

Christine Trampusch (University of Berne, Institute of Political Science)
Pierre Eichenberger (University of Berne, Institute of Political Science)
Micha de Roo (University of Berne, Institute of Political Science)

Corresponding Author:

Christine Trampusch
University of Berne, Institute of Political Science
Lerchenweg 36
CH-3012 Berne
Email: christine.trampusch@ipw.unibe.ch

**The Politics of Skills in Small Coordinated Market Economies
Employers, Trade Unions, and Continuing Vocational Training in Denmark, the Netherlands, Austria, and Switzerland**

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Abstract

On the basis of an in-depth analysis of the role of sectoral collective agreements in continuing vocational training (CVT) in Denmark, the Netherlands, Austria, and Switzerland, this paper offers the first systematic study of the institutional and political conditions under which collective agreements finance and organize CVT. Combining the comparative method with pattern matching, the most important finding of the paper is that the research on the development of political-economic institutions in coordinated market economies has to analyse more carefully how state activities and the behaviour of small and medium sized firms affect the coordination of economic activities in skills formation. Furthermore, the literature should pay increasing attention to strong traditions of sectoral social partnership as being a functional equivalent to state support for collectively negotiated CVT systems.

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In the course of our research, we conducted several interviews with experts and actors in the field. At the request of our interview partners, the interviews are quoted in the text only in coded form. Isabelle Bieri, Laura Schmid, and Simon Steinlin provided excellent research assistance. Furthermore, we thank Moira Nelson and Daniel Oesch for their valuable comments on an earlier version of this paper. We are grateful to the Swiss National Science Foundation for the financial support of the project 'The Privatization of Welfare States: Industrial Relations as a Source of Benefits' (SNF No. 100012-119898). The usual disclaimer applies, of course.

Introduction

National governments and international organizations are paying increasing attention to the role the provision of skills plays in the development of advanced political economies. In the wake of the knowledge-based service economy and the increasing mobility of capital and labour, lifelong learning has become a major condition of international economic competitiveness. Skills are not only on top of the agenda of the ILO, OECD, and EU, it is also envisaged that employers and trade unions should play a key role in promoting continuing vocational training (CVT) and include CVT in their sectoral and inter-sectoral collective bargaining activities (Heyes 2007: 240-241). Although the necessity of reaching social partner agreements on CVT is widely acknowledged – even by the social partners themselves (Winterton 2007) – the frequency of collective labour agreements (CLAs) on CVT varies strongly between West European countries (CEDEFOP 2009; EIRO 1998), but with company-level bargaining less common than sectoral or inter-sectoral agreements (Heyes 2007: 251). According to a recent study of CEDEFOP (2010: 12), 12 per cent of training enterprises in the EU are covered by national or sectoral CLAs on CVT.

Against this background, the objective of this paper is to address the issue of the involvement of the social partners in CVT. Accordingly, we focus on the coordinated provision of CVT and not on firm-based CVT schemes or state-run CVT schemes. In particular, we are interested in the institutional and political conditions under which *sectoral* collective agreements play a role in the provision and financing of CVT. We focus on small coordinated market economies (CMEs) and select Denmark, the Netherlands, Switzerland, and Austria as cases. The paper refers to two strands of literature prominent in comparative political economy: the varieties of capitalism approach (VoC) and comparative research on industrial relations (CIR).

Denmark, the Netherlands, Switzerland, and Austria are to be viewed as small coordinated market economies (CMEs) (Katzenstein 1985; Hall & Soskice 2001: 20) with a social partnership tradition not only in collective bargaining and public policy making but particularly in *initial vocational training* (Trampusch 2010a). To that extent, these four countries are *typical cases* of a broader set of cases for which we would expect social partnership arrangements in CVT.¹ Furthermore, given the similarities between the countries, we would expect to find

systems of CVT with similar patterns of collective bargaining traditions in this domain. However, our analysis will show different degrees of sectoral bargaining activities in CVT, with a high degree in the Netherlands and Denmark, a low level in Austria, and a medium level in Switzerland. Whereas in the Netherlands and Denmark CLAs on CVT are widespread throughout the economy, thereby institutionalizing a high amount of sectoral CVT funds, in Austria collective agreements virtually remain outside the CVT system. The Swiss case appears to sit between the two stools, as here we find a few sectoral funds but also large parts of the sectoral collective bargaining system without clear CVT regulation. The puzzle is why those countries for which we would expect to have similar sectoral CVT systems show so much variation.

This paper attempts to solve this puzzle, however, not by an explanatory approach which tests causal hypotheses, but by an explorative approach which uses the four cases to generate hypotheses on probable causal conditions of regulating and financing CVT by means of CLAs. The reason for this restriction is that our research design is strongly constrained by practical and analytical reasons. On the one hand, comparable data on the role of CLAs in CVT are sparse. On the other hand, systematically theoretical considerations of the political and institutional conditions under which CLAs regulate and finance CVT are almost non-existent. Since, according to Gerring's case selection strategies (2007: 92-93), *typical* cases are particularly helpful for such explorative studies, our research promises to contribute to theory development and the reframing of analytical approaches.

Methodologically, our study combines Mill's methods of agreement and difference with pattern matching. In the comparison between the Netherlands and Denmark – hence the countries with high degrees of CVT through CLAs – we apply the method of agreement. We then compare these two positive cases with the negative one, namely Austria, by using the method of difference. However, we not only rely on the comparative method but, in a within-case analysis of Switzerland, we also combine it with the method of pattern matching in order to clarify the configuration of conditions favourable to CVT by CLAs. According to Mahoney (2003: 361), pattern matching can be used to evaluate 'whether patterns derived from cross-case analysis can be matched with observations from within specific cases'. The Swiss case is useful for this kind of methodological approach because it is neither a clear

positive nor a clear negative case, allowing us to compensate for the weaknesses of the comparative method, which are the determinism of the nominal methods of agreement and difference (on which see also Mahoney 2003: 362) and the necessity of having clear-cut yes-or-no coding and no measurement errors in the independent and dependent variables (Lieberson 1991: 307). Ultimately, it is the ambiguous position of Switzerland which helps us to refine our hypotheses on probable conditions and to specify the processes through which our probable conditions exert an influence on our outcome. In short, as we have a dynamic conception of social reality and presume complex causal processes such as multiple causation, we use Mill's methods not in a strictly deterministic manner, but as an inductive approach, in order to specify and identify conditions of a phenomenon which until now has been insufficiently investigated in comparative political economy.

