disadvantaged backgrounds, regard
this job as a means of escaping from labour-market insecurity and have a less clear picture of their future.

Typical profiles in terms of the young people’s opinions about their jobs

A second classification not reproduced here illustrates the impact of different employers on the content of youth jobs. A third classification shows up a dichotomy which is quite unrelated to employers and rests entirely with the young people themselves.

What it reveals is a divide between those who chose their job for the nature of the activity carried out and those whose priority was the relatively stable wage-earning status of the ‘youth jobs’ scheme.

(i) The ‘activity’ group

Sixty-one percent of the youngsters fall into this category. They are not of course unappreciative of the job security afforded by their status as holders of youth jobs. Nevertheless, they enjoy their work, finding it novel and useful. Their relations with the working environment as a whole are described as good or excellent. A large majority (85 percent) would like to pursue careers in the type of activity they are performing.

For these young people, therefore, the scheme is operating in accordance with the spirit of the Law on youth jobs.

However, these youngsters are well aware of the lack of any real guarantee that their post will become permanent. We would venture to summarise as follows the message conveyed by these young people: ‘we have fulfilled the contract, the scheme is up and running, we are not on a work insertion programme. You cannot go back on your word now; that would be too cynical.’

As already stated, training provision was universally deemed inadequate, be it initial or continuing training. This verdict is not refuted by those holders of youth jobs who chose their occupation. Yet one can detect in them a strategy of capitalising on all the potential advantages of their youth job.

In this category we find 65 percent of Educational Assistants, 87 percent
of ADSs, 60 percent of those employed in public enterprises, 61 percent of those in local authorities, and only 52 percent of those working for voluntary bodies.

(ii) The ‘status’ group

Twenty-four percent of the young people in our sample chose their youth job because of the security it afforded them. To them, the ‘youth jobs’ scheme means a five-year full-time contract paid at the minimum wage. Thus it is far better than a CES (employment solidarity contract). But 88 percent would not want a career in this occupation. Twenty-nine percent would like to become civil servants (as opposed to 19 percent on average), but above all 62 percent (as against 30 percent on average) are seeking a permanent contract.

In the workplace, these young people consider their relations with the overall environment to be average or poor.

A higher than average proportion of these youngsters (49 percent as opposed to 43 percent) state that their employer has not arranged for any skills training, but more significantly 80 percent do not think that the training received on the ‘youth jobs’ scheme will lead to a career.

Clearly, then, these young people have serious concerns. It is to be feared that the scheme will have only a minor impact on their employability and that, unless additional measures are taken to upgrade their skills and place them in employment, at the end of the five-year period they could lapse back into the insecurity from which they had been rescued.

This ‘status’ group of youngsters accounts for 24 percent of Educational Assistants and only 8 percent of ADSs. Twenty-seven percent of them are to be found in public enterprises, 24 percent in local authorities, and 27 percent in voluntary bodies.

It is evident that the ‘activity’/‘security’ dichotomy largely transcends employers, the proportions being broadly comparable in education, the local authorities, and public enterprises. The sole exception is the national police force, where an overwhelming number chose that occupation. This
once again confirms the specific position of ADSs within the ‘youth jobs’ scheme.

We would note finally that 14 percent of our entire sample appears undecided with respect to this issue. They do not lean clearly towards either the choice of activity or the option of security, appearing poorly informed and uncertain. A particularly large proportion of these youngsters can be found in voluntary bodies. This somewhat surprising finding no doubt reflects the fact that it is with such employers that young people feel the most isolated and have the least clear-cut view of their occupational future.

6. A few thoughts about ‘new services’ and their usefulness

Lists of these ‘new services’ sometimes bring a smile to one’s face: ‘sorting ambassador’, ‘mediation agent’, or ‘small child co-ordinator’. Nevertheless, what one finds on the ground are very real occupations. The idea of abolishing Educational Assistants would raise an outcry among school headteachers; the disappearance of mediation agents would plunge many a district and many a public place into greater difficulties. Let us therefore take stock of these new services and their usefulness.

Tertiarisation is already at hand

The ‘tertiarisation’ of the economy is a reality. The tertiary sector accounts for 80 percent of all jobs; yet it is anything but uniform. We can distinguish between, on the one hand, ‘standardisable’ services, comprising services to firms and services which, like banking and insurance, are provided for both firms and individuals; and, on the other hand, ‘relational’ services which fulfil needs created by the increase in the female rate of activity, population ageing, and the loosening of social ties both in recently formed districts and in rural areas with a low population density. These ‘relational’ services may be consumed individually (for example, personal services) or collectively (for example, ensuring the safety of a suburban station). Long-term demographic trends and sociological developments alike point to a sustained growth in such services. It is these ‘relational’ services which are directly affected by the ‘youth jobs’ scheme.
Development of relational services

In a society governed by the laws of the market alone, there is a great risk that relational services will be performed by the poorest and most insecure section of the workforce for the benefit of better-off social groups. The United States already provides examples of the development of a ‘society of servants’.

This risk might lead one to reject out of hand the development of relational services, and to argue for returning them to the private domain.

Alternatively, one might propose to ‘humanise’ the lot of these ‘servants’ by seeing to it that their working conditions are not too far removed from those of the rest of the workforce.

Professionalising relational services

A third choice is to opt for a society in which service work is remunerated, based on the premise that the idea of returning relational services to the private domain is utopian because the most disadvantaged persons will be the ones who have least access to such services, given the serious weakness of their personal networks. Moreover, there are two advantages to professionalising relational services and integrating those providing them into the workforce:

- recourse to family or charitable networks places beneficiaries in a situation of dependence;
- the intervention of a company or voluntary body as an intermediary between the consumers and the providers of relational services allows the former to find the assistance they seek and to enjoy the subsidies to which they are entitled, and allows the latter to receive a pay-slip. It is this intermediary function which removes the employment relationship from the sphere of domestic service.

It follows that opting for a society of wage-earning service workers does not imply a prior decision to obey the market. Rather, such a choice arises from an analysis according to which it is socially desirable to professionalise services and pay proper wages for them; this new model must be
organised in such a way as to confer the greatest possible well-being on the largest possible number of people.

**Justification of the ‘youth jobs’ scheme**

Youth jobs therefore appear to be an important step in the above-described direction, in that

- they guarantee those occupying them a status which does not depart from the rules of the Labour Code;
- they allow for the provision of services accessible to everyone, through the intermediary of either the public services or voluntary bodies.

These new activities will be fully justified if they lead to the creation of jobs which are professional, worthwhile, and recognised. The functioning of the scheme is what must be assessed, and not the concept of emerging relational services, the viability of which remains to be tried and tested.

7. **How can youth jobs be turned into permanent employment?**

The ORSEU survey provides no radically new answer to the question of how youth jobs can be made permanent once the scheme is over.

Nevertheless, one initial point is fairly obvious: a distinction must be drawn between the job itself and the young person occupying it. Eighty percent of the jobs appear to be new and useful. Abolishing them would therefore amount to depriving the education system, the municipal police, local authorities, and voluntary bodies of over 200,000 posts whose usefulness is appreciated on a daily basis.

As far as the young people are concerned, three different strategies can be identified:

**First strategy: employability**

The national education system is a good illustration of this first strategy.

The Ministry considers that Educational Assistants are in the main young women with a non-scientific educational background, and that as such
they should be helped to find jobs in the tertiary sector. A number of those with the bacalantréat + 2 years or more will pass the competitive examination to obtain teacher status. That is not the case for those who possess the bacalantréat alone and need to be made fully employable. The upturn in the job market should be exploited so as to enable them to enter an occupation.

The Ministry’s approach is therefore to go to firms and sell them the experience of a ‘service society’. The experience of ‘youth jobs’ workers in new technology, supervisory, and youth leadership work is regarded as advantageous on the labour market. Therefore the Ministry wishes to help them find stable employment in the relational tertiary sector, and not short-term contracts.

Such contracting-out would seem to be facilitated by the fact that firms tend not to seek highly qualified staff, but prefer those with the bacalantréat or the bacalantréat + 2 years.

Thus the national education system has concluded agreements with some conglomerates (Air France, Vivendi, Accor), but also with some SMEs at local level. The plan is to involve the ministerial department as well as local education offices. According to the Ministry, private enterprises have already made almost 50,000 job offers.

Here we see the problem of partnerships reappearing. Once a public service declines to transform its youth jobs into civil service positions, its only alternative is to seek partnerships with private enterprises or with the Third Sector. For the time being, the national Ministry of Education has gone furthest along this road. It is, however, quite possible that contacts have been taken up nationally with conglomerates in the service sector, thanks to the political connections of the Minister and his cabinet members. Partnerships are much more difficult to implement locally, where regional human resource managers are accustomed to administering the careers of civil servants but have no experience of employees who move from the public to the private sector. Most of the time, these HR managers have very little to do with the world of business. Hence they themselves need to add a new string to their bow.
Other administrations will soon be confronted with this same problem. The police force naturally springs to mind, since it will be unable to take on all of its ‘youth jobs’ workers as civil servants. Our thoughts also turn to the local authorities, which will have to help some of the young people recruited on the scheme to find employment. Here too, partnerships will need to be developed with local firms. It is likewise clear that some local authorities have established successful partnerships with the local voluntary network. These partnerships will need to be intensified when it comes to finding ways of making permanent the posts created as youth jobs, both in local authorities and in voluntary bodies.

Second strategy: joining the payroll

We shall illustrate this strategy with the case of the police force.

ADSs (Security Assistants) are recruited in much the same way as police constables. The standard of tests has been relaxed and adapted to the mindset of ‘inner-city’ youngsters, but, for all that, only a minority of ADSs come from the most difficult districts. Our sample nevertheless highlights the fact that ADSs are among the least qualified people. These young people are therefore ill-equipped to pass the competitive examination to become police constables, but are very eager to join the police force.

Therefore the national police force is clearly keen to integrate these ADSs either directly or indirectly into its midst: they receive assistance in preparing for the examination to become constables or administrators, or else assistance in joining the municipal police force or obtaining security-related employment in the private sector. As already noted, ADSs have evidently taken this message on board: the vast majority of them chose this youth job because of the activities carried out and are confident about their future.

Third strategy: job creation in the Third Sector

Voluntary bodies are currently the main employers of young people on the scheme. This is where the prospects of posts becoming permanent are the most complex. Theoretically, everything should depend on the capacity of employers to step up their activities or to obtain payment for the full
cost of their services. But this is precisely the point: voluntary bodies operate in a socio-economic context where the creditworthiness of their members or users is rather weak. What is more, this fact is well known to municipalities, which are very often – especially in the socio-cultural and sporting fields – the main financial backers of these voluntary bodies. They fear having to cope with fresh requests for subsidies, to take over from the national scheme. It is a matter in every instance of a one-off solution involving a range of local players.

This brings us back once again to the problem of local partnerships.

Be that as it may, we wish to emphasise the point of view of the young people involved in this venture. Very often, they are regarded as the main players in making their own jobs permanent. Indeed, the future of the activities tested by a voluntary body under the ‘youth jobs’ scheme will depend to a large extent on the youngsters’ own dynamism and their ability to develop their work (market niche, building a ‘clientele’). This is by no means an easy undertaking. The programme in fact prioritised projects aiming to strengthen the social fabric, which inevitably entailed work in areas where it is awkward, to put it mildly, to charge the full cost price. Since the only way of making youth jobs permanent is to offer hugely increased subsidies or to return the activities to the public domain, the future is overshadowed by considerable uncertainty as to sources of funding. Nevertheless, the young people concerned are confronted with the onerous task of demonstrating the validity of their occupation so as to justify its continued existence once the term of their ‘youth job’ contract comes to an end.

_Translated from the French by Janet Altman_
Targeting youth unemployment in Germany: current measures and first results

Klaus Schömann and Christian Brzinsky

1. The youth labour market in Germany

The German youth labour market is determined by a number of features of the education and training system which also influence the subsequent transition from school to work (Ryan and Büchtemann 1996). Measures, strategies, and programmes to combat youth unemployment usually take these features into account in the design of new policies. This means that public policy measures are carefully constructed in such a way that they do not replace or crowd out private efforts within the framework of the dual system of apprenticeship.

Additionally, the form of the school system differs in the sixteen German regions (Bundesländer). This is a long standing feature and derives from the cultural sovereignty of each federal state within Germany under which the school authority of each region possesses its own leverage concerning policy design in the field of educational and cultural affairs. Furthermore, the school system in most regions is divided into three more or less separate tracks and an integrated comprehensive school system in some federal states. Most of the pupils who finish lower secondary school (Hauptschule) and intermediate secondary school (Realschule) take up an apprenticeship, whereas the certificate of the higher secondary school (Gymnasium) provides access to higher education. Some graduates from lower and intermediate secondary schools also choose to enter apprenticeships to gain

* Paper prepared for the ETUI seminar on social and civil partnership in the European Employment Strategy to fight youth unemployment, Brussels, 6–7 November 2000. We are grateful for the opportunity to discuss the paper at the workshop with the participants and the detailed comments by Amparo Serrano Pascual on the first version of the chapter.
more specialisation which is apparently valued by employers, since apprentices acquire a substantial amount of work experience.

The organisation and content of fields of study vary widely between regions and universities because universities have the right to self-governance and thus are responsible for the organisation of courses and final exams. The variety of schooling types and the regional differentiation of the school and university system mean in the end that pupils have very different levels of knowledge when they leave school or university.

Secondly, the system of apprenticeships – known as the dual system and completed by the great majority of those seeking an occupational certificate – is characterised by a combination of training on the job and a more theoretical and general education at a vocational school. Companies select the trainees themselves and enter into an apprenticeship contract, which has specific rules and is quite different from a standard employment contract. Normally, training lasts about three years. The main emphasis of the dual apprenticeship system is training on the job and work experience, while education at the vocational school only takes up eight to fifteen hours per week. It is still the case that almost two-thirds of a birth cohort pass through the apprenticeship system even if it has become more common to go through an additional one year of full-time vocational schooling before starting an apprenticeship.

Normally, training on the job is financed by the relevant firm and the vocational schools are financed by the federal states and local communities. Firms also benefit from the dual system in the sense that they may qualify for a tax reduction, and the trainees, particularly in the last year of their apprenticeship, contribute substantively to their activities. Some special programmes, especially in eastern Germany, are directed towards firms for the purpose of creating additional training places. Thus the support of apprenticeships in firms and through vocational schools is one instrument with which the government can influence the youth labour market, while at the same time trying to avoid the negative side-effect of private firms getting used to public investment in this area.
Figure 1  *Youth unemployment in relation to total unemployment*


Compared to most other European countries in Germany unemployment among young people is comparatively low in relation to overall unemployment (*Figure 1*). This is generally regarded as a result of the apprenticeship system which combines study and work in the form of a transitional labour market. On the other hand, it must also be understood that every year the dual system entails a lengthy procedure in order to match training-place supply with demand in each region and across federal states. Young labour-market entrants are for the first time confronted with the task of matching their own interests and vocational potential with what is on offer from the labour market and of applying directly to potential employers.

Thus, there are two thresholds for young people to pass (Heidemann 2000). First, after finishing school they must get a training place in the dual system. In recent years the number of training places offered by enterprises has decreased, for many reasons, which means that demand for
training places is greater than supply. The gap between training places and applicants is particularly obvious in the eastern regions and reached its peak in 1997. In 1999 the number of training places exceeded the number of applicants, but only in western Germany (Althoff, Jost, and Werner 2001, p. 140). The German government, federal as well as regional, offered, as a political reaction, training places in public training organisations, especially in eastern Germany.

The second threshold for labour-market entrants appears after the apprenticeship is finished. Less than 50 percent of those who complete apprenticeships are employed on a permanent contract by the enterprise. The share of young people who become unemployed after passing through an apprenticeship has been rising since the early 1990s. An effective programme against youth unemployment must take these thresholds into consideration, as well as other broader economic effects of, for example, the effects of the business cycle on recruitment practices in the German youth labour market.

2. Some basic facts about young people in Germany

The rise of youth unemployment started later in Germany than most other European countries: while youth unemployment in Europe increased at the beginning of the 1990s, this rise occurred approximately five years later in Germany. Since 1998 the situation for young labour-market entrants has improved, first in western Germany, where unemployment among under-25s fell from 11.0 percent to 10.5 percent in 1999 (the reduction in the eastern part of Germany was less marked) (Bundesanstalt für Arbeit 2000). This reduction is due partly to demographic and partly to economic reasons.

For the purposes of this paper we updated our own previous study of the youth labour market in Germany (Schömann and Hilbert 1998),¹ which was based on the 1985 through to 1996 samples of the German Social

¹ An updated version of the paper appeared in the special issue of Revue de l'IRES, No. 31, ed. Florence Lefresne.
Table 1 Distribution of total labour force and young people under 30 across economic sectors

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No educational attainment</td>
<td>1.0</td>
<td>3.6</td>
<td>0.2</td>
<td>1.7</td>
<td>4.0</td>
<td>0.8</td>
</tr>
<tr>
<td>Lower/intermediate secondary school, without vocational education</td>
<td>18.0</td>
<td>43.2</td>
<td>18.2</td>
<td>12.2</td>
<td>34.4</td>
<td>3.4</td>
</tr>
<tr>
<td>Lower/intermediate secondary school, with vocational education</td>
<td>54.1</td>
<td>27.9</td>
<td>53.9</td>
<td>53.2</td>
<td>35.8</td>
<td>58.5</td>
</tr>
<tr>
<td>Upper secondary school without vocational education</td>
<td>1.2</td>
<td>10.9</td>
<td>0.6</td>
<td>2.4</td>
<td>9.8</td>
<td>3.2</td>
</tr>
<tr>
<td>Upper secondary school with vocational education</td>
<td>4.9</td>
<td>3.7</td>
<td>5.4</td>
<td>7.0</td>
<td>5.6</td>
<td>5.8</td>
</tr>
<tr>
<td>Upper secondary school with university degree</td>
<td>3.1</td>
<td>9.3</td>
<td>10.2</td>
<td>9.0</td>
<td>7.8</td>
<td>15.8</td>
</tr>
<tr>
<td>Upper secondary school with university degree and vocational education</td>
<td>2.7</td>
<td>1.3</td>
<td>1.4</td>
<td>4.5</td>
<td>2.7</td>
<td>7.6</td>
</tr>
</tbody>
</table>

Source: German Socio-Economic Panel (GSOEP), own calculations.
Economic Panel (GSOEP) (Schömann and Hilbert 1998; 1999) with the latest available data from the panel study of 1999. We obtained strikingly similar results: first, we continue to observe the prolonged ‘tertiarisation’ of the German economy, which commenced in the mid 1980s and which has had an impact on the distribution of both total labour force and young people under 30 across all economic sectors (Table 1). This development is valid for both the old federal states and eastern Germany.

