

POLICY WEAKNESSES

Lack of capacity to encourage and support the modernisation of work by Richard Ennals, Centre for Working Life Research, Kingston University

This article contains extracts from a study commissioned by the European Commission DG Employment and Social Affairs to identify gaps in the existing policy framework for the modernisation of work, and to assess the possible roles of actors to be involved in filling these gaps.

There has been a lack of adequate capacity in many Member States to encourage and resource workplace innovation and work organisation on a widespread basis. The encouragement and resourcing of workplace innovation and work organisation is not a trivial matter. It is not simply a matter of funding top-down programmes, and rolling out solutions. Evaluations of major national programmes, such as the Swedish Working Life Fund, have shown that successful sustained innovation involves a complex mix of ingredients, with sensitivity to the social, economic and cultural context. In particular, investments in training need to be linked to organisational development in order to bring the desired benefits in terms of productivity and innovation. Subsequent work in Norway supports the argument that innovation is not an isolated phenomenon, or peculiar to single enterprises, but arises from 'innovation systems', typically operating at a regional level.

The Green Paper did not argue that the process of modernising work organisation was easy, but that it was important, and added 'work organisation' as a new ingredient in the policy debate. The European Commission was leading the way as an opinion former, drawing on research: practice in Member States trailed behind the aspirations of DG Employment and Social Affairs, which does not itself allocate major project funding: this is a matter for the European Social Fund, and for Member States. Capacity building would have to precede major programmes if they were to be sustainable. This meant building a platform on uneven foundations across the European Union, for example in terms of social partnership, and the involvement of universities in regional economic development, due to the diversity of circumstances. At the end of 1997 the European Work Organisation Network (EWON) was

established to maintain communication between national efforts, and to engage in some enabling research.

The lack of capacity may include:

Limited awareness amongst policy makers and social partners

The impression of limited awareness of the issues of work organisation is reflected in studies of individual Member States. The situation in each country reflects their particular background in terms of policies and institutions, and adherence to established ways of working. There has been limited unified discourse, as each Member State started by speaking from its own distinctive experience, and actors lacked experience and knowledge of the situation elsewhere in the European Union. As a result, discussions of the 'modernisation' of work could be at cross purposes, with some consultants interpreting 'modernisation' as endorsement of outsourcing and privatisation. Effort was required to develop constructive dialogue.

The European Employment Strategy is predicated on maintaining a balance between 'flexibility' and 'security': individual governments of Member States may take different positions, depending on the extent of their emphasis on flexible labour markets and reduced costs for employers, and changing with the political balance of the day. Thus agreement with the conclusions of the Lisbon Council, regarding future developments in the European knowledge-based economy and society, can be given many different interpretations. The same applies to commitments to 'quality in working life', at the Stockholm and Laeken Councils. Quality needs to be given substantial form, for example through the development and application of indicators, and the use of profiles at organisational and country level. The 'third way' is broad, and paved with good intentions.

Policy makers and civil servants, by virtue of their conventional career paths, can have limited perspectives, with promotion and advancement often

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based on winning territorial battles between departments. For some, working with partners across government, and with the private sector, is a novel experience.

Social partners may lack European language skills and knowledge of European institutions, which are required if they are to take full advantage of new policy developments. This needs to be considered by those developing education programmes or managing career development. Career trade union officials and employer representatives now require a European perspective, and new role models are emerging, as national leaders progress to international office.

Where trade unions have had an established institutional position, such as in Scandinavia, the European Employment Strategy seemed relatively unexciting. Where they had developed the habit of 'dancing', rather than 'boxing', they felt ahead of European policy developments. In those Member States where trade unions have had to fight for their survival, their resources have been limited, and the capacity to respond at speed to new initiatives has been finite. There was no one single 'social partnership' arrangement, and both trade unions and employers have had to develop their own networks and policy-making structures. Time is an important factor: a new generation of trade union officials and employer representatives have gained experience during the years of the European Employment Strategy, and are moving into positions of influence.

The European Commission may have been somewhat over-optimistic in expecting immediate responses, from the social partners, to invitations to take responsibility in the area of work organisation. Culture change cannot be produced overnight in such diverse contexts. The environment has had to change, creating new possibilities, and enabling social partners to re-express priorities in their own terms, for their own constituencies. This has taken five years, while the European Employment Strategy has developed and matured. What happens now, given that awareness has spread? For example, the new invitation to the social partners in 2002, to consider stress at work as part of

the social dialogue, is highly significant, but will take some time to mature.