The article is divided into five parts. In the first section, we summarize the main findings of VoC studies and CIR research on the institutional and political conditions for CVT by means of CLAs. On the basis of this literature review, we argue that CVT by CLAs is probably conditioned by multiple factors instead of being a monocausal phenomenon. We construct an analytical grid of multiple factors influencing CVT by CLAs, which later serves as a device in our four historical-analytical case studies. In the second and third sections, we apply our analytical framework to the four cases and deliver in-depth case studies by proceeding in three steps. The second section compares the positive cases of Denmark and the Netherlands by applying the method of agreement. The third section incorporates the negative case of Austria and compares this country with the positive cases by using the method of difference. The fourth section takes the Swiss case into account, applies the method of pattern matching, and investigates whether the probably favourable conditions identified by the comparative method resist our within-case analysis of Switzerland and how our causal account needs to be refined. In the fifth section, we discuss the implications of our findings for further research on skills provision in CMEs.

The Institutional and Political Conditions of Continuing Vocational Training through Collective Agreements

In recent years, international organizations and research institutes like the OECD, ILO, CEDEFOP, CEREQ, and EIRO have published various reports on the development of CVT, thereby

also accounting for the role industrial relations and collective bargaining play within it (EIRO 1998; Aventur & Möbus 1999; Gasskov 2001; Ok & Tergeist 2003; CEDEFOP 2008a; CEDEFOP 2009; CEDEFOP 2010). These studies describe the legal frameworks of CVT systems and public policies promoting employers' and employees' CVT activities, on the one hand, and the involvement of the social partners, the development of sectoral training funds, and the participation of firms and employees in CVT measures, on the other. In a very explorative way, this strand of literature seeks to identify the best practices of CVT systems but does not systematically analyse the main factors determining firms' and employees' *collective* training decisions. For this reason we have supplemented the data we gained from assessing these reports with own data collected through expert interviews and online research at the national websites.

In parallel with this growing interest on the part of international research institutions in collecting data on the role of the social partners in providing and financing CVT, political actors have also discovered this topic. In particular, the ILO, EU, and OECD have picked up on the skills issue (Heyes 2007; OECD 2007; Winterton 2007; CEDEFOP 2009). These international organizations also envisage that employers and trade unions should play a key role in providing sufficient training measures for employees (CEDEFOP 2009), as was demanded not all that long ago, for example, by the EU in the Copenhagen declaration of 2002 (CEDEFOP 2009: 11). In the wake of this appeal to the responsibility of the social partners, employers and trade unions are also requested to bring the CVT issue into their collective bargaining agreements (CEDEFOP 2009). Because CVT is in general less state regulated than initial vocational training (IVT), it is particularly 'accessible to agreements between social partners' (Heidemann 1996: 8).

However, as already mentioned, we can discern different degrees of social partner involvement in the provision and financing of CVT in our four countries. In order to understand this counterintuitive variance, we first have to review the major findings of those studies which offer theoretical and analytical deliberations on the conditions of sectoral collective bargaining agreements as a means of organizing and financing CVT. In our view there are two strands of literature which have to be considered: the VoC approach and the CIR research.

Varieties of Capitalism Research

The leading role that the social partners play in the formation and provision of skills is among the core questions of recent studies on skill systems in the varieties of capitalism (VoC) literature. The VoC literature studies how skill regimes and training systems affect the development of advanced political economies (Hall & Soskice 2001; Culpepper 2007: 611; Culpepper & Thelen 2008: 24). With reference to the formation and provision of skills, this strand of literature follows human capital theory by viewing skills as investments which employees and firms make to maximize their earnings, hence wages and company profits (Iversen 2005). The central contention of this approach is that, depending on the specificity of skills (firm-specific, occupational and general skills), different forms of coordination will evolve in the different subsystems of political economies (Busemeyer 2009; Nelson 2009). The VoC approach argues that, in CMEs, labour market regulation by coordinated collective bargaining, employment protection, and social policy is functional for firms and employees, as these institutions not only prevent the poaching of employees across firms but also serve as insurance for the investments made in specific skills (Iversen 2005).

As to the institutional and political conditions of the formation of skill systems in CMEs, the two main findings within this strand of literature can be summarized as follows. First, recent studies point out that employers intend to influence training policy according to their preferences, but that 'skill demands often divide employers among themselves' (Culpepper & Thelen 2008: 41). The literature identifies cleavages in the employers' camp, depending on the size of their firms. Cleavages are constituted not only by divergent attitudes over the specificity of skills (Culpepper 2007: 614-617; Busemeyer 2008: 9, 21) but also by the costs of training – with small firms being less able than large firms to bear the costs of training (see also Trouvé 2001: 189-193, 207; CEDEFOP 2008a: 20).

Following this line of reasoning, we may assume that, in general, SMEs are much more interested in collective solutions for providing and financing skills than large firms. To be more precise, should continuing vocational training mainly provide skills which are general or at least occupational, coordination among firms and collective CVT schemes are of particular importance for the provision of CVT, as the danger from poaching firms is very high (Nelson 2009: 4) and firm-specific skills are more attractive for individual firms than contributing to

industry-specific or general skills (Smith & Billett 2006: 16). As small and medium sized firms are less capable of bearing the costs of training (Trouvé 2001: 185), we may presume that they may be particularly interested in coordinating training activities. In line with this reasoning, Heidemann (1996: 9) contends that the likelihood that CLAs regulate and finance CVT increases 'when small and medium sized enterprises predominate which cannot afford organizing and financing borne by a single company'.

The second finding concerns the importance of alliances between employers, state actors, and trade unions, and can be summarized as follows. Consistent with Kathleen Thelen's (2004) studies, it seems reasonable to argue that the emergence and maintenance of collective training regimes is strongly conditioned by employers' behaviour in skill-intensive sectors (such as the machine industry), by the influence of state policy and elites on their strategies, and by whether or not conflict over skills is found to exist between unions and employers or within the employers' camp (Culpepper & Thelen 2008: 26-9). Therefore, in agreement with the VoC approach we say that — besides the special interest of SMEs in collective agreements on CVT — the coalitions that employers enter into with state actors and trade unions may be a decisive condition supporting the evolution of coordination in CVT.