We found that the German apprenticeship system is following the same trend as overall economic development in tertiary jobs, so that the youth labour market is not greatly disconnected from the overall labour market, even though the difference between the total labour force and the under-30s is apparently increasing. The introduction of new apprenticeship tracks, most recently in media technology and other service sector occupations, is changing the degree of tertiarisation of apprentices more quickly than for employees as a whole. The take up of such new types of apprenticeship was initially slow, since they were almost unknown to potential employers, but increased rapidly in autumn (2001).

Table 2 Fixed-term contracts by level of education

<table>
<thead>
<tr>
<th></th>
<th>1985</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>total</td>
<td>under-30s</td>
</tr>
<tr>
<td>Mining and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>manufacturing</td>
<td>24.4</td>
<td>23.7</td>
</tr>
<tr>
<td>Utilities</td>
<td>22.6</td>
<td>23.3</td>
</tr>
<tr>
<td>Services, of which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>financial services</td>
<td>53.0</td>
<td>52.9</td>
</tr>
<tr>
<td>other services</td>
<td>47.5</td>
<td>48.0</td>
</tr>
</tbody>
</table>

Source: GSOEP, own calculations.

Secondly, we reported from other studies a ‘decreasing fit between attained qualifications and required qualifications’ for university graduates and an ‘increasing share of employees with an apprenticeship training who

310 Enhancing youth employability through social and civil partnership
do not work in a job which corresponds to their skill level’. Preliminary evidence shows that this trend has been stopped, probably due to economic recovery at least in some western German federal states.

This already indicates a more unstable integration into the labour market, which is similarly reflected in a rising share of fixed-term employment, especially for employees with a lower level of education (Table 2). The share of fixed-term employment in the labour force declines with age: younger people are more likely to be employed on fixed-term contracts (Table 3), as well as in part-time jobs.

**Table 3 Fixed-term contracts, 1985 and 1999**

<table>
<thead>
<tr>
<th></th>
<th>1985</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>total</td>
<td>under-30s</td>
</tr>
<tr>
<td>Permanent contract</td>
<td>76.1</td>
<td>65.9</td>
</tr>
<tr>
<td>Fixed-term contract</td>
<td>11.4</td>
<td>30.4</td>
</tr>
<tr>
<td>Self-employed</td>
<td>12.4</td>
<td>3.7</td>
</tr>
</tbody>
</table>

*Source: GSOEP, own calculations.*

Furthermore, we can confirm the negative effect of fixed-term employment on earnings generally and particularly among the young. This effect is robust in multivariate estimates of earnings (Table 4). The wage differential between older and younger employees has largely remained unchanged since the mid 1980s. There is no particular worsening of labour-market conditions for the young at entry into the labour market. Finally, the major conclusion of the previous findings appears to hold: in order to prevent the reinforcement of industrial and regional segmentation it is necessary to implement a ‘region-specific labour-market policy more closely linked to general education policies and targeted specifically at the young’ (Schömann and Hilbert 1998, p. 283). The new German government’s policies are not yet represented in these estimates since they were enacted just after collection of the 1998 data.
### Table 4: Earning equations

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Dependent variable (annual gross earnings)</th>
<th>1985</th>
<th>1999</th>
<th>1985</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Beta</td>
<td>0.016**</td>
<td>0.012**</td>
<td>0.107**</td>
<td>0.099**</td>
</tr>
<tr>
<td>Duration of education</td>
<td>Beta</td>
<td>0.086**</td>
<td>0.063**</td>
<td>0.040**</td>
<td>0.002**</td>
</tr>
<tr>
<td></td>
<td>t-Statistics</td>
<td>16.051</td>
<td>16.158</td>
<td>3.148</td>
<td>0.271</td>
</tr>
<tr>
<td>Mining and manufacturing</td>
<td>Beta</td>
<td>0.330**</td>
<td>0.263**</td>
<td>0.475**</td>
<td>0.318**</td>
</tr>
<tr>
<td></td>
<td>t-Statistics</td>
<td>9.792</td>
<td>9.204</td>
<td>6.923</td>
<td>4.505</td>
</tr>
<tr>
<td>Utilities</td>
<td>Beta</td>
<td>0.333**</td>
<td>0.226**</td>
<td>0.318**</td>
<td>0.110**</td>
</tr>
<tr>
<td>Financial services</td>
<td>Beta</td>
<td>0.389**</td>
<td>0.303**</td>
<td>0.487**</td>
<td>0.232**</td>
</tr>
<tr>
<td></td>
<td>t-Statistics</td>
<td>5.982</td>
<td>6.476</td>
<td>3.595</td>
<td>2.031</td>
</tr>
<tr>
<td>Weekly working time</td>
<td>Beta</td>
<td>0.288**</td>
<td>0.039**</td>
<td>0.320**</td>
<td>0.047**</td>
</tr>
<tr>
<td></td>
<td>t-Statistics</td>
<td>36.825</td>
<td>49.100</td>
<td>19.615</td>
<td>22.189</td>
</tr>
<tr>
<td>Fixed-term contract</td>
<td>Beta</td>
<td>-0.441**</td>
<td>-0.496**</td>
<td>-0.230**</td>
<td>-0.349**</td>
</tr>
<tr>
<td>R²</td>
<td></td>
<td>0.290</td>
<td>0.433</td>
<td>0.328</td>
<td>0.493</td>
</tr>
</tbody>
</table>

*Source: GSOEP, own calculations.*
3. Activities of the new German government

The National Employment Policy Action Plan 2000 of the German government contains measures to tackle unemployment in general; since it is one of the most important issues, however, the first guideline concerns youth employment in particular. Despite the fact that in Germany the unemployment rate of young people under 25 decreased about 9 percent from 1998 to 1999 (Bundesregierung 2000), youth unemployment is a very important element of labour-market policy. Therefore, the German Social-Democratic/Green government is pursuing three policies which are closely connected.

First, it is attempting to stimulate and to create additional training places and to intensify placement and matching between trainees and training places. Both have been initiated within the scope of the ‘Alliance for Employment, Training and Competitiveness’ (‘Bündnis für Arbeit, Ausbildung und Wettbewerbsfähigkeit’), which is a kind of tripartite concerted action involving the government and the social partners (discussed in more detail below).

Secondly, within the framework of the Alliance a programme ‘Apprenticeship Places East’ (‘Ausbildungsplätze-Ost’) has been set up together with the regions to promote the development of training places in the eastern regions.

Finally, in November 1998 the Government introduced a programme to reduce youth unemployment (‘Jugend mit Perspektive’ or JUMP), which particularly focuses on young people and is the most important part of the Government’s approach. This programme has resources equal to EUR 1 billion and came into force on 1 January 1999. About two-thirds of the budget comes from financial support from the European Social Fund (ESF), which reflects the importance of the ESF as the main instrument for coping with youth unemployment not only in Germany, but also in the European Union as a whole (Chisholm 2000, p. 208).

According to the four guiding principles identified by the ETUI report – (i) activation, (ii) social integration, (iii) employability, and (iv) prevention
– the JUMP programme is composed of a whole variety of instruments, although the main goal is, on the one hand, to seek out and provide training places for young people and, on the other hand, to offer the young unemployed an opportunity to obtain a qualification, mostly in the form of an apprenticeship (Bundesministerium für Arbeit und Sozialordnung 1998). In order to attain this goal the programme has five major elements (cf. also Heidemann 2000, p. 155):

- **apprenticeship**: includes apprenticeships in firms as well as in external training organisations with subsequent apprenticeship-placement in the firm;

- **preparation**: measures to prepare young people to apply for training places or jobs;

- **continued training**: giving young people who have left the dual system the opportunity to continue training in order to adapt to new developments;

- **working and studying**: special courses for less qualified persons;

- **insertion in jobs**: giving subsidies to employers.

Only young people under 25 can participate in the JUMP-programme, while women are considered in accordance with their share in unemployment; a similar quota is applied to young immigrants. Some preliminary results from the monitoring suggest that even in this programme the hard-to-place are underrepresented. It has also been agreed that 40 percent of the financial resources shall be devoted to the eastern German regions, giving them preferential treatment: only one-fifth of the German population lives in the east, but unemployment is substantially higher there than in the western part of Germany.

So far, the JUMP-programme is just one more addition to the range of instruments at the disposal of the public employment service. In 1999 the federal government spent EUR 1 billion on this programme and it has been prolonged for 2000 and 2001. It was also agreed to integrate this

---

2 Walter Riester, Federal Minister of Labour, intends to prolong it until 2003 (Frankfurter Rundschau [13 February 2001]).

*Enhancing youth employability through social and civil partnership*
programme into the standard legal and institutional framework of German labour market policies for 2000. It is therefore administered by the Bundesanstalt für Arbeit (the federal employment service) on a regular annual programme basis.

With the JUMP programme the German Social-Democratic/Green government is trying to improve German labour-market policy by using existing instruments within the dual system of apprenticeship, which has a traditional tripartite approach to social partnership. Third-Sector organisations (non-profit organisations) were not explicitly integrated in the development of this programme. Consequently, they are barely involved in tackling youth unemployment in Germany, although some of them receive additional funds to deal with the labour-market integration of hard-to-place young people.

4. **The role of the social partners in youth policies**

In December 1998, two months after the German general election, the new German government, trade unions, and employers’ associations decided to revive the ‘Alliance for Employment, Training and Competitiveness’. This was the second attempt to forge a concerted action against unemployment by the social partners and the government. Hence the social partners were, on the basis of previous experience, sceptical about the success of this second alliance. One of the main goals of this alliance was to reduce youth unemployment. In July 1999 the participants established a ‘consensus for education’, which is supposed to contribute to the implementation of the German National Action Plan and consequently to accompany the JUMP-programme. The social partners committed themselves to give an apprenticeship to ‘every young person who wants [one] and who is able to take [it] up’.

However, the JUMP-programme is neither a direct outcome of the Alliance nor a result of the ‘consensus for education’, but the sole respon-

---

3. <http://www.buendnis.de/02/04.html> (homepage of the ‘Alliance for employment, training and competitiveness’).
sibility of the government. In theory, the participants in the alliance have no role in decision-making concerning this programme, but in practice there is a strong connection between the ‘consensus-oriented talks’ within the framework of the Alliance and government policy-making.

Moreover, the Federal Employment Service (Bundesanstalt für Arbeit, BA) is charged with the implementation of the JUMP-programme. This agency has a self-governing board, which is composed of trade union, employer, and federal government representatives, with a complementary decentralised regional organisation and governing structure. Within this organisation the social partners have the opportunity to influence the choice and implementation of labour-market and youth policies, above all at the regional and local levels.

The employers’ associations are somewhat reluctant and critical participants in the JUMP-programme, the extent of the criticism ranging from outright rejection to tacit consent. They are very sceptical concerning expensive public programmes to combat unemployment in general and youth unemployment in particular. For example, Dieter Hundt, head of the Federal Employers’ Association (‘Bundesvereinigung der Arbeitgeberverbände’), opts for the general expansion of fixed-term contracts to reduce youth unemployment,\(^5\) and criticises the fact that few people get a job after passing through the Jump-programme. A systematic evaluation of the programme is now under way, but the debate remains controversial despite a basic consensus that there is a need for targeted labour-market measures in this field.

5. Evaluation and first results

Because most labour-market measures have an effect only in the medium or long term, it is difficult to judge their impact precisely. At present, no evaluation studies are available. The Institute for Employment Research (IAB) and the Federal Institute for Vocational Training Affairs (BiBB) were entrusted to do the monitoring and accompanying research of the

\(^5\) *Der Spiegel* (3 September 2000).
programme. The BiBB presented some first results at the end of 1999 (Bundesinstitut für Berufsbildung 1999, pp. 5–10). Before the JUMP-programme was implemented, the government made estimates of the number of participants in each element so that it would be possible to evaluate the programme’s effects. The BiBB judged the success of the programme by comparing the actual number of participants with these estimates.

First, they report that more young people took part in the JUMP-programme than had been expected: by the end of September 1999 about 188,000 participants had been registered compared to the expected 108,000. The greatest demand was for training outside the enterprise, whereas expectations regarding the development of local and regional projects were not met. Secondly, the placement of young women did not reach the expected level: especially in the field of ‘new’ or innovative jobs with good prospects (for example, IT jobs) they still face disadvantages and continue to be underrepresented.

As already mentioned, one of the main problems facing the youth labour market in Germany is regional segmentation or disparities. This situation is, as might be expected, reflected in the JUMP-programme: for example, with regard to training courses outside the enterprise, the expectation had been that many would make the transition from these introductory training courses to regular apprenticeships in the same firms. However, only one-quarter of the participants in western Germany had this opportunity, whereas in eastern Germany such an outcome is a rare exception, contrary to the original intentions of the programme.

The BiBB’s first monitoring report concluded that the JUMP-programme had a positive impact in its first few months because the number of participants was higher than expected; however, the BiBB also states that the Federal Employment Service believes that the observed increase in the number of apprenticeships is only an outcome of the availability of training places outside the enterprise. One of the major problems is still the lack of transition between participation in the programme and regular apprenticeships in firms. As already mentioned, this applies particularly in
eastern Germany, where the apprenticeship system faces difficulties as regards acceptance and extent due to the weak growth in productivity and employment in eastern Germany. The report concludes by emphasising the importance of developing local and regional projects in the next phase of the JUMP-programme. As a first reaction the federal government has decided to concentrate the programme more on eastern Germany (the funds assigned to these regions have been raised from 40 percent to 50 percent).

The current lack of knowledge concerning why some goals have not been achieved so far is probably due to the fact that international standards of evaluation (cf. Ryan and Büchtemann 1996) were not met during the establishment of the 'instant programme', so that, despite the programme's prolongation, it is unlikely that the early warnings about not reaching target groups in a satisfactory way can be corrected in time. The change in the balance of the public–private partnership requires close monitoring since there is a risk that more public subsidies will lead to a further retreat on the part of the private sector as regards workforce training in the coming years in the context of Germany's rapidly ageing society.

6. Conclusions

On the basis of both official statistics and our own analyses of German Socio-Economic Panel data (GSOEP) we are convinced that there is still a need for public policy measures concerning youth unemployment in Germany, which can be satisfactorily addressed only within the framework of a solid social partnership. Although youth wage levels have remained relatively stable, despite a drop in rates of return on investment in human capital, youth unemployment has recently been falling. This is the result not only of demographic or economic factors, but above all of the substantial government programmes introduced to help young people and implemented within the framework of a tripartite partnership. Fixed-term employment and marginal employment are still more common among the young than among the labour force as a whole, as in most other European countries (Chisholm 2000). The European Directive on fixed-term
employment is likely to lead to a deregulation of this type of employment contract in Germany, with a slight tightening of the rules in the form of restricting the maximum duration of fixed-term employment, but the bill has not been finalised. It remains to be seen what effects these changes will have on the youth labour market.

The new federal programmes have been undertaken in the framework of the ‘Alliance for employment, training and competitiveness’, although they are not formally part of the pact. As a result the new youth measures have been complemented by a specific placement initiative on the part of federal, regional, and local employment offices. These offices are now actively searching for training places in firms and are devoting particular attention to the transition to work or apprenticeships of programme participants. The intention is to translate the European Employment Strategy into the national institutional framework and thereby guarantee every unemployed young person a training course or a job offer after six months. Due to the lack of adequate statistical reporting concerning the duration of youth unemployment it is not yet possible to evaluate youth unemployment policy. It is likely that the situation for young people has improved due to the considerable size of the public programmes, but no net effects have been estimated so far.

A great deal is being done for young people at the federal, regional, and local levels. At each of these levels the tripartite partnership seems to be functioning quite well, despite the fact that the social partners are rarely involved in decision-making concerning the structure of the JUMP-programme: employers and trade unions are able to exert influence only within the Federal Employment Service and at the level of implementation, which is largely on the local and regional levels.

The social partners probably accept this limitation on their influence because of the long tradition of joint negotiations concerning the youth labour market. This statement applies to the practice in the new federal

---


_Enhancing youth employability through social and civil partnership_ 319
states only to a lesser extent: there the flexible coordination of various policy measures and basic features of the labour market are still in the process of reconstruction.

As already mentioned, the JUMP-programme has been criticised for its restriction to traditional labour-market policy instruments: for example, the Third Sector does not participate in the programme (in fact it plays no part in labour market policy-making in general). Thus, the basic direction of youth labour-market policy remains unchanged: the new instruments are based on the fundamental principles of the dual system of apprenticeship and no effort has been made to correct its mistakes (Heidemann 2000, p. 158). However, the main problem with the dual system is not inadequate implementation, but its lack of timely response to fundamental changes in the economy and its occupational structure.

Finally, there has been a renewed effort to modernise the content of apprenticeships, as well as to speed up the introduction of new types of apprenticeships and complementary or further training, a tripartite process in which the social partners have played an important role. This is an important qualitative development benefiting all apprentices, irrespective of target group. The joint effort to identify new skill needs as early as possible and to translate them into new and/or updated occupational profiles benefits a large proportion of young people, as well as many older employees. Improved occupational guidance for the young is a frequently omitted 'soft' or qualitative labour-market policy measure which is difficult to capture in terms of a simple indicator suitable for benchmarking purposes.
References


Enhancing youth employability through social and civil partnership 321


Internet-URLs:
<www.buendnis.de>, homepage of the ‘Alliance for employment, training and competitiveness’ (Bündnis für Arbeit, Ausbildung und Wettbewerbsfähigkeit).
<www.sofortprogramm.de>, homepage of the JUMP-programme.
<www.bma.de>, homepage of the Ministry for Labour and Social Affairs (Bundesministerium für Arbeit und Sozialordnung, BMA).
Partnership in combating youth unemployment:  
the case of Germany

Winfried Heidemann

1. Introduction: two policy ‘poles’

Surveying the landscape of political principles in Europe we can identify two poles as regards training and employment policy concepts and programmes.