Too few opportunities to share good policy practice between Member States

Because of the separate distinctive histories of Member States, demarcations between institutions and government departments vary. There is competition for public funds, allocated according to national priorities and established procedures. Traditional hierarchical approaches continue at national level, with vertical reporting. This may not include arrangements for partnership, either social partnership or between organisations, even within the country concerned. Informal networks have been nationally based.

Experience of participation in European collaborative programmes has been valuable, but has affected only a minority of actors within the arena of the European Employment Strategy. For the majority of actors at national, regional and local level, the workings of the EU, and other Member States, remain unfamiliar. University students may have had access to mobility programmes such as Erasmus/Socrates, but this is rarer for shop-floor workers. On the other hand, there is now increasing experience of bringing practitioners together from different regions around Europe, with practical benefits. This presents new challenges in overcoming barriers of language and culture.

Weak policy frameworks at national and/or regional levels

The roles of national governments vary between Member States, with an increasing tendency for governments to pass responsibilities to the private sector and market forces: the UK led this trend, sometimes described as 'modernisation'. As a consequence it can be difficult to make simple comparisons between countries. Discussion of work organisation raises further complications, as it cuts across departmental boundaries: there are issues for economic development, employment, industrial relations, technology transfer, regional policy, education and training. 'Joined up thinking' is the exception, rather than the rule. The situation can be eased by the presence of national institutes and infrastructures for

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research, development and technology transfer. Such institutes can develop their own rigidities.

Although a 'Europe of the Regions' has many adherents, in some Member States, such as the UK, devolved policy structures and frameworks at regional and local level are undeveloped, inconsistent, and as yet lacking in democratic accountability. In the UK, the devolution of responsibility to a Scottish Parliament and a Welsh Assembly has left unresolved the question of regional government in England. There is no shared European understanding of what is meant by a 'region'. History is recalled in terms of nation states. One challenge for the European Union is to regard this diversity as a source of collaborative competitive advantage.

A lack of appropriate institutions capable of designing and delivering appropriate measures

In the absence of a local tradition of social partnership, it takes time to develop sustainable institutions. This challenge is being addressed in the applicant countries, with collaborative input from the European social partners UNICE, ETUC and CEEP: this casts light on some problems within the European Union. In the UK, where the Thatcher government from 1979 had eradicated tripartite institutions, with the exception of the Health and Safety Executive, the UK Work Organisation Network (UKWON) was founded in 1997, as a bottom-up national network. There have been encouraging signs, and the beginnings of constructive social dialogue.

In the cases of initiatives under the European Social Fund, delivered through national programmes administered by individual government departments, the priority is to meet needs of Member States in vocational education and training. European policy directions derived from the European Employment Strategy are seen as ancillary, and are thus diluted by national and regional authorities. Projects dealing with work organisation, which have been developed and submitted under ESF, EQUAL and Article 6, in line with EU policies, have been assigned little priority at national or regional level, and not funded. National and regional authorities invoke the principle of subsidiarity, and declare their right to determine policies and priorities.

On this basis, initiatives regarding work organisation raise constitutional issues. The European Commission may reach policy conclusions in Green Papers and Communications in line with the European Employment Strategy. These will not be translated into practical programmes at national and regional level, unless the relevant authorities at the level of the European Council and Member States decide that this is their preference, giving priority to such programmes over other contenders for support. We might conclude that the European Employment Strategy is not being implemented at workplace level. This would be misleading, as the Strategy is based on a longer term process of soft law and social benchmarking, involving cycles of development, rather than top-down imposition of a standard European Commission régime. Where an emphasis on work organisation leads to a successful outcome, this should be picked up in subsequent iterations of National Employment Plans. This requires improved information, working case study examples, a strong business case, and an ongoing networking infrastructure.

There has not been a strong budgetary lead from the European Commission, as opposed to rhetoric. The 1998 Communication on 'Work Organisation' announced the formation of the European Work Organisation Network, only a limited budget was assigned for development projects, and even support for the EWON newsletter was later withdrawn. Subsequent Green Papers and Communications have led to the foundation of alternative structures, such as the Observatory of Social Change hosted by the European Foundation for the Improvement of Living and Working Conditions, in Dublin. The agenda has moved on over the years since 1997; this has not always been explicit, and not all of the actors have kept pace. This is 'soft law' in practice.