Recent VoC studies on skill formation in CMEs, while having several accomplishments to their credit (Trampusch 2010a: 549), still have some deficiencies. Three of these deficiencies are as follows. First, until now, the literature has focused on initial vocational training, leaving not only higher education (an exception being Graf 2008) but also continuing vocational training (an exception being Nelson 2009) by the wayside. Second, although the role of industrial relations is acknowledged to be key for the understanding of the formation of skills, the question as to which *collective agreements* finance and regulate the provision of skills is left unexplored, because the literature focuses on firm or market provision and state provision of skills, leaving the collectively negotiated provision of skills largely ignored. Third, although state actors are viewed as crucial in the development of training systems, the literature undervalues the influence the state may have in forming employers' preferences, interests, and strategies as well as in supporting coordination among employers.

To sum up, our review of the VoC literature produces two findings. First, the literature tells us to look at the behaviour of SMEs and their strength in employers' associations as well as at probable employer–state–union coalitions if we want to understand coordination in skill formation. Second, the VoC literature still lacks certain insights and has to be supplemented by further reasoning. In our view, comparative industrial relations research has to be incorporated for three reasons: first, because it provides detailed insights into the processes, structures, and functions of collective bargaining; second, because it highlights the role the state plays in the development of collective bargaining systems; third, because it shows that the state also decisively influence employers' strategies in collective action and collective bargaining.

Comparative Industrial Relations Research

Industrial relations comprise the institutions and processes which regulate substantively or procedurally the conditions of work and employment by means of collective bargaining between employers and trade unions, state regulation, or informal norms and practices (Hyman 2001: 468, 470). As to the theoretical perspectives adopted in CIR, research nowadays mainly adopts an actor-oriented and power-distributional perspective (Flanders 1974, Visser 1996, Hyman 2001).

What are the major findings of CIR on the relationship between collective bargaining and the provision of skills? First of all, we have to acknowledge that CIR has all but neglected this topic (an exception is Streeck et al. 1987, who, however, only analyse the German case). In analysing collective bargaining systems, most studies focus on the regulation of quantitative issues such as employees' wages and working time, and leave qualitative issues such as health and safety, social welfare benefits, or training largely overlooked. There are only a few studies which offer an insight into the relationship between collective bargaining and training (Winterton 2007; Ok & Tergeist 2003; Heyes 2007; Martinez Lucio et al. 2007). However, these studies do not explicitly focus on the probable factors explaining the role of CLAs in CVT. Ultimately, the distinction between the role of the social partners in the public CVT system and that in the collectively negotiated CVT scheme based on CLAs is not always clearly differentiated.

Nevertheless, CIR offers us some very interesting considerations and hypotheses on the conditions which may occasion employers and trade unions to include the regulation of training into collective agreements. The reason is that this strand of literature analyses in more detail – compared to the VoC approach, for example – the factors and conditions which influence employers’ and trade unions strategies in collective bargaining agreements. As to these factors, the five main findings which may be of interest for us can be summarized as follows:

First, since according to Flanders (1974: 355-6) and Sisson (1987: 5) employers follow two main objectives with collective bargaining, namely market control and managerial control, we may expect that CVT through CLAs is attractive for employers if they support *wage restraint*. Second, as comparative welfare state research has shown, collective agreements on social benefits are more likely to be reached if trade unions also favour collective agreements over market solutions or state-run schemes (Ebbinghaus 2008; Trampusch 2010b), the same being the case for trade union decisions regarding skills provision.

The third finding is that employers and employers’ associations are a complex entity (Traxler 2005b, 2010; Schmitter & Streeck 1985) and that the ‘cornerstone of inclusive associability’ – and with it of business collective action and employers’ collective bargaining strategy – is how employers manage interest conflicts between large firms and SMEs (Traxler 2010: 155). Because SMEs have limited financial and administrative resources and have higher compliance costs than large firms due to social, fiscal, or labour regulations, or collective bargaining agreements (Traxler 2005b: 300; Traxler 2005a: 154-55), services that are offered by the associations – and, as we would like to add to Traxler’s reasoning, by collective agreements – may be especially important for SMEs in particular if they are mostly paid for by large firms (Traxler 2005b: 310-11). From this may also follow that the probability that CLAs finance CVT increases when SMEs are predominant in employers’ associations (see also Heidemann 1996: 9) or when large firms explicitly use such services as a selective incentive for SME membership or as a means of ‘intra-organizational redistribution’ (Traxler 2005b: 311). In short, any study which analyses why CLAs regulate particular issues has to consider the intra-organizational politics within employers’ associations and the probable trade-offs between the distinct interests of firms specific to the firm size (Traxler 2010: 155).

The fourth finding is that employers' preferences in collective bargaining depend strongly on public policies and the behaviour of the state. If governments play an active role in framing the procedural or substantive issues of labour relations (Traxler 1994, 2010), employers have more incentive to expand the function of collective agreements to include the regulation of qualitative issues, even though they may have quite opposing motives : on the one hand, the shadow of hierarchy may prompt them to reach agreements with trade unions in order to prevent state regulation (Visser & Hemerijck 1997); on the other hand, favourable tax treatment and labour legislation supporting bargaining solutions can strongly influence the employers' and trade unions' bargaining strategies (Ebbinghaus 2008; Trampusch 2010b). Concerning this influence of state activities on employers' preferences, interests, and strategies, it is also important to note that, depending on the firm size, not only may employers have distinct interests in state intervention (Traxler 2005b: 300) but also their capacity to collective action and their strategies may be strongly influenced by public policies (Schmitter & Streeck 1985; Traxler 2005b: 309; 2010: 155), especially by extension practices enacted by the state in collective bargaining (Traxler 2005b: 309). In the light of this finding, we need to analyse the actual measures through which the state promotes training and, in so doing, may well influence employers' collective action and bargaining strategies. Smith & Billett (2006: 13-16) even come to the conclusion that employers are the pivotal actors for CVT through CLAs and that therefore public policies should explicitly target employers.