1. One approach focuses on promoting security for all, in this case, for young people at the beginning of their working lives. This approach is close to traditional trade union thinking and it comes out clearly in the paper ‘Vers un monde plus juste’ produced by the French Prime Minister Lionel Jospin for the Congress of Social Democratic Parties in Europe in October 1999:

*C’est un état qui assume sa responsabilité irremplaçable dans le fonctionnement d’une économie de marché, en garantissant à chacun sa place dans la société.*

(‘It is a state which shoulders its irreplaceable responsibility for the functioning of a market economy by guaranteeing everyone their place in society’)

In other words, the ultimate aim is to offer everyone a range of opportunities at each stage of their lives and to enable them to obtain security. The state takes care of individuals. This has also been mainstream trade union thinking for a long time.

2. The alternative approach concentrates more on strengthening individual responsibility in order to empower individuals to find their own way in a constantly changing society. The paper ‘The Third Way/Die neue Mitte’ produced by Tony Blair and Gerhard Schröder in June 1999 portrays this approach as follows:

Lifetime access to education and training and lifelong utilisation of their opportunities represent the most important security available in the modern world. Therefore governments have a responsibility to put in place a frame-
work that enables individuals to enhance their qualifications and to fulfil their potential.

Each and every young person has an individual potential and he or she is personally responsible for realising it, but society – including the state – has to open up opportunities and provide support. The question arises, what is ‘society’? Who is responsible for providing a framework for individual development?

There has undoubtedly been a considerable policy shift in many countries, under the influence of internationalisation, from providing social security to demanding individual initiative and responsibility. The question is, how is such a framework to be constructed, how is it to be implemented, and who is to provide it? Primarily the state or the private sector? What role do non-governmental organisations play? What can the social partners, particularly the trade unions, do?

The shift of responsibility as regards individual employability towards young people would be more acceptable to the trade unions if the prevailing conditions were such that young people really did have a significant choice.

The German case lies somewhere between the two poles, but is obviously shifting towards the second (‘The Third Way/Die Neue Mitte’). Partnership, including both sides of industry, has an important role to play in providing a framework for young people to make their choice. In light of this, we can identify three ways of promoting the integration of young people in employment:

1. Mobilisation of adequate vocational training opportunities in order to avoid unemployment after leaving school.
2. Adaptation of training to the requirements of the labour market and of the economy.
3. Creation of jobs in the enterprise sector, or also specific ‘transitional jobs’.

In all these cases, partnership can help. Partnership does not rely mainly on government, but mobilises its forces through the social partners and in civil society.
2. What does ‘youth unemployment’ mean?

Statistics usually cover young people between the age of 15 and 24; however, given that unemployment rates among young people vary considerably in Europe and the different institutional settings of national education and training systems – even at the age of 24 the process of education and training has often not yet come to a close (especially in the case of university students) – it makes sense to include people up to the age of 29.

A second problem is that, again due to different national education and training systems, definitions of ‘unemployed persons’ vary. In some countries, participants in vocational training courses are not counted as part of the workforce, whilst in other countries they are (for example, in countries with alternating systems of vocational training, especially dual apprenticeship systems). The formula for the unemployment rate is defined as

\[
\frac{\text{number of unemployed persons}}{\text{total workforce (employed and unemployed)}}
\]

When trainees are included in the total workforce, the unemployment rate is of course reduced. This means that in countries with school-based training systems unemployment rates tend to be overestimated, whereas in countries with a strong tradition of dual apprenticeships they are underestimated. A further issue is whether students with part-time work contracts are counted as students or as employed persons or as belonging to both groups; this is also an important factor in determining the unemployment rate.

All this means that raw figures on youth unemployment rates cannot be compared directly. A European Commission expert has taken these factors into consideration and calculated youth unemployment rates within the framework of a revised model (Dietrich 1998). This shows that

- average youth unemployment rates in the European Union are higher than in the official statistics;
- although the differences in youth unemployment rates between countries have been reduced a little, they are still significant.
Analyses following the revised concept also show that youth unemployment is lower in countries with alternating or dual apprenticeship systems than in others. There are two reasons for this:

1. In alternating or apprenticeship training schemes, the practical training and skills requirements of enterprises are obviously better met than in other types of scheme;

2. Having been given access to the world of work by virtue of an apprenticeship contract, it is, of course, easier to simply remain there than for ‘outsiders’ to enter.

Comparing Germany and Austria, it is clear that the dual system of apprenticeship which we find in both countries is not the only cause of the low youth unemployment rate: although in Austria the proportion of vocational college-based training is significantly higher, the youth unem-
ployment rate is lower than in Germany. Obviously, other factors in the institutional setting influence the unemployment rate.

A great deal of youth unemployment is transitional or ‘job-seeking’ unemployment: after finishing school or training courses, young people look for a job and during this time they are – naturally – unemployed. The length of this transitional period varies between countries. Comparing Germany and France, it seems that in France this period is longer. A long-term analysis shows that the huge differences between France and Germany as regards the unemployment rates of 15–24-year-old people diminish as they approach 30 years of age (Bourgeois 2000). Young people in ‘transitional unemployment’ must be considered differently from those who become unemployed after a first period of employment.

3. Germany: structures and figures

The dual system of apprenticeship is the dominant vocational training system in Germany. Though based on the two pillars of enterprise and school as ‘learning locations’, it is predominantly enterprise-based. Nowadays, just under 60 percent of school leavers from compulsory secondary education, at all levels – including those with the ‘Abitur’ (final examination at secondary school, comparable to the British A-level and the French baccalauréat) – enter this kind of training. However, this proportion fell from 1990 – the peak year – when it stood at 74 percent to 57 percent in 1997. The main causes of this are:

- the decreasing number of apprenticeship places offered by enterprises;
- shifting preferences among young people in favour of school- and university-based training.

The second development is related to a further problem: the recognised training schemes within the dual system were, for a long time, not available for new occupations, especially in services and information technology, so that many enterprises were unable to offer places in this field. However, this has changed in recent years.
Further problems include the following:

- A raising of training standards in the regulated training schemes has meant that not all young people meet the requirements of some more demanding training schemes;
- Structural changes have meant that the number of training opportunities in low-standard training schemes has fallen (a consequence of the emerging knowledge-based society).

The resultant problems tend to be reinforced by management prerogatives built into the provision of training places in the apprenticeship system. Access to an apprenticeship contract is bound to an assessment procedure at enterprise level, where decisions are made by the employer or the management. In the view of many employers, a number of young people seem not yet able or ‘mature’ enough to participate in a training scheme, which often means that they do not meet the specific requirements of the enterprise.

One has to bear all this in mind in order to understand that the centre of all efforts to combat youth unemployment in Germany is training policy.

A training place in the dual system enhances a young person’s chances of making the transition to a job after training. In recent years, however, difficulties have been growing at this so-called ‘second threshold’. Meanwhile, only half of those leaving dual training who pass the examinations get a job at the enterprise where they trained (and not always in the occupation they were trained to do). Others get a job at another enterprise or continue education and training on other training schemes, for example, at university. Parallel to this, unemployment after training has grown. Whilst 13 percent of those leaving dual apprentice training became unemployed in 1992, the figure was 19 percent in 1995 and 26 percent in 1998 (Figure 2).

Unemployment among young people in Germany remains significantly lower than among the population as a whole (see Figure 5).

As a result of this experience it is understandable, in a European comparative view, that the core of German policy to combat youth unemploy-
ment remains training (Serrano 2000). The philosophy behind this is that formal training enhances one’s chances of succeeding in the labour market. The JUMP-programme launched by the German government after the 1998 general election in principle follows this approach, but also takes steps to move to a policy of job integration. The programme was instigated as a response to the growth of unemployment rates among young people during the 1990s despite the resources put into training during that period.

In Germany, partnership as a way of combating unemployment and providing training is favoured by two institutional settings:

- The decentralised character of the federal states: some power in the labour market and training policy lies with the federal Länder. They can launch their own initiatives and also bring in non-governmental organisations. Furthermore, the Federal Labour Office (Bundesanstalt für Arbeit) has a decentralised structure: at regional and local level, the boards of the Federal Labour Office are tripartite.
• The relative autonomy of the social partners: according to the Constitution, trade unions and employers’ organisations are guaranteed autonomy and self-responsibility. As a result, the social partners have been closely involved with labour-market and training policy-making. As mentioned in the previous point, the social partners are also represented on the boards and on the executive of the Federal Labour Office.

4. The Alliance for Jobs, Training, and Competitiveness and the JUMP-programme

After the new federal government came to power at the end of 1998, a tripartite ‘Alliance for Jobs, Training, and Competitiveness’ was established. The high-ranking participants – the Chancellor and members of the government, presidents of trade unions and employers’ organisations – meet two or three times a year to express their opinions and reach agreement on measures to be implemented, previously discussed by eight different working parties. It is characteristic that youth questions are dealt with by the ‘Initial and Further Training’ working party, again reflecting the training approach of youth employment policy.

At its July 1999 meeting the Alliance agreed on a National Training Consensus (Ausbildungskonsens): ‘Every young person who is willing and able will receive training’. This promise is to be implemented as follows:

• Applicants for training who are registered at labour offices as not having been placed for regular training under the dual system scheme will be offered a training opportunity in an enterprise or in a training organisation outside the enterprise.

• The employers’ organisations reaffirmed their commitment to extend training to take account of demographically-based increases in demand, making available an additional 10,000 training places in the dual system.

• The Federal Administration Service confirmed that it would increase the number of its own dual-system apprenticeship places by 6 percent.
• The social partners agreed to offer special preparation courses to those who are not yet in a position to start an apprenticeship scheme.

• It was agreed that every year, in March and October, regional conferences on training should take place involving representatives of the employment administration, employers, and trade unions in order to evaluate the training-market situation and to mobilise additional efforts in this field.

• Furthermore, the partners agreed to develop jointly new training regulations for new occupations in order to create additional training places. This last issue opened up the debate within the Alliance to include innovation and the reformation of training regulations and training schemes, having previously been restricted to the purely quantitative problem of insufficient training places.

The consensus was reinforced at the meetings of Dec. 1999 and July 2000.

Subsequently, the Alliance’s Initial and Further Training working party sought to specify what should be done and prepared a number of special joint opinions concerning:

• improving the training market situation in the new Länder (eastern Germany);
• preparation for training of young people who are ‘disadvantaged’ due to poor personal or family situations or low educational attainment;
• structural innovation and further development of the training system;
• ‘lifelong learning’;
• training for young migrant workers.

Just before the partnership process of the Alliance got under way, the federal government established a new operational programme for combating youth unemployment: JUMP (‘Jugend mit Perspektive’ – prospects for young people). The programme’s aim is to bring 100,000 young unemployed people into training and/or jobs (for which reason it is also called the ‘100,000-jobs programme’). It consists of nine strands which can be grouped analytically into five courses of action:
1. **Apprenticeship**: offer of apprenticeship places in enterprise-external training organisations with the possibility of continuing after one year in an enterprise.

2. **Preparation**: preparatory measures for young people who are, for one reason or another, not yet ready to enter into a regular training contract in order that they can subsequently apply for training places or jobs.

3. **Continued training**: training schemes and courses for those who have not been able to find a job in their occupation in order to adapt them to new developments.

4. **Working and learning**: bringing working and learning together in special courses for more vulnerable young people.

5. **Integration in jobs**: subsidies for employers to integrate young people into work.

Although the programme was originally established for 100,000 participants, in the first year about 176,000 persons benefited from one or more of these measures, sometimes for a period longer than a year. Figure 3 shows the allocation of participants in 1999.

In the first year the number of those taking up apprenticeships and the number of those obtaining subsidised jobs were almost the same. In the second year, another 92,000 young people joined the programme. However, in the second year the proportion of apprenticeships – which in most cases were pursued not in enterprises but in training centres – decreased from 13.2 percent to 3.5 percent, whilst the number of job placements made possible by subsidies to the employer increased from 13 percent to 32.5 percent. This change of priorities reflected a deliberate change in policy. It may be that this indicates the limitations of the training approach: not ‘training, training, training’, but ‘jobs, jobs, jobs’.
Partnership in combating youth unemployment

**Figure 3** Participation in the JUMP-programme, 1999
*Source:* Own calculations based on the Bundesanstalt für Arbeit’s continuous evaluation reports on the JUMP-programme.

**Figure 4** Participation in the JUMP-programme, 2000
*Source:* Own calculations based on the Bundesanstalt für Arbeit’s continuous evaluation reports on the JUMP-programme.

Furthermore, it is revealing that the ‘assistance’ strand grew from 8 percent to more than 11 percent. This strand is similar to the ‘activation’ approaches of other European countries, and targets young people on the threshold of training or the labour market.

Any evaluation of the programme must distinguish between short-term and medium-term effects. The majority of those leaving the programme having joined it in 1999 successfully made the transition to the labour and
training market: directly after leaving JUMP, about one-quarter were employed and about the same proportion were in education and training; after six months, these proportions had grown to nearly one-third; on the other hand, one-third were unemployed directly after JUMP participation, falling to one-quarter.

Although this programme has attracted a lot of criticism one must concede that it has provided suitable opportunities for young people unable to obtain a job or training place elsewhere. The criticism focuses on the fact that only a minority of places lead directly to a recognised training scheme in the enterprise sector. However, the programme faces two problems: (i) the general shortage of enterprise training places in the dual system; (ii) the number of young people as yet not ready to participate in a training scheme under the dual system. Of course, as regards the second point one may protest about the apparent shift of responsibility from the employment or enterprise training sector to the personal characteristics of
individual young people, but it must be conceded that there is an unsolved problem in the ‘triangle’ of general school education, the changing personal characteristics and expectations of young people, and the higher standards expected of applicants to training schemes.

The fact that one-quarter of JUMP participants were still unemployed six months after leaving the programme was also criticised by the trade unions. But again, the question of ‘why’ has not yet been answered. Was it due to defects in the programme; the personal problems of the participants; or the focus of the programme on training, when some young people do not need training but (special) jobs?

Whatever the reasons, there was a considerable fall in the youth unemployment rate in 1999 and 2000, compared with previous years: in 1999 the general unemployment rate fell by 0.6 percent, while youth unemployment fell by 1.3 percent. In 2000, both figures fell by 1.0 percent (Figure 6).

The Government and the Bundesanstalt für Arbeit (Federal Labour Office) say that this was a result of the special programme, but it is likely that demographic factors and improving economic conditions also played their part. On the other hand, the fact that the youth unemployment rate did not fall further in 2000 seems to have two causes: (i) the employers failed to live up to their 1999 promise under the ‘national training consensus’ to increase the number of apprenticeship places significantly; (ii) the number of JUMP places was not increased to cover this.

Two facts are worth mentioning from the JUMP evaluation report. The programme has mobilised labour- and training-market actors to some extent. In the context of the programme, the services of the National Employment Agency were allowed to operate more flexibly and less bureaucratically, and enterprises and training bodies were able to benefit from measures unhindered by bureaucracy and to develop new provisions for young people, and to drop a number of obsolete measures. This effect can be studied in some local public–private partnership initiatives. For example, some local employment agencies and enterprises set up joint projects to support young training applicants to move from regions with
high unemployment rates (especially in eastern Germany) to more prosperous regions.

By addressing young people directly, through such means as the Internet and cinema advertising, the programme reached a lot of young people who had withdrawn from the labour market. They now were activated to seek jobs or training.

As JUMP was, in the view of both the government and the social partners, quite successful, it was continued in 2000, though with a shift in emphasis, mentioned above, to direct job placement through subsidies for employers. All young people under 25 who were registered as unemployed received a letter offering a consultation with the employment service.
5. Levels and examples of partnership in Germany

There are a number of levels of partnership in the context of combating youth unemployment. The emphasis – again – is mainly on training. The main characteristics of partnership in Germany are multifacetedness and decentralisation: partnership on a variety of levels and fields of action, with a variety of actors, made possible by the decentralised state organisation and the relative autonomy of the social partners (Heidemann 2000).

Partnership in the mobilisation of training places

• At the enterprise level, as already mentioned, the supply of training places is a matter for the management. Training places are offered within the context of a given enterprise’s business strategy. Training places in the dual system are driven by business interests rather than by social responsibility (although this does play a role). They are directly linked to the enterprise’s need for qualified workers in the near future; furthermore, enterprise training has come under the sway of microeconomic criteria – training costs have to be kept under control. Within the enterprise, works councils have played a significant role in mobilising additional training places beyond the current needs of the enterprise, often confirmed in formal agreements. Such agreements are often signed in the context of enterprise employment pacts (Heidemann 1999; Hans Böckler Stiftung 2000). It should be noted that the ‘culture’ of training as a matter not only of business interests but also of social responsibility has declined in recent years, due to changes in business strategy, globalisation, and management culture. In any case, the additional training places mobilised by social partnership at the enterprise level do not guarantee transition to a job in the enterprise after training – the local partnership established at the enterprise level plays a crucial role in facilitating this transition.

• Mobilisation of training places is also a subject of collective agreements between trade unions and employers’ organisations at the sectoral and enterprise levels. In 1999, collective agreements in 55 sectors with a total of 9.6 million employees contained some kind of statement on training places, some of them binding, others non-binding ‘statements of
good will’ (Bspinick 1999). Agreements to increase the number of training places were often accompanied by a freezing of apprentice wages. In some collective agreements in the chemical and metal industries, targets were set for the number of training places. After one year, the social partners evaluated the results as positive and agreed upon further steps to safeguard training opportunities in the sector.

In one regional sector of the metal industry (northern Germany) the social partners agreed to establish agencies for enterprise-external training management (EXAM – Externes Ausbildungsmangement): the many enterprises, especially SMEs, which find it difficult to organise training can get help from such agencies. This project is financed by the German Ministry of Labour.

- One strand of the JUMP-programme was established to support local and regional training initiatives. This idea was to create and promote training networks: Enterprises which cannot implement a training scheme under the dual system form a network and co-operate in training. Under this strand, about 9,000 new enterprise-based training places were offered in 1999, about 1.5 percent of the total.

- In the context of the German Alliance for Jobs, Training, and Competitiveness, the partners agreed on the principle that every young person who would like a training place should be offered one (‘Ausbildungskonsent’). In order to evaluate this policy, they agreed to hold annual conferences on training at regional level (‘Ausbildungs- platzkonferenzen’ in the 181 districts of the national labour market authority. Representatives of employers, trade unions, chambers of trade and commerce, and of the regional labour market authority meet at these conferences. An evaluation in autumn 2000 came to the conclusion that the regional conferences serve as an instrument of mutual information and transparency and have contributed not only to establishing a better climate between the actors, but also to stabilising and improving training conditions for young people.