Work organisation raises further issues concerning Enlargement, as the applicant countries, many of them former members of the Soviet bloc, with a tradition of central state socialist economies, typically lack a prior background and available resources. This is being addressed through European programmes such as PHARE, and initiatives such as the Swedish-led 'Work

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Life and EU Enlargement' programme, which involves EU institutions and the social partners.

Poor networking between key actors

Collaboration and networking do not arise by chance; they require a supporting cultural context, in which consensus is valued, where it is possible to make horizontal contacts between organisations, rather than everything being governed by hierarchies. Networking is a complex interpersonal skill learned through practice, not from handbooks. Relationships of trust are built incrementally over time, and this has been a major argument in favour of successive European Framework Programmes, fostering patterns of collaboration. In an environment of scarce resources, where central financial controls are imposed, and initiatives are in competition, progress will be slow. The European Commission manages portfolios of projects, or delegates the management to large networks: this principle underpins the Sixth Framework Programme. There are lessons to be learned from the Norwegian 'Enterprise Development 2000' and 'Value Creation 2010' programmes.

Whereas employees of the European Union, from different countries, have learned to work together with a common employer and build a new policy infrastructure, the development of international networking can be more complex, with issues of language, culture, administrative tradition, and finance. Initial entry costs can seem high, including steep learning curves. This is part of the challenge for institutions such as universities.

Nationally based programmes, such as the Swedish SALTSA programme on European working life, with international research partners working in association with the Swedish National Institute for Working Life and the Swedish trade unions, have helped in developing the networking culture. Sweden is relatively new to EU membership, and has traditionally had ample national research funds, so there has been limited experience of international networking in the European Union. SALTSA has provided a valuable transition to European collaborative ways of working, and opened new approaches to dialogue. The model of involving the trade unions in a pivotal role in project design and project management has been enlightening, but the problems

still remain of accomplishing the transition from research to practice. Within the SALTSA Work Organisation theme, the NICE (New Innovative Coalitions in Europe) consortium developed, piloting work with regional development coalitions, and building sustained relationships over time.

Some long-standing European Commission research programmes, such as ESPRIT, have had a substantial underlying work organisation component, especially concerning trans-national relations between enterprises. Often the development of such relations, for example in strategic industrial sectors such as aerospace, has been as important as the particular technologies, which are the ostensible focus of attention. This may have been the reason why evaluators decided in favour of funding the project when proposed. Despite this, project management tends to have concentrated on 'hard' technology, at the expense of the 'softer' areas of work organisation. Research management needs to take more account of the network culture, and the culture of research management itself needs to change.

Underdeveloped roles and responsibilities of social partners, universities and business support organisations

We should not expect a uniform pattern of organisation and networking across the European Union. It is however vital that the European research culture supports social partnership consistent with the European social model, as opposed to adversarial industrial relations. This may have been taken for granted in Scandinavia, where in particular the Swedish social model provided stability over several decades, providing senior trade unionists and employers' representatives with insights into government. In Ireland, nine years of social partnership preceded the New Work Organisation in Ireland programme. The evaluation model, including a team of international evaluators, both provided insights from overseas, and also provided valuable experience for those at an earlier stage in the partnership process, such as in the UK.

It has been easy for governments and educational institutions to give lip service to the importance of education for the knowledge-based society, to lifelong

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learning, and to 'higher education reaching out to business and the community' (HEROBAC, in the UK), known in Sweden as 'The Third Task'. Traditional universities have often been reluctant to change, and to address a world beyond academia. Effective networking and delivery requires culture change, which takes time, and encounters resistance. Once in place, it can enable new forms of knowledge production, as has been argued in the case of the sciences. Variations in culture and work organisation impact on the form taken by lifelong learning, and affect structures such as employer learning networks. The process takes time: levels of participation in higher education have risen in recent years, and there is a backlog of remedial education required in business and industry.

It is not enough for an organisation, whether in the public or private sector, to declare itself to be a 'business support organisation', and to adopt private sector patterns of operation. The role of intermediaries is vital, in particular for small and medium sized enterprises but they need to operate in a culturally appropriate manner. It is not a question of rolling out 'one-stop shops'. In particular, the roles of intermediaries develop over time, but they are often introduced in successive short-term initiatives, which may lack evaluation. There needs to be a facilitating environment at regional level.