The fifth finding is that the more centralized, cooperative, and consensus based industrial relations are, the more employers and trade unions opt for solidarity solutions in wage bargaining (Ebbinghaus 2008; Martinez Lucio 2007: 328). This fifth finding has been recently confirmed by the studies of Ok & Tergeist (2003: 36) and Martinez Lucio et al. (2007: 328), both of which argue that the more collective bargaining is centralized and consensus based, the more CVT is regulated by sectoral collective agreements. Heyes (2007: 250), however, contends that, despite strong traditions of social dialogue, employers and trade unions may often '[hold] opposing views with regard to how different forms of training and learning should be resourced, both in terms of time ... and in terms of the relative financial contributions' of employers and employees.

To sum up, our review of CIR offers the following insights. Additional to the findings of the VoC approach that employers' interest in CVT by means of CLA depends on the firm size and their coalitions with trade unions and state actors, studies of CIR suggest including the following factors which may influence the development of CVT schemes through CLAs: probable links of CVT to wage bargaining, trade union preference for CLA instead of legal enactment in CVT, the intra-organizational politics of employers' associations, state intervention in wage bargaining and public policies influencing employers' interests, and, finally, the degree of centralization and consensus in collective bargaining.

Comparing the Netherlands, Denmark, and Austria – hence, the two positive cases and the negative one – and applying the method of pattern matching to the Swiss case allows us to specify the configuration of probable conditions. However, we do not profess to offer insight into causal inference when we use Mill's methods. We do not seek to and – due to theory development and the availability of data – we are also unable to test an explanation for the development of CVT by CLA. Rather, the aim of the paper is to make visible whether the theoretically reasonable conditions are *plausible* conditions and which kind of *constellations of conditions* can be *specified*. The purpose of our analysis is to generate hypotheses and to synthesize various, until now, rather isolated findings in order to deliver a more detailed schema for further research into CVT by CLA. In our view, this way of proceeding seems to be of added value, as it could be seen as a first step towards deciding which kind of theoretical reasoning should be further developed and which kind of data should be collected in further studies pursuing the strategy of causal explanation. From this also follows that we do not share Mill's deterministic view of causality and avoid explicitly eliminating specific conditions. We rather assume complex causality.

To make it easier for readers to follow the in-depth case studies, the theoretical argument and the methods applied, we already summarize our result below.

Our comparison identifies proactive SMEs, proactive public policies, proactive trade unions, and links between CVT and wage bargaining as probable conditions for CVT by CLA because these four conditions vary in the same manner that our outcome does. Our finding is that these four conditions work together; hence, only if all of them appear and are strongly pronounced are collective agreements on CVT widespread over the whole economy, as is the

case in the Netherlands and Denmark. Our other two countries diverge from this best practice in different ways. The Austrian case shows that if neither SMEs, the state, nor trade unions are active and if CVT is isolated from wage bargaining, CVT remains virtually outside the collective bargaining system. Ultimately, in Switzerland, we find sectoral training funds in those sectors where both SMEs and trade unions support them. However, as the Swiss Confederation and cantons do not encourage these collective agreements on CVT to any serious extent, we do not find such agreements in the entire economy. Hence, taking the Swiss case as a basis and applying the method of pattern matching, we can conclude that the probable importance of the conditions we identified can be confirmed. The Swiss case also reveals an important refinement: consensus between employers and trade unions can be a functional equivalent to state intervention. Furthermore, comparing the Netherlands, Denmark, and Austria we assume that the degree of centralization of the collective bargaining system does not matter because not only the two positive cases but also the negative one are representative of relatively centralized collective bargaining systems.

Our narratives follow the same structure. After briefly presenting data on the extent to which CLAs regulate and finance CVT in the respective country, the narratives are divided into five sections that focus on the factors which, based on our comparative analysis, can be presumed to be probable conditions favouring CVT by CLA. The first sections analyse the employers' constellation and the behaviour of firms, especially that of the SMEs; in the second sections, we examine the role of the state by discussing how far public policies support CVT by CLA; in the third sections, we turn to the trade unions, discussing whether they are in favour of CVT by CLA or prefer legal enactment; the fourth section analyses linkages of training to wage policy.

Denmark and the Netherlands

In Denmark and the Netherlands, CVT is strongly regulated by collective agreements, and the coverage rates of CLAs on CVT are very high, namely 97 per cent of the employees in the Netherlands and 85 per cent in Denmark (CEDEFOP 2009: 16-17). According to Smith & Billett (2006: 3, 5, 8), the Netherlands and Denmark are cases of high employer and union commitment to regulating CVT by means of CLAs (see also Heidemann 1996: 9). A recent CEDEFOP survey of training enterprises notes that in the Netherlands more than 10 per cent

of the training enterprises report the existence of a national or sectoral agreement on CVT, and in Denmark the figure is more than 25 per cent (CEDEFOP 2010: 51-2).²

Nowadays, in Denmark, 1000 collective agreements regulate CVT (CEDEFOP 2008a: 45) and, according to Heidemann (1996: 14), CVT is 'part and parcel of the established Dutch culture' and regulated 'within the context of a "tripartite social partnership"'. In both countries, there are sectoral CVT funds which are established by collective bargaining agreements. For example, the Danish sectoral CVT funds are established by clauses in the collective bargaining agreements, and the collective bargaining process determines the goals and means of financing the funds (CEDEFOP 2008a: 44). In the Netherlands, the CVT funds are called *Opleidings- en Ontwikkelings-Fondsen* (O&O funds; education and development funds) (De Mooij & Houtkoop 2005)); in Denmark, *Uddannelsesfonde* (educational funds) and *Kompetenceudviklingsfonde* (competence development funds). Employers and employees contribute to these sectoral CVT funds by investing a part of the wage sum in CVT measures. However, whereas in Denmark until recently (that is, up to the establishment of the competence development funds) CVT was almost exclusively financed by the state, from the very beginning in the Netherlands the sectoral funds were also accustomed to financing CVT measures (CEDEFOP 1999: chapter 3.3.2. Private funding). The mean wage bill disbursement that the Dutch social partners invest in the sectoral CVT funds grew from 0.56 per cent in 1998 to 0.67 per cent in 2005 (CEDEFOP 2008a: 133). From that time on, the social partners' financial contribution effectively remained the same (ETUC 2006: 79). In 2002, there were 99 O&O funds, covering c. 2.5 million employees (and, with that, 40 per cent of all employees), and the expenditure of the O&O funds amounted to 600 million euro, of which 250 million were spent on CVT (BIBB 2010: 77). Although almost all sectors are covered by CLAs, the metal industry, the construction sector, and the trade sector are the most important ones as regards CVT (expert interview A). Companies also contribute to the funds in Denmark: on the one hand, by a fixed amount per employee per year (between 7.3 and 69 euro), and, on the other hand, by paying a defined percentage of each hourly wage per employee per year (CEDEFOP 2008a: 46). Although we have to stress that the sectoral CVT funds are less important in Denmark for subsidizing and providing training, the Danish funds according to CEDE-