- At the regional level, in most of the federal states some sort of alliance for training can be found. Employers’ organisations, trade unions,
chambers of trade and commerce, local communities, and even the churches come together, mostly under the co-ordination of the federal government, to discuss and take decisions about training. Often, the Prime Minister personally takes the initiative to visit enterprises to mobilise training opportunities. The trade unions’ evaluation of regional alliances is predominantly positive. They have contributed to creating a better climate of co-operation between the social and other partners as actors combating youth unemployment.

- One more initiative is worth mentioning: in 1998 a private initiative by a number of nationally known figures from business and the trade unions established, with the assistance of the Bertelsmann Foundation, a network for employment (‘Initiative für Beschäftigung’) to organise regional projects for new jobs and training within the framework of a partnership involving enterprises, trade unions, the employment service, and non-governmental organisations.

**Partnership in the mobilisation of pre-training opportunities**

- As already mentioned, a proportion of school leavers looking for a training place fail because they are not in a position to satisfy the conditions laid down by training schemes and enterprises. In order to prepare them for ‘a second bite at the cherry’ or to help them to find a job, the social partners in the chemical industry agreed (in the year 2000) to establish a special ‘start’ programme for young people (‘Start in den Beruf’). The programme will provide a 12-month period of practical pre-training in an enterprise with pedagogical assistance, after which the participants should have better prospects when applying for a training place or a job. The programme is financed by a sectoral fund whose origin dates back to a collective agreement from the 1960s, originally established to support workers in the chemical industry who became unemployed. In some regions, the idea was also picked up by initiatives outside the chemical industry, pushing similar ideas and partly supported by the private initiative mentioned in the last point of the previous section.
Partnership in the mobilisation of jobs for young people

- At the enterprise level, there are many examples of schemes to safeguard jobs for those leaving the apprenticeship scheme. As a direct transition into a job is nowadays no longer the norm, works councils often make formal or informal agreements with management in the context of enterprise employment pacts (Heidemann 1999). They agree on limited guarantees of a job after taking the examination in the enterprise dual training scheme. Here also bargaining is a matter of ‘give and take’: management agrees to give a job to those leaving training, but in turn demands concessions from the works council.

- At the sectoral level, the conditions governing the transition to a job of those leaving training are subject to collective agreements between trade unions and employers’ organisations. In 1999 collective agreements in 62 sectors covering a total of just under 10 million employees contained provisions of this kind (Bispinck 1999). In some cases, jobs of unlimited duration are offered to those who have successfully completed training is unlimited, while in others (the majority) these jobs are restricted to a limited period of time. Furthermore, in a few agreements the starting wages for young people after training have been reduced (especially in the chemical and construction sectors). The aim of this policy is to make take-up cheaper for the employer and so to motivate enterprises to offer training places and to take on leavers.

- In some German cities with high unemployment rates territorial employment pacts have been established, supported by the European Union. Activities concerning young people on the threshold of training or employment are one major field of action of such pacts, bringing together local actors not only from the local authorities and the social partners, but also from civil society. It is in this context that jobs in the Third Sector are being established. However, the Third Sector does not play a major role in Germany. On the contrary, experience with jobs in the Third Sector, subsidised by job-creation programmes within the framework of national labour-market policy, shows that they are mostly unable to provide a transition to stable, unsubsidised
employment. There is little experience with developing the Third Sector economy in Germany.

- In the context of labour-market policy, there is a tradition of job-creation in the so-called second labour market. The Federal Labour Office subsidises special jobs for the long-term unemployed, the disadvantaged, or even young people in accordance with non-profit criteria. In recent years ‘subsidised work instead of welfare’ programmes have also been launched at the Land (state) and local community level. Experience shows, again, that second-labour-market jobs seldom lead to employment in the market sector; the ‘vicious circle’ of subsidised jobs is prolonged and remaining in such protected jobs does not improve a person’s chances of making the transition to the first labour market.
References
Partnerships and youth unemployment in Denmark – successes and failures of a presumed best case

*Mikkel Mailand*

1. Introduction

Youth unemployment decreased in Europe during the 1990s, but is still on average twice as high as adult unemployment. There are many reasons for this: for example, the transition from school to work is not always an easy task and some young people never make it; even if they do, as newcomers young people often find themselves on the periphery of the labour market, on part-time or short-term contracts, vulnerable to fluctuations in the business cycle.

This customarily vulnerable position of young people is one of the reasons why the European Employment Strategy gives high priority to fighting youth unemployment. However, in Denmark the situation of young people in the year 2000 differs in some respects from this general picture. Young people make up a large proportion of part-time workers, but the activity rate is only a little lower for young people than for adults, and youth unemployment is nearly as low as adult unemployment, and educated young people are now in demand because of demographic developments. Nevertheless, young people in Denmark are very dependent on employment policy initiatives, including education policy.

Social partnership (between state, employers’ organisations, and trade unions) and civil partnership (between the state and the Third Sector/voluntary organisations) have been identified as important features of a well-functioning employment policy (Auer 2000; Serrano 2000). Partnerships play an important role in Danish employment policy and Denmark has often been put forward as a case of best practise in the EU. This is so not only because of the presence of partnerships, but also because of the combination of low unemployment, a high activity rate for all groups,
generous social benefits, and strong economic growth (see for instance Larsson 1999).

The role of partnership is the theme of this paper. The focus is more on social than on civil partnership because social partnership seems to be much more important in connection with employment policy than civil partnership.

In section 2 the youth unemployment situation in Denmark is described. Section 3 focuses on National Action Plans for employment (NAPs) addressed to young people. Section 4 analyses social and civil partnership in relation to both the Danish NAPs and employment policy in general. Section 5 tries to identify the strengths and weaknesses of the NAPs and employment policy in general, while in section 6 I draw some conclusions. Only the most important NAP actions are discussed.

2. The state of youth unemployment in Denmark

Compared to young people in most other EU Member States young people in Denmark are generally in a quite favourable situation. Youth unemployment is low (5.6 percent) – only a little higher than unemployment in general (4.1 percent) – and labour-market activity for young people is very high (80.6 percent). Social benefits are relatively generous and the transition from school to work is relatively rapid. Young people tend to stay on at school and partly as a consequence of this they occupy a large share (46.4 percent) of all part-time jobs (Serrano 2000). However, life changes are still strongly connected to social background, and immigrants as well as the children of unemployed and less-educated adults seem to follow in their parents’ footsteps to a worrying degree.

3. The NAPs and youth employment

The NAPs and unemployment

The core of Danish NAPs is the labour market reform of 1994 for insured unemployed people and the social reform of 1998 for uninsured unemployed people (building on the Law on municipal activation of 1994).
The two reforms reflect the dual structure of employment policy in Denmark, where the insured unemployed are the responsibility of the Ministry of Labour and labour-market policy, while the uninsured unemployed are the responsibility of the Ministry of Social Affairs and social policy. Most of the workforce participate in an unemployment insurance fund; if they become unemployed, they are activated through labour-market policy measures. Under current Danish social policy, unemployed persons unemployed persons not eligible for unemployment benefits are the responsibility of the municipalities. Social security payments for, for example, persons with children amount to 80 percent of the maximum unemployment benefit (Kongshøj Madsen 1997).

Despite this rather rigid division the two reforms have many common elements. As in the European Employment Strategy, employability is a key element of both the Danish labour-market reform and social reform. Attempts to increase employability have included active measures and shorter benefit periods. Among the active measures are job rotation and various forms of job training, but youth education and further/adult education have been the instruments most frequently used. To ‘make room’ for the unemployed, leave schemes were introduced, but as the labour market has contracted, the Government has introduced barriers against the use of such schemes. Individual action plans for each unemployed person have also been a key element in active policies, as has the ‘right and duty principle’, which means that unemployed persons can lose social or unemployment benefit if they reject a number of job or activation offers.
Table 1 Key elements in labour-market reform

Labour-market reform, 1994
- the possibility of re-qualifying for entitlement to unemployment benefit through participation in activation was abolished; this means that, from now on, renewed entitlement to benefit may be obtained only by means of ordinary, unsubsidised employment; at the same time, the benefit period was extended to 7 years;
- activation measures were decentralised so that the regional labour-market councils became responsible for the planning of activation;
- measures at local level which involve the performance of some kind of economic activity and a set of rules established at national level.

Labour-market reform, phase 2, 1996
- earlier activation, and after two years a ‘right and duty’ to full-time activation in the form of either job training or ordinary education/training;
- young people without formal educational or vocational qualifications have a ‘right and duty’ to participate in an education/training programme of at least 18 months’ duration within a period of 9 months after they have been unemployed for 6 months;
- the employment requirement in connection with renewing benefit entitlement was increased from 26 weeks to the present 52 weeks;
- opportunities to participate in adult vocational training were improved for low-skilled groups; the transitional allowance was abolished earlier than planned.

Labour-market reform, phase 3, 1999
- the ‘right and duty’ to activation was brought forward to before reaching 12 months’ unemployment for adults and before 6 months for young persons;
- reduction of the total support period from 5 to 4 years;
- further strengthening of the rules on the requirement to be available for work;
- personal interviews concerning possible options and steps to follow in order to get a job before reaching 3 months’ unemployment;
- higher quality and efficiency requirements in connection with activation measures;
Partnerships and youth unemployment in Denmark

(Table 1 continued)

- strengthening of measures concerning disadvantaged groups of unemployed persons, including offers of language courses and education;
- strengthening of measures for those in the 50–59 age group;
- greater involvement of the unemployment insurance funds and other actors in labour-market policy-making;
- establishment of the right to participation, during the benefit period, in special job-oriented training programmes in economic sectors with bottleneck problems;
- extension of the apprenticeship scheme to adults;
- more specific targeting of training programmes on the needs of the labour market.

Labour-market reform in Denmark has gone through three phases. The first phase laid down the basic principles and decentralised some decision-making from the Ministry of Labour to the regional labour-market boards. The reform took place at a time of high unemployment, but the labour-market situation was already getting better when the reform was phased in from 1994. The adjustments made to the reform (Table 1) have to be seen in this light.

For the uninsured unemployed, changes similar to those for the insured unemployed were implemented, although with some delay (Table 2). The social reform measures were introduced in 1998, but the activation line had already started in 1994. Since the reform, the institutional set-up of employment policy for the uninsured unemployed includes a target of employment or activation for all, and rapid activation for all those under 30 (previously under 25). Moreover, tripartite bodies have been set up at the national, regional, and local levels to assist the municipalities (Berg Sorensen et al. 2000).

The second phase of the labour-market reform was especially important in relation to youth unemployment. This phase included the Special Youth Initiatives which gave young people without formal educational or voca-
Table 2 Key elements in the social reform

Social reform 1998 and other recent changes
- a ‘right and duty’ to activation for all persons on social assistance: for persons under 30 before reaching 3 months on social assistance; for those over 30 before reaching 12 months on social assistance;
- personal interviews before reaching 2 months on social assistance;
- further strengthening of the rules on the requirement to be available for work;
- simplification of the rules on income tax deductions as part of creating incentives to take up unsubsidised employment;
- possibility to argue the unreasonableness of a given activation offer;
- co-ordination committee for preventive labour-market measures in all municipalities in order to promote the labour-market inclusion of the most exposed groups;
- since 1 January 1999 the municipalities have had a duty to promote and develop enterprise-oriented initiatives.

Additional qualifications a ‘right and duty’ to participate in an education/training programme of at least 18 months’ duration within a period of 9 months after they have been unemployed for 6 months. Similar ‘rights and duties’ have been introduced for the uninsured unemployed.

The special youth initiatives have clearly motivated many young people to go into education/training or employment before they become subject to the schemes. The number of unemployed young people in the target group for the special youth initiatives decreased from 7,000 in January 1996 to 1,500 in November 1997 (NAP 1998, p. 22). That is a remarkable decrease. The most important reason given by young people for seeking employment or further education opportunities on their own before coming under the purview of the programmes was that they could not afford to live on the available benefit (Nord-Larsen 1997, p. 11), which is equivalent to the benefit young people receive when in education. It represents
a 50-percent reduction of the unemployment benefit the young unemployed could receive prior to the introduction of the programmes. The study (Nord-Larsen 1997) also shows that many young persons leave unemployment after they become subject to the scheme (ibid.).

Reductions in unemployment for young unemployed people other than the target group have not been as dramatic. However, overall youth unemployment more than halved from 1993 to 1997 (NAP 1998).

Not exclusively focused on the young unemployed but relevant to them are the government initiative *A labour market open to all (an inclusive labour market)*. A key element in this initiative has been so-called ‘jobs on special terms’ (also known as ‘protected jobs’) and ‘flexi-jobs’. A wage subsidy may be granted to employers who take on disabled persons within the framework of both kinds of jobs. Flexi-jobs are permanent jobs and the wage is determined by collective agreement. The wage subsidy amounts to one-third, one-half, or two-thirds of the current minimum wage, depending on the degree to which the working capacity of the employed person is restricted. In the year 2000 there were 6,500 ‘flexi-jobs’ in Denmark. The ‘jobs on special terms’ are for people receiving disability pensions. The employer receives a wage subsidy amounting to half the wage. The number of these jobs in 1999 was 4,500. In addition, there are also ‘jobs on special terms’ without a wage subsidy. These jobs also make it possible to employ persons with reduced capacity for work, but they are connected to the so-called *social chapters* in collective agreements. There are at present only 3,600 such non-wage-subsidy ‘jobs on special terms’ in Denmark (Rosdahl 2000, p. 3–4).

The social partners in both the public and the private labour markets have followed up this initiative to varying degrees, but the trend is in the direction of a narrowing of the gap between the two sectors through an increase in the number of such jobs in the private sector. In relation to the total number of employees there are relatively more ‘flexi-jobs’ and ‘jobs on special terms’ in the public sector (3.1 per 1,000 employees) than in the private sector (1.9 per 1,000 employees). The government objective – for the whole economy – is to establish 30–40,000 ‘jobs on special terms’,
including jobs based on agreements between the social partners and jobs with a public subsidy, before 2005 (NAP 2000, p. 27). Considering the recent increase in the number of these jobs being established it does not seem to be an unrealistic target. However, a breakdown in negotiations between the state, the social partners, and the local authorities in autumn 2000 over the establishment of new ‘flexi-jobs’ in connection with a reform of the disability pension scheme could block this development (see section 5.1). The Government proceeded to complete the reform initiative without the social partners, which could damage the chances of successful implementation.

The main aim of this reform has been to continue and intensify the trend towards a lower number of persons on disability pensions and to create more ‘flexi-jobs’. The proportion of disability pensions awarded to persons who had previously participated in a scheme (rehabilitation and/or activation) showed a marked increase and was about 40 percent during the first 6 months of 1999. At the same time, there was a significant decrease in the number of disability pensions awarded in 1998 and 1999. The cause of this development is not known, but one explanation could be that the municipal authorities now follow up on cases of long-term sickness at an earlier stage. The reform of the disability pension scheme makes it more attractive to be employed in a ‘flexi-job’, mainly by strengthening the legal rights of employees (by mainstreaming the rights to early retirement, maternity leave, and so on, with ordinary employment).

When it comes to implementing the employment guidelines the picture is mixed, but mostly positive. The EU target for Guidelines 1 and 2 is that activation measures should be implemented in respect of young unemployed persons and unemployed adults before they reach 6 and 12 months of unemployment respectively.

The output indicators for 1998 show that 90 percent of the young persons who became unemployed and 96 percent of the adults who were insured against unemployment and who became unemployed were out of unemployment before, respectively, 6 and 12 months had passed. In other words, only about 10 percent of the young persons and 4 percent of the
adults who had recently become unemployed were still unemployed after 6 months in 1998 (5 percent after 12 months). These proportions fell from 1997 to 1998.

However, the so-called input indicator for young persons and adults is low; the target – that all young unemployed persons are to be offered an individual action plan before reaching 6 months of unemployment – is not being met: 84 percent of those who became unemployed in 1998 had not been offered an individual action plan before reaching 6 months of unemployment. Rules were introduced in an attempt to ensure that by the end of 1999 all young unemployed would be offered an action plan before reaching 6 months of unemployment. Likewise, the target that all adults should be offered an individual action plan before reaching 12 months of unemployment has not yet been met. In 1998 about 76 percent of the newly unemployed had not yet been offered an individual action plan before reaching 12 months of unemployment. Rules were introduced to make sure that, by the beginning of 2001, all adults would be offered an action plan before 12 months of unemployment.

The EU target related to Guideline 3 (the share of unemployed persons participating in education/training or other active measures in relation to total unemployment must be at least 20 percent) was met from the start (1998). The share (input indicator) in 1999 was 44 percent. The output indicator shows that the share of unemployed 3 and 6 months after activation was, respectively, 26 percent and 13 percent.

The NAPs and youth education

Other parts of the NAPs concentrate on easing the transition from school to work (Guidelines 7 and 8). Efforts are made to promote the supply of labour in qualitative terms by encouraging a growing share of young persons to complete youth education and/or higher education and, in quantitative terms, by encouraging students to complete their studies more quickly. The situation is that 84 percent of young people completed secondary education and 42 percent higher education in 1998. It is now the Government's ambition that the proportion of young people who complete secondary education in a given year should increase to 95 percent.
over a period of 10 years. During the same period the share completing higher education should be increased to 50 percent.

It is one of the main objectives of the new vocational training reform introduced at the beginning of 2001 that the drop-out rate should be halved to 12 percent over a period of years. At the same time, the drop-out rate in higher education should be reduced from about 27 percent to 17 percent.

In recent years students at Danish technical schools have increasingly had problems finding practical training places. With a view to living up to their responsibility for increasing the supply of skilled labour in the coming years, the Government, the Danish Employers’ Confederation, and the Confederation of Danish Trade Unions (LO) have concluded a joint action plan. The aim is to provide high quality training places which will match the need for skilled labour of the different occupational sectors and the needs of young persons for training places. The target for practical training places for 2004 has been fixed at 36,000. On top of this, it is also a joint objective to halve the number of drop-outs; this objective is to be achieved by increased the use of combination agreements under which schools, local training committees, and occupational committees co-operate. Finally, labour-market organisations will launch a joint campaign with a focus on students.

Not exclusively related to young people but relevant also to them is the reform of adult and continued vocational training (the so-called VEU-reform) which was passed in Parliament in 1999. The background for the reform was that, in the eyes of the Government, public spending on adult and further education was getting out of control. The DKK 12.5 billion (GBP 1 billion) adult and further education budget for 1999 equals that of the Danish defence budget, which in turn is half the expenditure on public hospitals. Moreover, a large amount of the money was spent on education of questionable quality and for already well educated people.

The aim of the reform of adult and further education was therefore to ensure high quality and an opportunity for all groups to be able to take advantage of the system. Public spending was now to be targeted on
employees with no or few formal qualifications to a much greater extent. This will cut spending and contribute to the establishment of an inclusive labour market. It is the Governments’ belief that employers (or employers and employees if the funding of training becomes a collective bargaining issue or training funds are to be set up), are probably willing to finance the obtaining of qualifications in order to have better educated employees. Hence, firms and other labour-market agents should carry a greater share of the financial burden of further training, as is the case in neighbouring countries.

Moreover, only adult and further education leading to formal qualifications should be publicly financed. Previously, a significant proportion of courses did not lead to formal qualifications even though a large share of the workforce did not have any qualifications at all. These changes would entail that firms are forced to pay more attention to personnel planning by making it less attractive to send employees to a labour-market education course just because of the low cost.

4. Social and civil partnership in Danish employment policy

Social partnership in employment policy and the NAPs

The social partners are actively involved in the implementation of the Government’s employment strategy. The involvement of the social partners takes place within the framework of collective bargaining and various types of tripartite agreement.

Since 1995 the collective bargaining channel has been used to introduce the previously mentioned social chapters in order to commit the social partners both to create and to preserve jobs on special terms of employment for disabled people. But the collective bargaining channel has also led to other agreements between the social partners. In March 2000 the social partners in the private labour market concluded new collective agreements that will run for four years. Some of the elements of the employment guidelines were taken up in connection with these negotiations, such as the modernisation of work organisation, access to part-time work, lifelong learning, and terms of employment for persons with a reduced capacity for work.
The tripartite channel consists of different kinds of tripartite arrangements, concluded in either ad hoc or permanent bodies. Tripartite agreements play an important role in employment policy for the insured unemployed and in VET/youth education, but a less important role in relation to the uninsured unemployed.

Social partnership for the insured unemployed functions within the framework of labour-market policy. In practice it is implemented by the Public Employment Service (AF) which has 14 regional and a number of local offices. A Labour-Market Council (RAR) has been set up in each region. These councils are responsible for the management of regional labour-market policy initiatives within the framework laid down at central level. The Labour-Market Councils are composed of labour-market representatives and representatives of the counties and municipalities.

At the national level, a National Labour Market Council (LAR) has been set up with a similar composition. This Council acts in an advisory capacity in relation to the minister of labour concerning such matters as the planning of labour-market initiatives and establishment of a framework for measures at the regional level.

Social partnership related to VET and youth education takes in a significant number of tripartite bodies. At central level, the tripartite Education Council has a strong influence over the content of training programmes and courses. The Education Council advises the Minister of Labour on matters concerning vocational training programmes, including the dimensioning of training activities. The 50 Further Training Councils that are developing the Labour Market Courses are also tripartite constructs.

Adult and further education pertaining to the Ministry of Education have a similar structure; in addition, a number of councils advise the Minister of Education, one for each sector or industry. Not all of these councils have to be tripartite by law, but most of them are in fact. The councils under the Ministry of Education also deal with ordinary education.

The only cross-ministerial council is the Adult and Further Education Council, although it does not have any formal competencies, but acts as
advisor to the Minister of Labour, the Minister of Industry, and the Minister of Education.

Labour-market actors also have an influence on the local and regional tripartite boards related to vocational education and training. Their task is to support the workings of the schools and educational centres responsible for vocational training. From the late 1980s through the 1990s, the local and regional tripartite boards were accorded greater responsibility. However, most courses are still negotiated at the central level. What is being decentralised is responsibility for financing and for decision-making concerning which courses should be supplied. The decentralisation of some decision-making powers was followed by measures to give local and regional actors more influence over and to broaden the range of courses.

Social partnerships in relation to both labour-market policy and VET/youth education are written into the NAPs – especially into Guidelines 5 and 6 (encouraging a partnership approach) – and this has played a role in implementation of the various Guidelines.

Social partnership is relatively less developed in employment policy for the uninsured unemployed (social policy). Apart from the state, the most important actors in the social-policy area have traditionally been not labour-market actors, but the semi-autonomous local authorities represented by the Federation of Municipalities (KL). This has been so because the local authorities have been responsible for the administration of the social benefits for and activation of the uninsured unemployed.

Implementation and administration of social policy is still in the hands of the municipalities. However, when an active policy approach was extended to social policy, in addition to labour-market policy, in the late 1990s it became necessary to create a broader dialogue including the labour-market actors in order to meet the Government’s goal of creating a labour market open to all.

At the central level there are now frequent tripartite negotiations – ‘quadrupartite’ when they include the Federation of Municipalities and the Federation of Counties (ARF). Moreover, a permanent national tripartite
body called the Social Council was set up to advise the Ministry of Social Affairs and to guide the municipalities and the associated social co-ordination committees. The representatives are the same, with the addition of representatives of the medical association (PLO) and the organisation representing the interests of the disabled (DSI).

The institutional set-up of the social policy system is similar to that of the labour-market policy system, but so far dialogue has been less intense than that in the labour-market-policy tripartite bodies and the influence of labour-market actors has not been as strong.

At local level all 273 municipalities have been ordered by the Ministry of Social Affairs to set up – alone or with other municipalities – so-called Social Co-ordination Committees in order to take other initiatives to ensure that as few people as possible find themselves in a situation of long-term passive state dependency. The representatives are the same as those on the Social Council, with the addition of representatives from the Public Employment Service. The municipalities have to consult the co-ordinating committees on questions about pensions, sick leave, early retirement pensions, and so on.

Social dialogue in relation to the uninsured unemployed has also been written into the NAPs.

**Civil partnership in employment policy and the NAPs**

Civil partnership – partnership with the Third Sector – does not play as prominent a role in Danish employment policy, or in the NAPs, as social partnership does, despite the fact that organisations other than labour-market actors have played an important role in Danish society, not least over the last 15–20 years (Socialministeriet 1998). Moreover, the social reform of 1998 cleared the way for closer co-operation between the state and the Third Sector. A fund was established for this purpose, but so far the municipalities have not used much of the money.

The influence of the Third Sector in employment policy is still limited as regards policy-making. It is not represented in the labour-market policy-
making system. Its influence in the newly established consultative bodies in the social-policy system is also limited (Caswell and Jensen 2001).

However, it would be wrong to say that the Third Sector plays no role at all in Danish employment policy. According to a survey of about 500 activation projects for the uninsured unemployed, although sports, humanitarian, and religious organisations almost never initiated the activation projects or were responsible for their implementation, they were nevertheless involved as partners in 23 percent of them (Weise and Brogaard 1997, p. 145). This survey is already some years old, however, and so does not reflect the social reform of 1998. Because of the lack of newer and more extensive analyses it is difficult to estimate the exact extent of the Third Sector’s engagement in employment policy. Perhaps over the coming years volunteer organisations will have a more important role in employment policy and in the NAPs.

5. Weaknesses and strengths of the programmes for young people

Strengths and weaknesses of youth unemployment programmes

The special youth initiatives have been the most important programmes addressed exclusively to young people. On the face of it, they have been a success because they have helped to reduce youth unemployment to its present low level. However, the programmes have been criticised because they – as already mentioned – have reduced benefits for the young insured unemployed, so that they receive only the same amount of money as those in full-time study. Such ‘hard workfare’ – activation policy through reduction of benefits to below normal wages combined with the compulsion to work – is not in line with Danish employment-policy traditions (Mailand 2000). Moreover, when measuring the fall in youth unemployment in the 1990s, the size of the youth cohort must also be considered. The youth cohort shrank rapidly during that decade and will continue to shrink until 2005 (Bredgaard and Jørgensen 2000, p. 19).

Besides the consequences for living conditions there is a real danger that people have been accepting more insecure jobs with lower wages and

Enhancing youth employability through social and civil partnership 357
worse working conditions than they would have done had they not been under pressure to do so. However, according to an evaluation of the special youth initiatives that does not seem to be the case (Nord-Larsen 1997, p. 11), although some observers have pointed to the fact that the programme significantly raised transition rates from unemployment to schooling, whereas the transition rate from unemployment to employment was somewhat weaker (Jensen et al. 1999).

There is little doubt that labour-market reform not exclusively addressed to the young unemployed has been successful. In relation to the insured unemployed it is generally accepted that the labour-market reforms have helped to reduce both youth and long-term unemployment without creating inflation. The ‘rights and duties’ principle, the individual action plans, the shorter benefit periods, and the involvement of the social partners in the regional labour market councils have all contributed to this.

Concerning the social-partnership dimension of the labour-market reform, evaluations of the decision-making processes in the regional labour-market councils show that consensus has been reached about the main lines of the activation policy (Larsen et al. 1996a; 1996b; Winter and PL5 Concut 1995; Haahr and Winter 1996).

Nevertheless, some problems are still to be solved: first, power is not equally distributed among the representatives and some representatives do not have the necessary resources to be able to contribute at a sufficiently high level.

Secondly, recentralisation of the activation policy in the second half of the 1990s has been undermining regional-level competences as a consequence of which the social partners have begun to lose interest.

Thirdly, co-operation among the different players in the regional labour market – regional labour-market councils, employment services, vocational schools, labour market training centres, and so on – is not sufficient and is being blocked by competition for power and for centrally allocated resources (Mailand 1999).
Fourthly, at national level there have been problems in relation to tri- or quadri-partite negotiations since the mid-1990s. During the negotiations concerning labour-market reform phase 3 in 1998 the state attempted to bypass the social partners, but without success because the social partners were able to reach agreement to a surprising extent (Mailand, forthcoming). In the negotiations on reform of the disability pension scheme the government was unable to obtain the agreement of labour-market actors to establish new ‘flexi-jobs’ because it could not satisfy their demands.

Fifthly, unemployment is so low and the remaining unemployed are so ‘weak’ that they need a special service which the existing activation system for insured unemployed people cannot really provide (Jørgensen et al. 1999).

Finally, over the last two years the focus has increasingly been on the quality of activation projects. It has been said that too much emphasis on quantitative targets has led to too much meaningless activation, despite the fact that not all quantitative measures have been reached. For instance, in the National Action Plan for Employment 1999 specific targets were set with a tripartite agreement on the number of those who should be given the opportunity to participate in private job training, a measure known for its good employment effects. The follow-up shows that only 6,300 private job training places were established, corresponding to 69 percent of the target figure. The employment service is obliged to draw up an individual action plan for every unemployed person, containing mainly different forms of education/training and job training (temporary subsidised-wage jobs); the action plans are subsequently implemented mainly by vocational schools and training centres and in public and private enterprises. However, the action plans are often not made for individuals but for groups of unemployed people, and are often produced later than the rules dictate (Mandag Morgen 2000). Moreover, over the last couple of years there have been so many examples of non-qualifying activation projects that in 1999 the Confederation of Danish Trade Unions raised it as an issue and the Government has promised to improve the situation. There are several possible explanations for this recent worsening of the perfor-
mance of the Public Employment Service. One is that the trend towards earlier action has put it under pressure. Furthermore, its new and very expensive computer system still did not work six months after its implementation. Finally, as already mentioned, the remaining unemployed are weaker in terms of vocational qualifications and not the normal ‘core customers of the Public Employment Service; activation of these groups is not an easy task.

Social partnership in relation to social policy – for the uninsured unemployed – is now being developed. According to Caswell and Jensen (2001), as well as the social partners, the work of the committees is improving, but one-third of the committees are far from being well functioning. Moreover, there have been complaints about municipalities not being interested in establishing committees or, when they are established, not wanting to involve them sufficiently (Confederation of Danish Trade Unions 1999).

There have also been reports of a lack of commitment and involvement from the medical association and problems in finding enough qualified representatives from among the labour-market actors. However, it is still too soon to make a judgement about the committees – they need more time to find their role in the local community. The municipalities and the labour-market actors have to learn to work with one another.

Also, there seem to be more problems related to activation of the uninsured than to activation of the insured, a difference not found in the NAPs. Unemployment has been decreasing faster for the insured than for the uninsured unemployed: 16 percent for the insured and only 5 percent for the uninsured unemployed from 1997 to 1998 (Danish Employers’ Confederation 2000).

There are many possible explanations for this. It might have something to do with the already mentioned lack of social partnership in this area – which is also reflected in the very infrequent contacts between the municipalities and private-sector firms (Danish Employers’ Confederation 1999; Larsen and Weise 1999). Secondly, uninsured unemployed people are not as frequently in contact with the Public Employment Service and are not ready for work to the same extent as the insured (Danish Employers’
Confederation 2000). Thirdly, the uninsured unemployed are often weaker and therefore more difficult to get back into an ordinary job. Fourthly, municipal activation is not always focused on getting people back to work ('vocational activation'), but sometimes on re-establishing self-confidence and social competence in other ways ('social activation'), although in some of these cases employment would be an option (Berg Sørensen et al. 2000).

Strengths and weaknesses of youth education policy

The qualification level of young people in Denmark is generally high and the target of getting more young people to complete a secondary and/or a higher education and to reduce the drop-out rate is realistic. In this respect, Denmark is the Member State with the most concrete targets (European Commission 2000).

The quality of partnership in relation to youth education is called into question by the problems experienced by students from vocational schools in finding practical training places. Employers' and trade union representatives dominate the boards of vocational schools and are represented in a number of tripartite bodies related to youth education. Collectively the employers have an interest in offering students practical training places, but individual employers do not have the time to train young people in busy periods, as the mid and late 1990s were for many firms. Therefore it is a positive move that the government and the labour-market actors have set a target for the creation of new practical training places.

Another problem is that students do not always want the practical training places that are offered. This particular problem reflects a more general one: the unwillingness of young people to work in traditional manufacturing industry. Such firms offer a large proportion of the available practical training places and also provide good employment opportunities, but these days young people are more interested in the IT sector and the cultural industries.

The social partnership approach in the vocational schools and the labour-market education centres has also been criticised. Some civil servants have unofficially questioned the strong influence of the labour-market actors whom they
regard as conservative opponents of reform. Labour-market actors have been accused of being defenders of yesterday’s industrial society and hence an obstacle to the implementation of new and modern educational schemes (Mandag Morgen 1997; 1999). A government White Paper also raises this problem, although the criticism is formulated cautiously and the report states that labour-market actors must have some say (Arbejdsmisteriet et al. 1999). Given that criticism of tripartism is not heard very often in Denmark (Mailand, forthcoming), these official and unofficial statements are important.

Concerning the reform of VET — VEU reform — one might ask whether it is adequate and appropriate. The targeting of resources to the less-educated workforce is justifiable and necessary if the cost of adult and further education must to be cut. However, there is a real danger that a cut-back in public expenditure will lead to a decline in the overall amount of further training, which could hit young people as well as adults. That is especially so if the willingness of the employers/labour market actors to finance further training for their core employees does not turn out to be as widespread as assumed and if the problems of quality and co-operation related to further training supply are not solved. At present, it is very doubtful that this will happen.

Evaluating changes in the NAPs in relation to young people

Danish NAPs have remained fairly constant since the beginning in 1998. The key element has been employability. Labour-market and social reforms have been the most important measures. However, some changes can be identified.

First, there was a stronger focus on labour supply in NAP 2000 than in NAP 1998, for young, old, and ethnic minorities alike. This development has to do above all with the contraction of the labour market. For young people this change has taken the form of an increased focus on getting them to complete their education more rapidly, which is justified by the fact that young people in Denmark tend to stay on until relatively late.

Secondly, in connection with the higher priority being given to labour-
market supply, higher priority is now also being given to the vision of a labour market open to all. Even though this vision has been part of the NAPs from the very beginning NAP 2000 put more emphasis on it than previous incarnations. This is related to attempts to increase labour supply, but should also be seen in connection with the agreement on reform of the disability pension scheme. Moreover, the success of the strategy of establishing ‘jobs on special terms’ could also have played a role in the Government’s upgrading of this part of the NAP. This is the only element in Danish employment policy that is more focused on job creation than on employability.

Thirdly, there is a growing awareness – not only in the NAP but also in the Danish debate on activation – that the generally successful Danish activation policy is not without its weak points. Not all guidelines have been met and the quality of the activation projects is increasingly being questioned. There is also more focus on cost-effectiveness than before.

However, these four points are minor changes – the overall picture remains the same as in 1998.

6. Conclusion

Youth unemployment in Denmark is low and the activity rate is high. The most important measures to combat youth unemployment have been the relatively successful labour-market and social reforms of the 1990s, especially the youth employment initiatives. The latter have succeeded in reducing youth unemployment by early activation and economic incentives. In the coming years the Government will try to improve opportunities for young people by offering action plans to the unemployed at an earlier stage and improving the percentage of young people completing secondary education and by reducing drop-out rates.

Partnership is playing an important role in employment policy for young and old alike, but more so in the form of social than of civil partnership and more in relation to the insured unemployed and VET/youth education than to the uninsured unemployed. Generally, the partnership model is functioning well even though some weak points can be identified.
The NAPs have been fairly constant since 1998, but there is now more focus on labour supply, creating a labour market open to all, and on the limits and weak points of activation policies.
References


Larson, A. (1999) ‘What can we learn from Denmark?’, in G. Schmid and K. Enhancing youth employability through social and civil partnership 365
Schömann (eds) Learning from Denmark, WZB Discussion paper, Berlin: WZB.


366 Enhancing youth employability through social and civil partnership
Does Europe have a monopoly on ‘heart’? Youth employment policies in Australia and Canada

Stéphane Le Quex; Dong Biddle; John Burgess and Diane-Gabrielle Tremblay

1. Introduction

The ideal of a Social Europe is often presented as a counter-model to Anglo-Saxon liberalism. However, just as there is nothing to prove that being ‘social’ is an exclusively European prerogative, so Europe’s policy for combating youth unemployment is also susceptible to neo-liberal influence. The European policy defined at the 1997 Luxembourg Summit and set out in the European youth employment guidelines, with employability as its cornerstone and emphasis on stimulating supply, borrows ideas and methodology from approaches developed across the English Channel and across the Atlantic. Moreover, just as the idea of a European model is not incompatible with substantial and lasting national differences in the management of social affairs and labour regulation, so the situations in the Anglo-Saxon countries do not necessarily all conform in every detail to the American ‘workfare’ stereotype. Australia and Canada, with their strong collectivist traditions, history of social partnership, and trade unions that remain influential, provide an especially valuable basis for comparison.