FOP (2008a: 46) 'have played an important role on bringing social partners closer together on CVET-related issues.'

Critical junctures, hence key decisions which promoted the establishment and development of these collectively negotiated funds, can be located for the Netherlands in the 1980s and for Denmark in the early 1990s. Whereas, in the Netherlands, the largest O&O fund was established in 1983 in the metal industry (CEDEFOP 1999: 3.3.2. Private funding) in the wake of the seminal Wassenaar Agreement of 1982, CVT in Denmark appears for the first time in 1991 in a sectoral collective agreement, namely in the *Industriens Overenkomst* 1991 (Industry Agreement 1991).³ This agreement established the right to take up a CVT course (expert interview B). The latest Danish critical juncture is the *Industriens Overenkomst* of 2007, which established the so-called Competence Development Fund of Industry, the money from which will be used to finance employees' wages while they are on two weeks of CVT (Jørgensen 2007: Innovative aspects of agreement, 1).

Employers

According to Peter Katzenstein (1985: 105), the Netherlands, like Switzerland, is an example of liberal corporatism while Denmark and Austria are representatives of social corporatism. Nevertheless the power relationship within the employers' camp is similar in the Netherlands and Denmark. In Denmark, the small and medium sized firms, which are engaged in sectors such as trade and industry, clearly dominate the employers' associations (CEDEFOP 2008a: 47). According to Jørgensen (2005: 46), SMEs are the 'rank and file of the Danish economy', also dominating the peak associations of employers (Jørgensen 2005: 60)⁴ and providing services of CVT (Jørgensen 2005: 65). In the Netherlands, the majority of the companies are also SMEs (expert interview A; Kenis 2005: 206). There are also some important large enterprises; however, they do not dominate the employers' associations landscape (expert interview A). SMEs are organized in the MKB Nederland (Dutch Federation of Small and Medium Sized Enterprises), which is more involved in training services than the VNO-NCW (Confederation of Netherlands Industry and Employers; Kenis 2005: 210, 213).

The bulk of the Danish firms are SMEs employing up to 250 people, and the continuing vocational training system is mainly shaped by their needs (CEDEFOP 2008b, Thematic Analysis: Denmark, 050402: Measures To Support Training in SMEs). Even though continuing training is not generally charged for, some of these SMEs have problems with resourcing CVT (ibid.). Nevertheless, in Denmark the medium sized enterprises spend more money on CVT than large firms do (CEDEFOP 2010: 102, Figure 53).

Hence, it is significant that, in both countries, the SMEs are not only dominating the employers' camp but they are also very interested in CVT measures and in promoting their collectively negotiated regulation and financing. For example, in the Netherlands, there are even sectoral funds regulated by CLAs which have been concluded in response to the specific problems of SMEs in coping with changes to the sectoral structures (Heidemann 1996: 17). The SMEs acknowledge the importance for CVT and seek higher quality standards (EIRO 2009a: Main positions of the social partners on CVT), and they also view the O&O funds as an important instrument with which to promote CVT, especially in SMEs (BIBB 2010: 77). Back in the mid-1990s, specific instruments were developed to promote the implementation of CVT measures in SMEs (CEDEFOP 1999: 19). At the present time, the demand for skilled workers in Denmark and the Netherlands is increasing. The explanatory factors in Denmark are the industrial structure and the increasing importance of the service sector (OECD 2004: 9). In the Netherlands, the social partners justify their demands for technical knowledge with the term '*kenniseconomie*' (knowledge economy; StvdA 2006: 6). In both countries, continuing vocational training provides general skills (StvdA 2006: 6; expert interview B).

State and Public Policies

In both countries, the state is rather active in promoting CVT, and employers admit that public measures positively affect their training activities (in the Netherlands the figure stands at over 50 per cent of the training enterprises and in Denmark over 30 per cent; CEDEFOP 2010: 58, Figure 29). In the Netherlands, there are tax exemptions for employers' and employees' payments towards CVT. The O&O funds can also apply for ESF money (CEDEFOP 2008a: 133). However, in 2003 the government decided to reduce the fiscal incentives. However, the deductibility of training costs from pre-tax benefits remained (ETUC 2006: 78). The social partners have disagreed with this retrenchment. For example, in 2002, the tripar-

tite Socio-Economic Council (*Sociaal-Economische Raad*) advised the government to reorganize the institutional framework of the education system within CVT and to stimulate the latter by means of fiscal incentives (SER 2002). The discussion about the CVT system is still going on, whereas the collective bargaining conventions have not seriously changed during the last five years (EIRO 2009a: Commentary).

An important difference between the two countries is that, while in Denmark the main role of the state is being a financier of CVT (EIRO 2009b), the financial role of the state in the Netherlands is less important, but the state, more precisely the Minister of Social Affairs and Employment, strongly intervenes by declaring the O&O funds collectively binding for an entire industrial sector (Gasskov 2001: 48). In 2008, 46 O&O funds were declared collectively binding, covering 2.4 million employees (Smits et al. 2009: 6). Moreover, while Danish companies subscribing to those collective agreements which regulate a training fund are obliged under the terms of these to make a contribution, they are nevertheless not obliged by legislation to do so, e.g. extension practices (CEDEFOP 2008a: 45).