The return to market liberalism, nascent in the 1980s, took root in Australia and Canada during the 1990s and was accompanied by a fairly radical change in government strategy for youth employment. The central planks of such strategies were employability, a shift of responsibility to young people themselves, enhancing their marketability by education more geared to employers’ needs, lower youth wages, and a more flexible labour market. The high labour force participation rates for youth in Australia, and the stabilisation — and indeed the recent reduction — of youth unemployment in Canada might imply that these policies have been successful on the whole; however, closer analysis indicates the existence of

Enhancing youth employability through social and civil partnership

367
a disturbing underlying trend towards social dualism among the youth of both countries.

Overall, and in an adverse ideological climate, the Australian and Canadian cases illustrate the crucial importance of legal employment protection and of access to collective representation, as well as highlighting the drawbacks of a policy that gives free rein to the market and employers. In addition, these cases demonstrate not only the potential but also the limits and dangers of the so-called ‘économie solidaire’. In the conclusions to this chapter we will return to these issues, focusing on the importance of mobilising the social players (particularly the trade union movement), mixed employment policies, and a social protection system that is tailored to new labour-market structures.

First, however, we will present a summary of the situation in Australia and Canada. Following a description of the principal characteristics of the youth labour market, we will outline the youth employment policies in each country.

2. The Australian context

Unemployment significantly increased in the mid 1970s and early 1980s; in particular, youth rates of unemployment were pushed into double digits. As a consequence, a number of labour-market programmes targeting youth were developed, largely connected with education, training, and job placement assistance. In the early 1980s around one-third of all labour-market programme expenditure was specifically directed to young people. The major programmes were the Special Youth Employment Training Program, the Community Youth Support Scheme, the Education Program for Unemployed Youth, and the School to Work Transition Program (Committee of Inquiry into Labour Market Programs 1985). A national social partnership between the Labour Party and the ACTU, labelled the ‘Accord’, dominated throughout the 1980s. Norwithstanding the Labour Government’s interest in a comprehensive youth policy, in practice youth policy was subsumed into the Government’s general macroeconomic programme for employment, education, and training.
Despite a strong recovery in the Australian economy over the 1990s, young people are still subject to relatively high unemployment rates. Since 1996 the Australian federal government has introduced some radical neoliber al policies aimed at reforming the labour market. Reducing youth unemployment has been one of the rationales for these policies. However, these policies have significantly contributed to penalising young people because of their marginal position in the labour market while further alienating them from collective representation and protection.

Characteristics of young people in the Australian labour market

With enduring and relatively high youth unemployment rates, the Australian experience is consistent with OECD experience. However, Australia does stand outside the mainstream OECD experience in respect of two labour-market characteristics. First, it has much higher labour force participation rates for young people. Secondly, and as a consequence, it has a much higher employment to population ratio for young people. Australia stands out in maintaining high youth labour force activity rates, despite growing participation in post-secondary education. This is supported by the very high part-time employment share for youth.

In terms of the labour market, young people in Australia (15–24 years old) have experienced a much higher unemployment rate than average. On the other hand young people tend to have a much lower duration of unemployment than older workers but a much higher job turnover. Finally, there are significant differences within the youth cohort group by age, education, location, and sex. All these features are summarised in Table 1.
### Table 1  Youth labour-market characteristics in Australia

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment</td>
<td>More than twice the national average (6.5 percent) at 13.1 percent in December 2000. Rates decline with age. Duration is about half the national average. Duration increases with age: 15.1 weeks for 15–19 year olds, 34.6 weeks for 20–24 year olds.</td>
</tr>
<tr>
<td>Full-time/part-time</td>
<td>Inversely related to age and educational status – high part-time rates for younger ages and for those studying. The part-time employment share is 66 percent for 15–19 year olds and 31 percent for 20–24 year olds. Hidden unemployment and underemployment are significant.</td>
</tr>
<tr>
<td>Casual/permanent</td>
<td>High rates of workforce casualisation. In the 15–19 age group, 93 percent of full-time students and 48 percent of non-students were casual; 31 percent of 15–19 year olds receive no non-wage benefits. Across the workforce only 6 percent of workers receive no non-wage benefits.</td>
</tr>
<tr>
<td>Earnings</td>
<td>Full-time earnings are 44 percent and 72 percent of average full-time earnings for 15–19 year olds and 20–24 year olds</td>
</tr>
<tr>
<td>Union density</td>
<td>Trade union density is 14 percent for 15–19 year olds and 16 percent for 20–24 year olds. The workforce average is 26 percent.</td>
</tr>
<tr>
<td>Gender</td>
<td>Females in both the 15–19 and 20–24 age groups (at 16.1 percent and 8.7 percent respectively) had lower unemployment rates than their male peers (at 19.3 percent and 10.1 percent respectively) in December 2000.</td>
</tr>
<tr>
<td>Education</td>
<td>Young people with lower levels of education, especially early school leavers, are extremely disadvantaged in the labour market.</td>
</tr>
</tbody>
</table>
The problems faced by young people in the Australian labour market

There are six major problems:

1. The lack of full-time jobs for young people. Structural shifts in the economy together with the growing incidence of part-time and casual jobs has meant that full-time jobs for young people have all but disappeared.

2. The cyclical sensitivity of the youth labour market. With a slow-down in the economy the result is a lack of new jobs and greater competition for such jobs. The result is that youth unemployment rates rapidly increase.

3. The low-training, low-skill, and non-career-path characteristics of youth jobs. This is directly related to the part-time and casual nature of many youth jobs. For young people who are not in education it is difficult to establish a career or to progress to higher earnings.

4. Related to the above, the high turnover in many youth jobs. This may reflect a youth wage structure (see below) but also the fact that many youth jobs are repetitive, low-skill, and without career prospects.

5. The institutionalisation of a discriminatory wage structure for young people based on age. This is in general to support employer investment in training; in many instances it supports low-paid jobs that are terminated once young people reach adulthood.

6. The lack of entitlement and protection for young people. Not only have young people been accorded discriminatory wages, but in many instances they have limited access to non-wage benefits and to employment protection as a result of their youth status, together with their high casual employment incidence. In addition, young people generally have a very low trade union density as compared to older workers.

Current federal government labour-market policy for young people

The foundations for contemporary labour-market policy towards young people in Australia can be found in the House of Representatives stand-
ing committee report on youth employment. The majority report emphasised supply-side impediments to youth employment. In particular it highlighted attitudinal barriers, and basic education and training barriers. Specific recommendations included more extensive education in literacy and numeracy, the extension of workplace education programmes, enhancement of schools’ vocational guidance, and improved job placement and training. Fundamentally, the majority report was centred on the failings of youth, the education system, and the wage system. Very little analysis was devoted to increasing school retention rates and increasing participation rates in tertiary education, nor was there any consideration of where youth jobs would be created once the necessary supply-side adjustments had been made. The policy approach relied on lower youth wages together with behaviour modification programmes.

The majority report argued for a youth training wage and that youth be exempt from compulsory employer superannuation contributions. It also argued that youth wages be exempted from dispute resolution processes. These policies have been pursued with great vigour by the present Australian government and the approach has evolved considerably since 1996 to one which is characterised by a series of supply-side and coercive measures that attempt to correct attitudinal and short-term supply problems.

Cumulatively this policy represents the most radical approach yet to addressing the youth unemployment problem. The main features of this policy approach are briefly outlined below.

Labour-market programmes. In the 1996 budget AU$ 1.8 billion was taken out of labour-market programmes over four years. Parallel to the original significant reduction in expenditure on labour-market programmes, their composition has been streamlined (Department of Employment 1996). These changes represented the first step in the transition from highly

---

1 The Committee was made up of members from both the Government and Opposition parties. This committee presented a majority report (Government members) and a minority report (Opposition members). The foundations and strategies of each of these reports differed significantly.

---

372 Enhancing youth employability through social and civil partnership
structured programmes with complex rules and regulations to a simple arrangement where providers have the flexibility to provide or purchase the assistance needed to get someone a job.

Wages and industrial relations. The Workplace Relations Act (1996) was designed to shift the locus of bargaining towards the enterprise, to simplify awards, to facilitate non-union and individual bargaining, and to reduce the ‘intrusive’ behaviour of trade unions. The rationale for the reforms rested on job creation and incorporating enterprise-specific conditions, including training and education, into enterprise agreements. The act was amended in 1998 to permanently exempt youth wages in awards from the operation of anti-discrimination legislation, with the Government claiming that without an age-based wage system, youth unemployment rates would appreciably increase. The Government also indicated that it wished to extend the age-based wage system to those industries that do not have junior wage rates (Australian Industrial Relations Commission 1999).

Schools, training, and apprenticeships. School–Industry Programs are courses for Year 11 and/or Year 12 students that require students to spend time in the workplace as part of a structured experience that is recognised as part of their formal studies. They have emerged as an important innovation in a context of historically high levels of participation in the upper secondary years; a decline in opportunities for full-time work for young people; and a realisation that deferred entry to work may have deleterious consequences for individual development. The programmes aim to provide ‘learning about the world of work’, as well as ‘learning employment-related skills’. Structured learning in the workplace that is assessed and accredited as part of schoolwork is the central means by which these goals are pursued. In 1995 some 46 percent of schools provided some form of School–Industry Program. By 1996 that figure had grown to 62 percent and there are indications that this growth continued into 1997 and beyond. Variations between regions suggest that it is important to have local support for the implementation of these programmes. Even though a substantial number of schools provide School–Industry Programs, it remains the activity of a minority of students.

Enhancing youth employability through social and civil partnership 373
The Modern Australian Apprenticeship and Traineeship System (MAATS) was introduced to provide ‘real’ employment and training opportunities for the young people of Australia. Funding of AU$ 206 million in 1996, largely redirected from the labour-market programme budget, was earmarked for MAATS over four years. The system was designed to be more flexible to industry and individual needs, and to help employers to provide jobs that include a mix of work and training that suits the employer and the trainee. Moving traineeships and apprenticeships beyond traditional occupations to new industries to take advantage of growth and employment potential was seen as an opportunity to expand training opportunities for Australia’s youth. In particular, MAATS was to focus on new traineeship and apprenticeship opportunities in small and medium-size businesses in emerging technology, information, and service industries (DEETYA 1996, p. 5).

This programme has since been renamed the New Apprenticeship Scheme. In the last two financial years, over AU$ 200 million has been returned to the Treasury from the training and apprenticeship programme for young people. This under-spending either represents a decline in employer-based training support for young people or ignorance on the part of employers of the operational and eligibility details of such grants. However, in general training expenditure by employers has been declining.

*Mutual Obligation and Work for the Dole.* The most radical initiatives can be found in the area of benefit access and conditions. Work for the Dole sanctions were introduced into parliament in 1997. The legislation altered the Social Security Act of 1991 by removing provisions preventing a person from being required to Work for the Dole. The Bill was passed and paved the way for the Government to pilot up to 178 Work for the Dole projects throughout Australia for as many as 10,434 participants over a 12-month period. The Work for the Dole scheme was promoted as an opportunity for unemployed 18–24 year olds to improve their job prospects and gain valuable work experience, while at the same time assisting their local community. One early feature of the scheme was that it targeted unemployed young people between 18 and 24 years who had been unemployed for at least 6 months. Only a few months after its inception it was
announced that it was to be expanded from 1 July 1998, with another 25,000 places per year to be created; 80 per cent of these new places are to be set aside to facilitate compulsory ‘obligations’. It has been announced by the Coalition Government that another AUS$ 100 million will be allocated to the scheme. This will expand the scheme to provide 125,000 places for young people over four years (Lewis 1998). The programme was expanded even further in 1999 to include 25 to 34 year olds.

Mutual Obligation requires unemployed youth between the ages of 18 and 24 years to participate in an activity while looking for work. It is part of the Government’s strategy to require funded job-seekers to put something back into their local community. People unemployed for six months receiving full benefits in this age bracket will need to meet extra activity tests. A choice of extra activity between approved part-time study, part-time paid work, voluntary work, Work for the Dole, job search training, intensive assistance, literacy and numeracy, choosing to relocate to an area with significantly higher employment prospects, Green Corps, or Job Placement, Employment and Training is available to these people. The onus is on young people to make their own arrangements to meet their part of this ‘mutual obligation’ (DEETYA 1998). Failing to meet activity requirements involves penalties, including a reduction in or complete loss of benefits. Recent budget changes mean Mutual Obligation now applies to unemployed school leavers on benefit for three months, under-25s on benefit for six months, and under-35s on benefit for 12 months. In the 1998–1999 financial year, nearly 300,000 young long-term job-seekers were required to be involved in these activities if they were to keep their benefits.

*Job search and job placement.* The marketisation of search and placement, together with the integration of job search and training through the Job Network, is designed to improve labour-market matching and reduce unemployment rates. More than 300 private, community, and government organisations replaced the Commonwealth Employment Service (CES) on 1 May 1998 (Biddle and Burgess 1999). The Government contracted out the total funding of employment services (AU$ 1.7 billion) to replace the
CES with a new, competitive market. It was claimed that the introduction of the new Job Network was a world-leading social reform that would greatly improve the chances of getting a job. The system has since been expanded and consolidated through a second-round tendering process. However, the Government had to provide finance to support the privatised CES, Employment National, which had a drastic reduction in its placements through the second-round tendering process (Burgess and Biddle 2000).

Youth allowances. The common Youth Allowance introduced from 1 July 1998 combines social security benefits for unemployed young people with educational allowances for students. The youth allowance was supposed to displace anomalies between various programmes. However, the Australian Youth Policy and Action Coalition (AYPAC 1998) claims that many anomalies remain. While it benefits some, it is also true that others lose all access to income support. Over 45,000 unemployed people aged 18–20 have had their unemployment payments reduced or cancelled. This comprises almost half the total number of unemployed people in this age group. In addition, many are forced to become dependent on their families.

A critical review of the federal government’s youth labour-market policy

Given the extent and the number of the policy changes affecting young people in the Australian labour market, it is difficult to provide an integrated and comprehensive policy evaluation. Overall, the changes outlined represent an emphasis on attitudinal modification combined with youth training and wages. Special labour-market programmes have been drastically reduced and unemployment benefit access has been tied to mutual obligation. The approach assumes that there are sufficient jobs for young people, providing that youth wages and youth attitudes are sufficiently attractive to employers. However, the programme has some glaring weaknesses and omissions:

- The industrial relations reforms have the potential to further disadvantage young people. Their employment characteristics and arrangements are hardly likely to improve young people’s working conditions
or their access to training via a system with less minimum entitlements and with an emphasis upon non-union and individual bargaining.

- The evidence suggests that employers are spending less on training and that apprenticeships are declining as a consequence of industrial restructuring and public sector restructuring (Pickersgill 2001; Toner 1998). Indeed, the vocational, educational, and training programme (VET) has been criticised for insufficient auditing and quality assurance and for using young people as subsidised labour who receive little training.

- Work for the Dole arrangements reinforce popular prejudices about young people and welfare recipients. More fundamentally, they reinforce a cycle of short-term jobs interspersed with periods of inactivity, and if anything impose a trap of marginal employment and low income (Burgess and Campbell 1998). Some agencies, such as ACOSS, suggest that Work for the Dole arrangements are not helping recipients find sustainable employment opportunities (ACOSS 2000). Furthermore, a strict enforcement regime means that many of the unemployed are being penalised and excluded from social security support for trivial offences (Centenera 2000; Metherell 2000). Currently, breaching penalties are reported at 300,000 a year (Heinrichs 2000).

- It is difficult to reconcile fiscal austerity with a programme of training, education, and skill acquisition for young people. The education system has been subject to a persistent fiscal squeeze. The apprenticeship system is in decline since many state utilities are corporatised and privatised; as a result there is no social obligation to provide extensive apprenticeship intakes. The marketisation of training and education potentially compromises access, quality, and effectiveness. The system is based on short-term needs of employers and unrelated to long-term needs of employees or the economy (Pickersgill 2001).

- An emphasis on wages remains a key part of the Government programme. It is difficult to reconcile relatively low wages with training and education. Youth wages, if not linked to formal education and
training programmes, are only a form of cheap labour that may be substituted for other, more expensive labour. Moreover, many enterprise agreements that include training in general mention training without any articulation of skill acquisition programmes, career paths, or funding for training (Teicher and Gauze 1996).

3. The Canadian context

Like Australia, Canada has a federal government structure. Employment policies have also been traditionally defined at federal level, while there could be some variation in their implementation depending on states’ initiative and additional power (for example, Quebec has recently been given greater autonomy as regards vocational education). Overall, Canadian youth employment policies have shifted from active intervention in the 1970s to much more passive intervention targeted on the supply of labour (workers’ skills and qualifications), with governments placing more emphasis on ‘insertion’, that is, getting young people into work by fostering new attitudes and by youth training, rather than job creation as such (Tremblay 1998). With this overall picture in mind, special attention will be given to the case of Quebec as it displays an original orientation towards the ‘économie solidaire’.

Unemployment and exclusion of young people from the labour market

In addition to the official unemployment figures, there are many young people receiving state aid or outside the system altogether who should be included if we are to obtain an accurate picture of exclusion in Quebec. However, it is difficult to establish reliable figures in this respect. In the 1990s, the Council for Social Affairs reported that around 25–28 percent of people were excluded from the labour market in Quebec (young people and adults taken together), which was clearly much higher than the official rate of unemployment, then around 9–10 percent.

The youth unemployment rate (that is, for those aged 15–24) remains extremely sensitive to fluctuations in economic activity, particularly recession. Youth unemployment is generally 1.5 to 2 times higher than adult unemployment: in 2000 it was 15 percent compared with 8.5 percent for
adults. It is currently just 12.2 percent, with adult unemployment in Quebec at 8 percent. Nevertheless, as over the last thirty years, the casual nature of employment affects a fairly large proportion of young people of both sexes, but a smaller percentage of adult men (aged 25–45).

Exclusion takes many different forms. For some it means long-term unemployment and inactivity (not seeking work and exclusion from the unemployment figures), although many young people frequently move in and out of the labour market, as in Australia. Above all, exclusion is reflected in the casualisation of employment and the difficulty that people have in obtaining a ‘regular’ job. A succession of short-term jobs, part-time jobs in the absence of full-time work, contract work, subsidised employment programmes alternating with periods of unemployment, illegal work, and ultimately ceasing to be part of the working population are typical stages culminating in the exclusion of young people from ‘regular’ employment.

We will not give detailed figures here (Tremblay 1997a), since the rates are similar to those for Australia: in 1999, 43 percent of young people in Quebec aged 15–24 worked part-time, 35 percent of men and 51 percent of women. They are often in temporary jobs, earn less than adults, are less unionised and hence have a more frequent job turnover, and those most excluded or in the most precarious position are those with the least education.

**Youth employment policies**

First, we should point out that Quebec and Canada have a long tradition of interventionist employment policies, particularly with regard to young people. Indeed, it was Canada that in the 1970s first established programmes for integrating young people into the labour market by enabling them to develop community organisations or jobs that today are deemed to be within the ‘social economy’. During this period, governments for the first time became so concerned about unemployment in Quebec and in Canada as a whole that they were moved to adopt specific job-creation policies.

*Enhancing youth employability through social and civil partnership*
The 1970s were characterised by a strong emphasis on job creation, that is, on intervention in labour demand. This may be viewed as similar to the intervention by social-democratic governments in Scandinavia. During the 1970s, governments adopted an employment strategy focusing on direct job creation for those dubbed ‘target groups’ at the time. These job-creation programmes had three main objectives: first, to reduce or counteract discrimination against young people because of their age; secondly, to adopt job-creation measures because they are more selective than macroeconomic policies and are therefore less likely to lead to inflationary pressures; and finally, to avoid long-term youth unemployment because of fears about its negative effect on the work ethic of young people.

Such programmes consisted of financial support for the start-up of activities in social services (for example, nurseries) and services for individuals (information on rights to unemployment benefit, social assistance, and similar programmes). Subsidies helped community groups to proliferate, enabling them to obtain basic funding for their support services to young people, women (abortion advice centres, centres against violence, and so on), immigrants, and others.

The 1980s and 1990s saw a switch towards the supply side. Neo-liberal ideas increasingly gained ground, despite an apparent improvement in the employment situation. The Quebec Government, like the Canadian Government, seemed to believe that an American-style approach was preferable, seeing the liberalised economy and market forces as the solution to unemployment – which nonetheless persisted, especially in Quebec, where it was invariably higher. In the 1980s and early 1990s, the fight against inflation took top priority, followed by the reduction of the deficit. So while Quebec had generally seen fairly strong state intervention in employment, in the 1990s it tended towards a degree of liberalism – not as strongly as in the United States, but nevertheless more than in the 1970s.

The state continued to subsidise job creation in a number of closely targeted areas, particularly new technologies and multimedia, aiming to attract companies to Montreal's Cité du Multimédia by offering subsidies of CA$ 15,000 per job. On the whole, employment policy switched to
concentrate on the supply of labour. Rather than seeking to create jobs to make up for the lack of job opportunities, it was felt that the young unemployed were excluded because they did not have sufficient skills or qualifications to enter the labour market, and often they were considered to have the wrong attitude. Following Australia’s example, youth employment strategies increasingly focused on support for training and measures to help people into work, in the form of training and employability programmes designed to improve the qualifications, attitudes, and skills of the individual.

The Quebec Government introduced a reform of the social benefit system and endeavoured to integrate young people by means of training or programmes to improve their employability (Tremblay 1997b). Measures for catching up on school education, work placements, and various other employment integration measures became available to young people and those on benefit, the latter being particularly encouraged to take part. Participation remained voluntary, however, since the federal law on social benefits outlawed coercive measures.

Over the last few years there has been much concern that young people excluded from the labour market who receive benefit tend to stay on benefit. Research (Lemieux and Lanctôt 1995) has shown that of a cohort of under-21s receiving benefit in 1983, 40 percent were still on benefit ten years later. In addition, several of them came from families on income support. In 1996 the government piloted the OPTIONS programme, and then in September 1999 established a project entitled ‘Solidarité Jeunesse’ for one year, which was then extended for two more years (September 2000 to 2002). This programme aims to prevent people having to claim income support. For 20 hours per week over a maximum of three months, young people take part in guidance sessions, dealing with issues relating to motivation, self-knowledge, identifying their potential, and any specific difficulties they may have. The aim is to encourage them either to look actively for work or to return to education. The second phase provides support and follow-up for a maximum of one year from when they started on the programme, and at this stage they derive their income either from a job or from unemployment benefit supplemented by employment assistance.
allowances. Local employment centres determine who will participate, and *Carrefours jeunesse-emploi* or similar organisations provide the services. Individuals do appear to benefit from the programme, although frequently it does not lead to employment, and some people fear that the Government may make participation compulsory for those on benefit.

The Government is also seeking to involve companies more closely in vocational training, and has adopted legislation designed to encourage them to carry it out. In its view, job creation is primarily the responsibility of companies, and there should be less government intervention. Like the federal government, Quebec is seeking to encourage employers and trade unions to work together within sectoral committees set up to promote worker training in their respective sectors. While this is by no means liberalism in its purest form, companies are nonetheless becoming increasingly involved in developing programmes and training courses. This helps to bring the world of education and the business world closer together, in order, we are told, to meet demand and better satisfy the needs of companies (Tremblay 1997b).

This ever-stronger emphasis on company needs appears increasingly to occupy a place of central importance in Quebec and clearly affects young people. Those who have studied in the industries of the future (ICT, biotechnology, multimedia, and so on) are in a relatively good position, even if their work is not secure; on the other hand, those who are less qualified are often in a very difficult situation and to some extent are considered to be responsible for causing their own problems by not choosing the best training – or not having the means to undertake it. At the same time, various changes to the unemployment insurance programme have also affected young people: those who leave a job voluntarily no longer receive benefit. As young people often have periods of unstable employment and may be in and out of work, this seriously affects them, particularly those in casual, low-paid jobs.

The last few decades have thus seen a shift from an approach in which state intervention was more pivotal (1960s–1970s) towards a view that increasingly sees individuals – in this case young people – as responsible
for their exclusion from the labour market on the basis of individual characteristics: lack of qualifications, technical or social skills, formal education, and so on. However, we should add that while there is apparently a trend towards considering unemployment and its solutions (for example, employability and integration programmes) as more of an individual responsibility, at the same time the state tends to delegate much of its intervention in employment, and particularly in social services, to other bodies, whether community or other organisations.

The picture, then, is a little ambiguous. Clearly, we see that young people (and other groups) are increasingly being held responsible for their unemployment or precarious work situation, and at the same time there is intervention by way of employment policy that aims first and foremost to enhance employability and integration into the labour market. Moreover, there are job-creation measures around two opposite ‘poles’ of activity, that is, in the new knowledge-based economy, with support for multimedia jobs (in which young people predominate), and in services of the social economy. As far as jobs within the social economy are concerned, the profile of the workforce in this sector is as yet unknown, apart from the fact that it appears to be mainly female, particularly in non-profit organisations, and slightly less so in co-operatives. Of course, jobs within the social economy do not appeal only to young people, but given that they have always had a large presence in job-creation programmes, that youth unemployment is still relatively high compared to unemployment among adults, and that many young people do not have the qualifications required by the new economy, it is reasonable to assume that the social economy may be an important source of youth employment.

Youth integration – by way of community organisations?

In the adverse economic climate of the past two decades – admittedly with some improvement over the last two years – and given the continuing difficulties for ‘unqualified’ or ‘problematic’ young people whom the state and, especially, companies have in many ways abandoned, other organisations have been set up to fill the gap. Over the years, Quebec has seen the establishment of a large number of community organisations in this
sphere. The community sector (social organisations and associations) thus plays an important part in developing employability and training in Quebec, aiming to improve individuals’ qualifications and attitudes. It is therefore worth considering the *strategies* for community intervention (Tremblay and Fontan 1994).

The intervention by community organisations in employment and training generally takes into account individual factors, as well as social and economic factors. This is doubtless what most clearly differentiates this intervention from traditional government programmes, which tend to focus solely on individual factors (often considering them as problems or deficiencies to be remedied). However, as the renewal of funding for community intervention initiatives is subject to evaluation by government, such intervention must generally be based on government indicators or benchmarks.2

This represents a sizeable challenge. At present there are broadly two different kinds of intervention. On the one hand, there are employability measures aiming to develop the abilities of individuals and groups of individuals. This kind of intervention focuses above all on attitudes and training and is tailored to the needs of the individual and the situation. This *first strategy* is designed to enhance social skills and professional abilities, and is targeted at young people individually. A large number of activities fall into this category, which concentrates primarily on developing employability. These range from activities that encourage individuals and groups of young people to take responsibility for improving their general living conditions to all the different forms of support for integration into the labour market. Also included here are the acquisition of basic education, training geared to companies and workplace projects, vocational training, strategies to prevent school drop-out, retraining and further training for those in employment who need to upgrade their skills, guidance, support and follow-up for job-seekers, and so on.

---

2 A process of reflection is currently under way with regard to employment integration bodies in Quebec. These organisations aim soon to have an evaluation method available that is more appropriate to the kind of intervention they make.
The objective of the second strategy is to provide more direct support for getting people into work. This is more of a community intervention strategy, and uses economic activity as the principal method of integration. Work placements, local recruitment, and ‘entreprises d’insertion’ (integration companies) represent some of the methods developed at a very local level. These companies are bodies set up to enable people to acquire technical and social skills in a genuine workplace. They may also be designed to meet various needs or for specific target groups. Such bodies are increasingly prevalent in Quebec and today are recognised under a specific government policy; they may take the form of ‘école–entreprises’ (‘college–companies’), co-operatives offering technical apprenticeships or community enterprises providing services to residents.

Final remarks

While it is true that in 2000, with the lowest rate of unemployment for 20 years, some young people now find it easier to enter the labour market, there are others without qualifications who nonetheless remain excluded. We should, therefore, highlight the importance of appropriate support for measures helping people to enter and become integrated into the labour market, such as community employment initiatives, as well as the possibility of public measures to integrate a larger number of young people on a more permanent basis. For while many programmes aiming to get people into work may be deemed to be successful in a short-term perspective, it appears to be more difficult to achieve long-term integration into the labour market and mobility towards better jobs. This suggests that specific measures in direct support of employment, mobility, and stable jobs might be necessary in order to integrate young people into lasting employment and avoid the trend towards social dualism that is already apparent.

4. Cross-country comparison and implications for the European debate

From the 1970s to the 1990s, youth employment policies in both Australia and Canada followed a linear progression, that is, from state intervention coupled with national macroeconomic policies, based on active pro-
grammes to create jobs or help people into employment, to a neo-liberal approach preferring to leave regulation to the market and opting for microsocial and microeconomic solutions. This change from a strategy centring on demand to one focusing on the supply side – the shift from a ‘public’ response to youth unemployment towards ‘individual’ responsibility for being unemployed – was more dramatic in Australia than in Canada, with the dismantling of the traditional Australian system of collective representation and the liberalisation of the labour market in the 1990s. Furthermore, both countries to some extent abandoned the universal vision of solidarity within state welfarism in favour of coercive measures prompting people to take employment and limiting access to welfare benefits. In fact, the recent unemployment benefit reform in Canada drastically reduced the entitlements of so-called ‘atypical’ workers, and thus excluded vast numbers of young people: in 1990, 75 percent of the young unemployed had access to unemployment benefits; by 1997 this proportion had fallen dramatically to roughly 25 percent (CSN 1999, p. 35).

What we can learn, in general, from these case-studies of Australia and Canada is, first of all, that the collectivist legacy – of national partnership in Australia (at its height under the Accord in the 1980s) and of social dialogue in Canada, especially Quebec (Tremblay 1995) – may be fragile, and that a political choice is a choice by the dominant society and by no means definitive, as evidenced by the shift between the 1970s and the 1990s.

The second lesson to be learnt from this has to do with the different turns taken by liberal strategy. We should point out that, in many ways, current reality for young Australians and Canadians may indicate the possible face of things to come for youth in Europe. This reality reflects, almost exactly, the points of criticism levelled at European youth employment policy (Serrano 2000, pp. 5–8). On the one hand, the ‘market’ option has by no means delivered all that its proponents promised. For a large proportion of young people, the casualisation of employment, low pay, a lack of investment in training, abuse of apprentices and trainees on placement, bullying and violation of young workers’ rights, and so on, are all part of the picture, and, to put it bluntly, they enter the labour market in a climate of brutal exploitation with no future in sight. On the other hand, the lim-

386 Enhancing youth employability through social and civil partnership
its and shortcomings of the social economy or ‘économie solidaire’ become apparent. Besides the social stigma attached to those in community work (seen as modern-day servants) many jobs in this sector are still low-skilled – in other words, poor-quality jobs for poor people. On top of this, the community sector has scant resources and is quickly saturated. This is clear from pilot projects such as the Youth Community Action Plan in Australia, which appeared not to receive sufficient support because, according to Deputy Prime Minister John Anderson, ‘none of us should be simply seeing things as someone else’s responsibility’. Similarly, in Canada some view the burgeoning activity in the community sector as tantamount to the state pulling out, especially from health care and social services, with a switch from skilled, unionised jobs in the public sector to low-skilled, unprotected jobs with dubious long-term viability.

While it is true that deregulation and work in the community sector, whether compulsory or not, harbour the obvious risks of exploitation and the creation of a ghetto, the emphasis on employability and on young people being ‘deficient’ and systematically marginalised on the labour market frequently creates a sense of guilt and alienation, sometimes with disastrous psychological and social consequences. It has to be admitted that the overall picture gives cause for concern. Are these the impoverished of the post-modern era? Both statistics and sociological observation confirm that young people are becoming poorer – according to Statistics Canada, in 1994 the revenue of young people aged between 20 and 24 was 20 percent less than 20 years before, while in Australia, the junior wage rate condemns a large proportion of young people to being the working poor – but that there is also dualism emerging among them.

This dualism among young people is apparent between those who have been able to obtain the necessary qualifications, particularly in information technology, and the growing numbers of over-educated, heavily indebted students with no guarantee of a job; and between those on vocational training programmes without any useful content, the losers of the education system who are mainly employed under conditions that are often the bare minimum, especially in the retail and hospitality industries, and on the other hand those who are excluded from the labour market. It is invariably
difficult to estimate how many are excluded since they are young people with no official status who are not covered by statistics. There is also a split between young people and the older baby-boom generation – a generational divide – so much so, that young Australians, when asked, talked of a sense of social apartheid (Le Queux et al. 2000). The attack on the Parliament by young Quebecers in summer 1998, their partial withdrawal from sectoral negotiations, and the growing radicalisation of the Australian student movement and youth groups swelling the anti-globalisation thrust all set the alarm bells ringing in a climate steeped in cynicism in which young people are giving up on society.

As a corollary, the third lesson to be learnt relates to the importance of access to collective representation and labour regulations that protect the workforce. The whims of the market – which create few winners, many losers and little future, depending on social class – also invite a return to more mixed employment policies and the re-introduction of welfarism that is geared to more intermittent activity on the labour market and takes account of young people’s vulnerability in employment. ‘Better the Dole than a tyrant!’, as a young Australian exclaimed, but there needs to be a decent alternative.

To conclude on this highly critical note would fail to do justice to the countertrends that are emerging, or to be more precise the main players in such trends, that is, the trade unions and young people themselves.

With increasing concern about the inherent risks of an ageing membership, trade unions in Australia and Canada have recently set up youth committees within their organisations. Today these youth committees are voicing young people’s difficulties in entering the labour market. However, they do not merely deplore the insecurity on the job market, seen as one

---

3 Union membership among young people in Australia and Canada is much lower than among older people. In Australia, while young people make up around 20 percent of the labour market, they represent only around 13 percent of union members. In Canada, union density among young people (15–24 years) is estimated to be 13.5 – (Statistics Canada 1999), while in Quebec, the largest trade union federations indicate that a mere 15 percent of their membership are under 30 years of age.
of the main causes of the problem, they also have ideas in abundance. These include, for example, establishing student employment funds (supported by the state and trade union funds) for paid work placements under trade union supervision; lobbying the Ministry of Education for the inclusion of trade union studies in the school curriculum; trade union guidance on recruitment and sponsoring of new entrants; giving priority to the creation of ‘regular’ jobs in the public service, and local arrangements for job-sharing, and so on (FTQ 2000; CSN 1999).

This emphasis on institutional mobilisation within trade union organisations appears to be stronger in Canada than in Australia where it is unlikely that discriminatory policies such as the junior rate will be withdrawn, as demanded by ACTU (ACTU 2000). This does not mean, however, that trade unions are sitting idly by. Indeed, after many years of union action to defend the jobs of their core membership in a climate of restructuring and downsizing in the public and private sectors on both sides of the Pacific Rim, they are now adopting an ‘organising’ strategy with young people as the prime target, recruiting young people on the ground, particularly in the sensitive sectors of private services. This is not an easy task, for not only does it require substantial trade union resources, but also the employers are fierce opponents, as illustrated by the union membership saga involving young people working for McDonalds in Montreal or the Star City Casino in Sydney. And this is not the only problem. In both countries, trade union structures are still too rigid to easily accommodate young people (Best 2001) in an overall environment where youth tend to view trade unions as oppressive institutions, a power over and not for them, just like other institutions (Le Queux et al. 2000).

Finally, if the pessimism of reason is to yield to optimism of the will, as Gramsci said, we must learn that in a time when the Robinsonades carried by the liberal doca conceal a process of social anomie, the trade unions still hold a trump card: citizenship in employment by means of access to collective representation and democratic participation, notwithstanding the defence of decent minimum working conditions; their role as employment broker, overseeing the transition from studies or training to employment (coupled with trade union education and information on workers’ rights);
and, crucially, social citizenship born of revitalising politics from the grassroots up. This is a major undertaking, for in a context where the Left and the social partners have been instrumental in excluding young people and alienating them from institutions, trade unions included, the challenge now is to win back hearts.

*Translated from the French by Janet Altman*
References


Enhancing youth employability through social and civil partnership 391
**Conclusion: towards a multi-level governance?**

Amparo Serrano Pascual

1. Introduction

Political debate within European institutions over the last few months has focused on the issue of ‘European governance’. This debate, which is in response to criticisms aimed at European institutions because of their excessively centralised and autocratic nature, is turning the search for the political (the democratic character of the process of European union) and technical (the institutions’ effectiveness) legitimacy of the construction of the European Union, and of the participation of various interest groups in defining and implementing partnership structures, into the main, symbolic core of the future of Europe (see Darmon in this volume). As Darmon makes clear, this discussion on European governance is based on the need to integrate new mechanisms of dialogue aimed at a new division of labour between political society, the economic system, and civil society. These partnership structures simultaneously facilitate the participation (and involvement) of civil society in the construction of the central action foci of European policy affecting it, and an increase in the effectiveness of interventions made by European institutions. In this way, they establish a new paradigm of social intervention characterised by greater involvement on the part of associations and the trade union movement in the struggle against social exclusion.