In Denmark, the responsibility for CVT is tripartite and the state plays a strong role (EIRO 2009b). Not only legislation but also public money strongly supports the role of CLAs in CVT. The content of the training programmes are regulated by law, though these are 'most often the result of a prior tripartite social dialogue' (EIRO 2009b). Furthermore, until recently CVT was mainly financed by the state and the state also provides schools for CVT (EIRO 2009b). There is neither the possibility of tax deductions nor the option of lower taxation in Denmark (CEDEFOP 2009: 19); however, as in Austria and Finland, there are several forms of reimbursement or subsidy (CEDEFOP 2009: 19). Public spending on CVT in Denmark is sizable. In 2004, the public outlay for CVT was 5 billion DKK (EIRO 2009b). It is, however, important to note that, from 2007 onwards, there has been a common tripartite understanding between the state and the social partners which preconditions collective agreements as a way of obtaining money from the state for CVT (expert interview C).

Trade Unions

In Denmark, trade unions proactively support CVT by CLA. For example, trade unions view the 2007 industrial agreement as a great victory because it established an individual CVT

right for employees. Now, employees can take up CVT courses that are not directly linked to the company's needs (expert interview C). Interestingly, this agreement is also the result of a deal between the social partners and the government. If the social partners sign this new agreement and raise money for CVT, the state will spend more money on supplying training. The state is still paying wage compensation. So, all in all, CVT through CLA was strengthened in 2007 and, since then, the state has been investing more money (expert interview C). There was a disagreement between the social partners over the issue of cost sharing for CVT. The trade unions demanded increasing employer involvement. While they viewed CVT financing primarily as a state task, they also considered it the employers' responsibility (see also LO 2004: 17). Since 2002, when the tripartite committee on lifelong learning was established, this conflict has decreased (EIRO 2009b: Main positions of the social partners on the CVT). In a recent publication, the LO (Danish Confederation of Trade Unions) even contends that '[o]ne of the strengths of the Danish structure is the very strong emphasis on training issues ... in the practical work of shop-stewards and local trade unions' (LO 2004: 15), which also results in efforts 'from the trade unions to ensure CVT through collective agreements' (LO 2004: 15). In the Netherlands, the trade unions, such as the Dutch Trade Union Federation (*Federatie Nederlandse Vakbeweging*, FNV), keenly support CVT (EIRO 2009a: Main positions of the social partners on the CVT). The trade unions support a rearrangement of the system through collective bargaining (CEDEFOP 2009: 26).

Links between CVT and Wage Policy

In both the Netherlands and Denmark, the sectoral funds on CVT are closely linked to wage bargaining. For example, in 2009, the director of the Dutch employers' association AWWN (VNO-NCW 2009: 13) argued that '[f]ortunately, we often see that extra wage space [in wage negotiations] is not translated into money but in structural long-term effects such as training (...).' Often, only the employers contribute to the funds, as training is used as room to negotiate in salary bargaining (expert interview H). In Denmark too, wage negotiations and negotiations on CVT will take place simultaneously with the result that the two issues are linked to each other (expert interview C). According to one of our interview partners, this linkage between CVT and wages has even been strengthened since 2007: for example, in the indus-

try agreement of 2007, linking ordinary wages to training and not just to pensions was prioritized (expert interview C).

To sum up, in the Netherlands and Denmark, SMEs, the state, and trade unions are proactively supporting CVT through CLA. Furthermore, CVT is exchanged for wage restraint. On the basis of the method of agreement, these conditions may be identified as probable factors supporting the development of collectively negotiated CVT measures. Our following narrative on the negative case of Austria will show that it is precisely these factors (supportive SMEs, public policies and trade unions, wage restraint) that do not appear in Austria.

Austria

In Austria, CVT remains virtually outside sectoral collective agreements (expert interview E, expert interview I). If CVT is collectively negotiated, company-level schemes dominate (Heidemann 1996: 18). There is only one collectively negotiated sectoral fund that finances CVT, which was recently concluded (in 2005, effective from 2006) in the temporary work sector (expert interview E, expert interview I) and which covers about 45,000 employees (expert interview I). Employers contribute 2.50 euro a month and employees 0.66 euro a month to this fund (Kollektivvertrag für Arbeitskräfteüberlasser 2005: Übergangsregelung zu Abschnitt XII: Punkt 3). According to one of our experts, apart from this fund, CVT by CLAs in Austria is 'toothless' (expert interview I).

The Austrian CVT system mainly draws on public management and financing provided by the public employment service (OECD 2003: 16; IBW 2008; CEDEFOP 2009: 10; EIRO 2009c), with collective agreements playing virtually no role in this domain. Interestingly, both social partners are very important actors in providing CVT measures which are paid by the public employment service (CEDEFOP 2008a: 45). Furthermore, CVT is firm based or negotiated at the company level (IBW 2008; EIRO 2009c), which makes CVT a special case in the landscape of Austrian collective negotiations because, on other issues, bargaining mainly takes place at national and sectoral levels. Besides the fund in the temporary work sector, there are only a few collectively negotiated requirements on CVT, such as those found in the chemical industry, the metal industry, and the electro and electronics industry (Schneider & Völkerer 2009: 212; Rahmenkollektivvertrag für Angestellte der Industrie, Elektro und Elektronikindustrie

FEEI 2001), which mainly regulate unpaid leave for the trainees and its duration (the exception being the metal industry, where paid leave is regulated (Schneider et al. 2009: 211)). A survey conducted in 2000 found out that only 33 out of 1,400 agreements in Austria had 'specific arrangements' on CVT (OECD 2003: 16). Consequently, Austria represents a negative case with respect to regulation of CVT through CLAs. Schneider & Völkerer (2009: 212) come to the conclusion that there is some 'institutional ditch between labour market and training institutions'. We now take up our four main probable conditions identified in the positive cases.