The contributions in this book show how, despite making the establishment of appropriate networks of collective action at various levels a condition of European governability, the simple act of establishing networks of partners does not necessarily mean that the democratisation of governments (that is, greater participation by civil society) has been deepened, or that social measures targeted at young people have been made more

---

effective. Although the encouragement of partnership networks is an interesting path to explore, it can also have perverse effects. Indeed, as earlier chapters make clear, a proliferation of partners involved in combating youth unemployment does not necessarily mean that a genuine partnership has been established (see Bonvin and Bertozzi in this volume); it can even become a further handicap in the search for effectiveness in public interventions. Most contributions in this book stress that although the majority of countries are witnessing a proliferation of actors involved in the definition and/or implementation of social policies, the question is whether or not the interactions generated between them can lead to effective structures of collective action.

Be that as it may, the European Employment Strategy is encouraging the setting up of partnership networks in various Member States (see Foden; Estivill; and Westphalen and Kjær in this volume). Indeed, most of the programmes established in different countries to fight youth unemployment in response to the Employment Guidelines have made local partnership their basis for action;\(^2\) these measures have had the effect of mobilising all local actors. Meanwhile, the Third Sector has become increasingly involved in the fight against exclusion (see Estivill in this volume). The main challenge of these programmes is to achieve genuine collective action structures of the type that, for example, underpin the ‘Emplois Jeunes’ scheme in France (see Sobel and Yonnet in this volume); that articulate flexible, innovative responses on behalf of young people rather than serving to cheapen the workforce, as has happened with the New Deal (see Lindsay; and Le Queux, Biddle, Burgess, and Tremblay in this volume) in the UK; that cut back on dualisation of the labour market in Spain; and that overcome the crisis of the dual system in Germany. Most of the partnership structures described in NAPs (National Action Plans) in the countries covered in this book have tended to be top-down

---

\(^2\) If we take the examples of countries covered in this book, we see that it is true of the New Deal in the United Kingdom and ‘Emplois Jeunes’ in France, and also of the agreement between the social partners for stability in employment in Spain, the ‘Jump’ Programme in Germany; and the ‘Labour market open to all’ in Denmark, all of which have made substantial improvements to the situation facing young people.
strategies embracing fairly closed kinds of partnership and conventional actors, and consisting of classical interventions aimed at labour supply. However, the European Employment Strategy has triggered a wider opening up towards new actors, and in some cases has stimulated new ways of bringing former actors back into the fold. The results of these new methods vary considerably from country to country, and depend on the obstacles placed in their way.

Although the European Employment Strategy has encouraged the setting up of partnership networks in the fight against unemployment, the structuring of the Guidelines in pillars has fostered the segmentation of interventions rather than their integration in a single holistic intervention, a principle in respect of which partnership could play a central role.

2. Why should partnership structures be encouraged?

There appears to be evidence of a need to design new ways of implementing social intervention. An appropriate European Employment Strategy requires not only the very best action principles, but also an appropriate institutional and methodological framework in which to put these measures into practice. The encouragement of employability, the central axis articulating European strategy aimed at young people, can ultimately have perverse effects, such as putting the blame on young people, legitimised polarisation on the labour market, demotivation and over-qualification, and increasingly precarious terms and conditions of employment (Serrano Pascual 2000). As several contributors to this book remark, it is not so much a question of employability in itself, as the use of the concept that is under the microscope. An appropriate conception of employability might support the management of structural changes and improved terms and conditions of employment (see Foden; Low; and Palacio in this volume), or else provide youth with an appropriate framework in which to take employment-related and life decisions (empowerment) (Heidemann in this volume). In either case, optimum partnerships

---

3 An exception to this is the ‘Emploi Jeunes’ scheme in France.
are vital instruments in the effective development of this policy based on employability.\(^4\)

In an economic setting notable for its growing complexity, the strict segmentation of responsibilities marking public interventions has made the system of social intervention unusually rigid. This rigidity partly explains the ineffectiveness of these policies as they do not address the plural, multi-dimensional nature of young people’s problems. Hence the importance of setting up partnership networks that stimulate cooperation between the various levels based on hybrid, multi-sectoral policies, themselves based on a syncretic model of social intervention. Given the proliferation of actors, it is necessary to ensure appropriate coordination between the various levels and actors that are harnessing their efforts to find a suitable response to this complex situation.

Policies such as employability cannot limit themselves to interventions in factors of labour force supply; they must also have jobs into which to be integrated (see Aragón; Lindsay; and Low in this volume). As Palacio (in this volume) makes clear, a coherent intervention also requires an industrial and technological policy as well as the appropriate encouragement of entrepreneurship. First, an approach aimed at matters linked to labour force supply would have to be combined with other factors associated with labour force demand. This is particularly important in very depressed areas with few employment opportunities (see Lindsay; and Low in this volume). Secondly, it is important to combine areas of intervention, such as educational, economic, and social factors. The multi-faceted nature of difficulties associated with employment insertion (that is, with educational, economic, and social factors playing an important role) requires a multidisciplinary perspective of social intervention in which a number of different areas (for example, guidance, development of social skills, self-confidence, training, and job experience) are integrated. The complex

\(^4\) A measure is held to be effective when it brings together objective (employment integration) and subjective (young people’s experiences of these measures) criteria (Valkenburg, Lind, and van Berkel 2001).
nature of the problem also underlines the need for interventions adapted to personal and local features.

Partnership structures might in turn promote innovation and the emergence of new solutions at local level (see Bonvin and Bertozzi; Lindsay; and Low in this volume), by pooling the resources and knowledge of a large number of partners with a view to supplying each participant with an appropriate mix of measures. These decentralised partnership structures have made it possible to adjust better to concrete reality (that is, labour market–related problems and opportunities) and provided a better margin for flexibility; they also enable adaptation to local requirements, priorities, needs, and realities in collaboration with local actors.

As countries such as Denmark and Germany have made crystal clear, the close involvement of the social partners has made it possible to reconcile objectives as diverse as economic profitability and social justice. The involvement of the social partners in employment policies has brought unemployment down without creating inflation in the process; as Schömann and Brzinsky (in this volume) describe, this system has also facilitated young people’s integration without any particular deterioration in their situation on the labour market.

In its turn, the system enables the participation and representation of the interests of different groups, and encouraging the participation of different actors enables them to take responsibility in combating youth unemployment. The involvement and participation of citizens in policies that affect them is an important factor in the success of these policies; and their participation also makes it possible to consider groups normally excluded from them more closely. As Estivill (in this volume) shows, partnership networks established in Third Sector groups have given vulnerable people excluded from the most common representational mechanisms a greater capacity to exert pressure, and these networks have become negotiating platforms as a result. This representativeness is particularly important for young people. As Le Queux et al. (in this volume) show, young people’s access to collective representation and to employment legislation protecting workers is key to improving their terms and conditions
of employment. The consequences for young people in Australia of dismantling the system of collective representation has been disastrous. In Spain, by contrast, encouragement of social partnership has facilitated a shift from imposed negotiations (particularly prejudicial to young people, and leading to a dualisation of the labour market) to negotiated flexibility (which made it possible for them to reduce excessive rotation on the labour market) (see Aragón in this volume). Participation therefore assumes representativeness and the effective capacity for intervention (see Palacio in this volume).

It follows that an employment policy that makes partnership its central axis is a new paradigm of intervention in contrast to more administrative and traditional conceptions of implementing employment policies. This, by and large, has been the message that European institutions have been sending out about the need to find new forms of social intervention. That is why the process of European coordination has been accompanied by a growing demand at local level for the Third Sector and the social partners to combine their efforts and perspectives and combat the social exclusion of young people.

This has serious implications for the way that European institutions traditionally operate the European Employment Strategy (identifying and disseminating examples of 'best practice', which are in turn presented as models to be followed in other European contexts). However, it is not so much its own features which explain the effectiveness of a given practice, as the sum of institutional factors that circumscribe the practice. This may explain how limited the exercise of exchanging and identifying good practice is unless it is accompanied by an understanding and identification of the institutional conditions that explain why particular practices should emerge.

It is important for partnership networks to be set up if employment policies are to be effectively implemented, but they still present major problems and risks.
3. Problems and risks facing the partnership-based paradigm of social intervention

A problem flagged up in a number of contributions to this volume is the possible instrumentalisation of some partners in these networks when the power relationship is not equal (Palacio, and Lindsay in this volume): they may be used to mitigate the consequences of the labour-market crisis and, as Palacio points out, the social partners may be used as palliative instruments to sugar the pill, thereby heading off the kind of fundamental change that would attack structural problems such as the lack of an appropriate productive fabric. Foden (in this volume) also identifies the danger of instrumentalisation in the frequent and persistent way that social partners at European level are referred to as instruments in the establishment of consensus. The social partners come under pressure to reach agreements, and are then made to take responsibility, as if the power relations were equal. This instrumentalisation is also the risk run by organisations in the Third Sector, whose relationship with government (distanced, and often linked to demands) is becoming more cooperative. The initial objectives (changes to the alternative model of economic development, and the development of a more democratic, plural sector) and the initial autonomy of some of these groups in civil society may be eroded, and they will then be forced to enter into competition with other groups for resources and influence, thereby affirming the dominant order (Darmon in this volume). This exercise by national and European governments in persuading various groups of civil society, trade unions, and NGOs to participate often aims to legitimate existing power relations, and the problem is exacerbated by these Third Sector bodies’ dependency on public administrations. Partners’ autonomy is vital to support for partnership (Heidemann in this volume). The dilemma that these partners face is whether to opt for the market and thereby adopt a commercial logic, or for dependency on the state, with the parallel risk of instrumentalisation. Similarly, the basic objective of the associative movement to promote the socio-professional insertion of groups (including young people) excluded from the labour market is undergoing change. Given a structural shortage of jobs, these actors are being gradually driven

Enhancing youth employability through social and civil partnership

399
towards social management of the effects of the labour-market crisis (Ouali and Rea 1994).

This aspect is particularly important as power in most partnership networks is not evenly distributed, and some representatives do not have sufficient resources to make equal contributions (Mailand; and Darmon in this volume). The hierarchical nature of relations between the actors may have a negative impact on the setting up of effective partnership networks. As some of the contributions to this book have shown, the priorities of the private commercial sector exert a dominant influence in most of these networks (see Lindsay in this volume).

Another important problem is the danger of *arbitrariness* and democratic deficit in this process of urging local actors to combat exclusion. Palacio (in this volume) emphasises how decentralisation in Spain has given inequality and specific local features ample room for manoeuvre, thereby favouring the emergence of clientelist practices that are more designed to respond to local interests than to a macro-policy promoting the social and productive fabric. Hence the need to ensure appropriate control mechanisms guaranteeing universality and equality of services. As Aragón (in this volume) argues in the case of Spain, social partnership has enabled social cohesion to be maintained in the interior of that country.

Another risk observed in the non-commercial sector is the possible deterioration of *terms and conditions of employment*, thereby creating an under-employment sector. Many of the jobs that this sector provides are of poor quality, and there is the additional danger of spreading this precariousness to other sectors of the population.

There is also the danger of the state *failing to shoulder its responsibilities*. Following the crisis of the ‘social state’, the state delegates its functions to the Third Sector because of its lower costs and greater versatility (Aragón; Estivill; and Westphalen and Kjær in this volume), and this sector may, in turn, serve to weaken the most representative channels of social representation (for example, employment regulation and collective bargaining). To this danger of weakening the institutionalisation of social responsibility must be added the difficulties entailed by a local approach which fails
to identify the collective dimension of the problems experienced by young people. Hence the need to establish cooperation structures between social and civil partners at different administrative levels.

However, many of the identified problems reflect the intrinsic tensions of the early setting up of partnership networks.

4. **The main obstacles**

The mobilisation of various actors to combine their efforts in order to deal with the problem is necessary for the measure to be effective, but it is not enough as it relies on the presence of other factors. The first prerequisite is coordination between these actors, and for this to happen *communication* mechanisms need to be set up that clearly define the division of responsibilities and the distribution of roles (Aragón in this volume), and the consensual establishment of common objectives and interests (Westphalen and Kjaer in this volume). The case of Spain shows how the proliferation of actors has not been accompanied by improved administrative, social, and political coordination (Palacio in this volume), and this has led to a proliferation of redundant, ineffective measures, and a consequent waste of resources. The same applies in the case of France. Lefresne (in this volume) describes, on the one hand, the diversity of the positions adopted by social actors (among the trade unions, and between the unions and the employers) and, on the other, the difficult linkage between territorial levels, and points to the fragile implementation of partnership structures in that country. The French system, compared with that of other countries, is characterised by a complex method of allocating responsibilities, and by the weak roles played by partners (Simonin 2000). Here we see a decentralised, stratified system in which the proliferation of actors, instead of working together for an appropriate form of insertion, has simply made matters more complex and difficult. The centralist tradition and administrative stratification place obstacles in the path of cooperation and communication (Bonvin and Bertozzi in this volume), and have taken the form of practices defending fields of competence. This corporatist defence of areas of responsibility does not encourage the development of a spirit of collaboration. Struggles for control of fund
management and competition for power and resources (Mailand in this volume) can be particularly harmful to the setting up of effective partnership networks, and this is often linked to a lack of confidence between institutions. As Westphalen and Kjær (in this volume) point out, the building of trusting relationships is one of the main challenges facing these networks: the existing tradition of negotiating plays a central role in building up this trust.

The second prerequisite is the availability of representational institutions of the type that facilitate employment insertion in Denmark and Germany. The satisfactory provision of instruments promoting the negotiated formation of joint rules is a key requirement. An example of this is the alternating college–workplace training scheme that has helped to enable young people find employment in Denmark and Germany. Appropriate institutions for representing the interests and perspectives of both parties have been put in place for the dual system to function, and in both of these countries joint action plans have been developed to resolve the dual system crisis. For various reasons (for example, globalisation and growing competition, new jobs not linked to productive sectors offering apprenticeships, an increase in the number of selection criteria used by companies, and changes in young people’s preferences – see Schömann and Brzinsky; Heidemann; and Mailand in this volume), these countries suffer from a recurrent shortage of apprenticeship places. To deal with this situation, alliances have been established to provide escape routes. In Germany, tripartite alliances such as the ‘Alliance for Jobs, Training and Competitiveness’, designed to articulate joint opinions and prepare decisions with which to confront the crisis in the apprenticeship system, have led to an increase in the number of job placements, and ensure better matches between training programmes and job applicants’ skills. In the French system, unlike the German scheme, training contents are not subject to concertation procedures, negotiations, or strict rules of codification (Lefrêne in this volume), and that explains the poor results observed in that country. In Denmark, by contrast, tripartite bodies are involved in defining the content of training programmes, and in other dimensions associated with education at national and regional level. These tripartite
bodies perform important functions in youth education and training, and in the design of broader employment policies. One of the weaknesses of the partnership system in the United Kingdom is the permissive, voluntaristic approach to partnership formation.

The third prerequisite is the existence of a robust social fabric. Although the raison d’être of the social partners is much more institutionalised in countries with a neo-corporatist tradition, the roles played by voluntary organisations and the Third Sector is much more ambiguous, despite the fact, as Estivill (in this volume) demonstrates, that this sector has continued to expand, and has assumed an important economic and employment-related role. Although participation by these organisations in most countries is high, this rarely happens when they operate as bodies initiating projects or with responsibility for implementing them. In countries such as France, civil and social partners alike are in a weak position, and this explains the poor partnership relationships that have been established.

The fourth, and last, prerequisite – which is linked to the previous one – is the existence of a negotiating tradition. One of the conclusions to emerge from the various chapters of this volume is the importance of the practice of negotiating – or, to put it another way, the fact that a given group of actors are used to collaborating. This approach will be a key factor in the appropriate implementation of partnership networks. In countries such as the United Kingdom and France, excessive power in the hands of central government has played a negative role in the development of these partnership structures. Schömann and Brzinsky (in this volume) identify key differences in the setting up of an apprenticeship system in eastern and western Germany: this was partly due to the lack of a broad negotiating tradition accustomed to defining the structure of the labour market on a joint basis. The results of these networks are varied, though, because of the existence of traditions of collaboration and partnership, and where they do not exist (as Bonvin and Bertozzi; Lefresne; and Palacio point out, in this volume), it is very common to find such things as the defence of areas of competence and an absence of trusting relations. Cooperation between the various actors (for example, regional labour market councils,
employment services, and vocational training schools) may be blocked by competition, government, or localised resources at national level (Mailand in this volume).

To conclude, it may be said that the concept of partnership can establish an alternative paradigm of social intervention in a dual sense: first, insofar as it leads to greater participation on the part of various social groups, thereby accentuating the democratisation of public interventions; and secondly, insofar as it makes it possible to improve the effectiveness of these selfsame policies by stimulating innovation, facilitating use of the knowledge of groups working in the field, enabling adaptation to individual needs and local settings, and encouraging the establishment of a holistic intervention that deals with the various dimensions of the problem transversally. That is why European institutions are making partnership at different levels the axis on which to base their project to reconstruct the European model. Against this backdrop, the European institutions have promoted the participation of various actors, ranging from the social partners to those that are expressly addressed in the Employment Guidelines, and groups representing the Third Sector.

Although participation by the various groups is an important prerequisite for the maximum effectiveness of public interventions, it does not necessarily follow that partnerships will be established: they in turn can have perverse effects such as instrumentalisation, arbitrariness, deteriorating terms and conditions of employment, and a failure by the state to take responsibility. The prerequisites that will enable these various actors to establish networks of collective action have been identified: they are the establishment of communication mechanisms that enable a consensual definition of common interests, the presence of appropriate representative institutions, the existence of a robust social fabric, a negotiating tradition already in existence, a feeling of trust established between the actors, and actors’ autonomy. These prerequisites explain how, in given settings, this principle of intervention has helped considerably to improve the situation of young people on the labour market.

Translated from the Spanish by Michael Cunningham
References

Ouali, N., and A. Rea (1994) ‘Flou institutionnel et formalisation des pratiques de l’in-
formel: les expériences d’insertion professionnelle des jeunes à Bruxelles’, Lien social
et politiques, RLAC 32, 103–114.


l’Emploi 41, 1–4.