Employers

As in the Netherlands and Denmark, both the economy and the employers' representatives in Austria are dominated by small and medium sized enterprises that have high density rates (Traxler 2005a: 14, 17). Moreover, the organizational capacity of large employers is low from a comparative perspective (Culpepper 2007: 624). Therefore, SMEs strongly influence employers' strategies in the collective bargaining process (Traxler 2005a: 16-17). Counted on the basis of company employees, the density rate of the country's principal (largest) peak employers' organization in Austria, the *Wirtschaftskammer Österreich (WKÖ)*, is 100 per cent. This is because all the firms in the Austrian Federal Economic Chamber's domain are legally obliged to be members (Traxler 2006: 99). The consequence is that we have a clear dominance of SMEs within the main employers' organization, making the SMEs the decisive actors in the employers' CVT debates. However, the Austrian SMEs – and this distinguishes the Austrian SMEs from the Danish and Dutch ones – are neither strongly involved in CVT (Schneider & Völkerer 2009: 210-1) nor do they actively support CLAs on CVT, although they are not against CLAs on CVT above the firm level (Schneider & Völkerer 2009: 202). As we will see later, trade unions argue that stronger legal regulation would be preferable (Schneider & Völkerer 2009: 202). In a recent social partners' statement on education policy, the WKÖ (together with the *Bundesarbeitskammer*) strongly supported more state regulation and public financing in CVT without discussing the possible role of CLAs (WKÖ et al. 2007: 12-14). Nevertheless, the WKÖ also provides CVT measures for the public CVT system and company-based training (IBW 2008: 45; Traxler 2005a: 24).

State and Public Policies

The Austrian system mainly draws on public initiatives and the provision of courses by the social partners through their respective learning centres (chambers of commerce and chambers of labour). There is no public support for CVT regulation through collective agreements but only some fiscal support for promoting company-based CVT measures (WKÖ 2007). A recent CEDEFOP report argues that the state's role in negotiations on CVT issues is limited, as there are no tax deductions or lower taxation in Austria (CEDEFOP 2009: 19; Schneider & Völkerer 2009: 202, 212). Tellingly, both social partners agree on the fact that the state is too passive in CVT (Schneider & Völkerer 2009: 202).

Trade Unions

Austrian unions are rather supportive of a legislative solution (Schneider & Völkerer 2009: 202). Unions support a legislative solution that would establish a right to training of 35 hours a year (Schneider & Völkerer 2009: 211), and, currently, they do not demand further CVT funds (expert interview E). It is reasonable to argue that the labour chambers' position is strongly influenced by the employers' position. The regulation in the metal industry, which provides employees with one week's paid leave a year to pass certain certificated exams, is a general objective of the labour chambers. However, 'as it is not certain that dispositions giving (such a right) in every collective agreement will be introduced in all the contracts', labour chambers pursue the objective of implementation by law (Schneider & Völkerer 2009: 211).

Links between CVT and Wage Policy

In Austria we have not found any evidence that wage bargaining and CVT are interrelated. We assume that it is a logical consequence of the relative weakness of negotiations on this subject.

To sum up, it is precisely those conditions which affect CVT by CLA in the Netherlands and Denmark that differ in Austria. Most importantly, our narrative shows that in Austria there is not any clear, proactive support for CVT by CLA on the part of public policies and trade unions. Furthermore, there are no linkages between wage bargaining and CVT, and the SMEs do not proactively support CLAs on CVT.

On the basis of our analysis we also presume that the centralization of the collective bargaining system is not a probable cause conditioning CLAs on CVT. In the comparative literature, the Netherlands, Denmark, and Austria are grouped as regimes with a relatively high level of centralization in collective bargaining (Katzenstein 1984; Crouch 1993).

Switzerland

In Switzerland, regulation of CVT by collective agreement varies considerably across sectors, depending on the specific structural conditions in the respective sector, namely the specificity of employees' skills, firm size, skill intensity, and the bargaining tradition in the specific industry. This variation broadly follows the generally decentralized and segmented pattern of the Swiss collective bargaining system (Bonoli & Mach 2000; Mach & Oesch 2003).

Our analysis of the degree and extent to which CLAs regulate and finance CVT reveals an ambiguous position on the part of Switzerland. On the one hand, there are sectors where collective negotiations are of secondary importance for CVT or where CLAs only contain minor requirements (concerning the financial support and the working days available for trainees) and thus leave extensive negotiating room for lower negotiation levels, namely the company level and employment contracts (Ackermann 2002-2007; SECO 2003: 12-15, SGB 2008: 12-23). On the other hand, particularly in sectors where SMEs of the *Gewerbe* (the traditional craft sector) dominate (expert interview D), collective agreements also contain provisions for CVT, and even sectoral CVT funds are set up to finance part of the training costs, albeit with different financing models (expert interview D; SGB 2008: 12-23). Apparently, those sectors where the large firms are involved in the process do not reach such agreements on CVT (SGB 2008: 12-23; expert interview D). However, the Swiss Federation of Trade Unions, the SGB (2008:22-23), also contends that although there are some CLAs which contain a right to CVT leave, rarely is this right implemented.

There are eight sectoral funds set up to finance CVT (SGB 2008: 12-23), three of which are declared collectively binding. The funds are in the hotels and restaurants sector (*Gastgewerbe*), the construction sector (*Baugewerbe*), plastering and painting activities (*Maler/Gipser Deutsche Schweiz*), the printing and graphic sector (*Druck/Grafisches Gewerbe*), the joinery and carpentry trade (*Schreinergerwerbe*), butchering (*Schweizerische*

Metzgereigewerbe), the machine, electrical, and metal working industry (*Machinen, Elektro und Metall Industrie*), and the watchmaking industry (*Uhrenindustrie*) (SECO 2003: 12-15, SGB 2008: 12-23).⁵ Sectoral funds like the *Parifonds-Bau* (construction sector), the *PREVHOR* fund of the watchmaking industry, the fund that operates in the metal industry, and the *Gastgewerbe* (catering and hotel industry) fund finance trainees' travelling expenses, loss of salary, course fees, and meals. The recent *Gastgewerbe* agreement (which entered into force in 2010) 'systematically supports' CVT (Unia 2009a: 2). Together with other significant improvements to the working conditions (extra month's salary, holidays), the new agreement of the *Gastgewerbe* provides for a doubling of the contribution to the training fund (from 48 to 89 Swiss francs per year and employee) (Nold 2009: 3).

Although precise and comprehensive data on coverage rates of CLAs that contain CVT provisions are not available for Switzerland, we should note that these agreements are not unimportant for the *Gewerbe* sector as a whole, because the agreements in the *Gastgewerbe* and in the construction sector are leading CLAs. According to the SGB (2008: 12-14), the CVT provision by CLA in the construction sector covers 110,000 employees, while in the metal sector the figure is 120,000, in the hotels and restaurant sector 206,000, and in the watchmaking industry 34,000 employees. We should also note that the CVT funds in these sectors have already acquired significant assets, which are more or less invested in CVT measures for the employees, provided partially by the social partners themselves (SGB 2008: 12-14). Whereas the construction CVT fund, for example, stands at 19.6 million Swiss francs (for German-speaking Switzerland), the fund in the metal industry has 2.8 million at its disposal (SGB 2008: 12-14). Hence, those very sectors and segments of the Swiss economy which, according to Mach & Oesch (2003: 174), rely on highly skilled workers and are traditionally among those with strong sectoral social partnerships are equally inclined to partnership when it comes to regulating and financing CVT.

Employers

One of the most remarkable features of Swiss business organization is the existence of a strong cleavage between the domestic-oriented SMEs (agriculture, construction, and retail trade) and the export-oriented large firms (Switzerland's four major industries as well as its financial and insurance sectors). This cleavage is not only 'reflected in the structure of organ-

ized interests' (Bonoli & Mach 2000: 138); it also spills over into public policy (Bonoli & Mach 2000: 138) and, particularly, into vocational training policy (Trampusch 2010a). As we have already mentioned, sectors composed of a higher share of SMEs tend to conclude more encompassing arrangements regulating CVT through collective agreements than those comprising large firms do. Sectors organizing small firms have developed schemes, while other sectors have not. The Swiss constellation of employers' interests in CVT thus adheres to the segmented and decentralized Swiss collective bargaining system. The concrete examples of regulation of CVT by collective agreements that we have already mentioned support the hypothesis that SME-dominated employers' associations are more supportive of regulation of CVT by CLAs, while large firms tend to favour firm-based regulation. Recent surveys also reveal that large Swiss firms spend a good deal more money on employer-financed company-based CVT measures than SMEs do (Wolter 2009: 6).

State and Public Policies

Swiss authorities demonstrate relatively weak support for the development of CVT by means of CLAs. First, the state does not intervene in CVT by CLA or fix any minimum right to training, but follows the subsidiarity principle (SECO 2003: 7-8). It is thus up to the companies and markets to provide CVT. Second, fiscal support for CVT is very low (Gasskov 2001: 36), although the contributions to the sectoral CVT funds are free of taxes (Interview F). Third, in spite of recent but still very diffuse action taken by the public authorities to establish a coherent CVT public policy, very little public support for CVT can be identified (SECO 2003). A recent CVT report of the Confederation mentions the potential role of CLAs on CVT on only one page (EVD 2009: 19), although, according to this report, the *Bundesrat* is in favour of CLAs on CVT and refuses to accept a strengthened role for public labour law (EVD 2009: 27). Nevertheless, we have to note that the Confederation also strengthens the role of CLAs in CVT by declaring CLAs collectively binding, notably those in the *Gewerbe* sector (SECO 2003: 12). For example, in 2009, 15 of the CLAs declared collectively binding contained a right to (mostly paid) educational leave (between 1 and 5 working days) (EVD 2009: 27; Fn. 41). Hence, the 'majority' (SECO 2003: 15) of CLAs declared collectively binding contain provisions for CVT, although there is great variation with respect to the specificity of the provi-

sions and the majority of the employees are not covered by any CLA regulation on CVT (SECO 2003: 15).

Trade Unions

Although CVT is of increasing importance in CLAs (expert interview G), CVT is not the priority for the trade unions in the bargaining process (expert interview D). According to one of our interview partners, unions often begin negotiations with a number of different demands. In the process of the negotiations, CVT demands are often dropped in exchange for more pressing demands such as wages, working time, or vacations (expert interview D).

In addition, there are also different policy positions among Swiss trade unions. While the SGB, the main peak organization, defends the option of regulating CVT by law (SGB 2008: 5-9), individual industrial unions, such as unia, which conclude agreements in practice, are advocates of incorporating CVT into CLAs (Unia 2009b: 15, 19, 21, 27). On the one hand, probably following their 'post-liberal turn' (Trampusch 2010b), Swiss unions pursue a legislative solution with respect to the regulation of CVT. On the other hand, recent developments also signify union support for CVT by CLA. The SGB (2008: 7) states that a right to educational leave of 5 days a year should be laid down in a new act on continuing training. In the same document, the SGB (2008:5) further demands the creation of a new federal department that exclusively manages CVT activities. Meanwhile, CVT by CLA has recently gained in importance, also indicating a stronger involvement of unions in negotiating on CVT issues (SGB 2008: 12-23; Unia 2009a,b).

Links between CVT and Wage Policy

In Switzerland we have not found any evidence that wage bargaining and CVT are interrelated. We assume that it is a logical consequence of the relative weakness of negotiations on this subject.

To sum up, our Swiss case confirms the pattern of conditions we identified by the comparative method: SMEs, the state, trade unions, and linkages to wage bargaining probably affect the existence of CLAs on CVT. As to the role of SMEs, it is reasonable to argue that the Swiss case strongly supports our conclusion that if SMEs are supportive of CVT through CLAs, the

existence of the latter is more likely. However, if trade unions and public policies do not colude with the SMEs, it is unlikely that CLAs on CVT will evolve. Furthermore, Switzerland shows that when the state is more passive than active in promoting CLAs on CVT, sectoral bargaining partners with a strong tradition of social partnership and consensus – as is the case in the *Gewerbe* sector – may play the role of a functional equivalent in promoting CLA provisions for CVT.

Conclusion

This paper seeks to explore the probable conditions for the development of CVT provision in sectoral collective bargaining agreements. We have reviewed two strands of literature that are of interest for our question, namely the varieties of capitalism approach and comparative industrial relations research. On the basis of this literature review, we have identified several theoretically relevant conditions. By applying the method of agreement and the method of difference in our comparison of the Netherlands, Denmark, and Austria, and by using the method of pattern matching as a with-in case strategy in our Swiss case study, we presume that five conditions may probably affect the development of CVT through collective labour agreements (CLAs).

First, the support by public authorities is of great importance. In Denmark and the Netherlands, agreements regulating CVT receive more public support than in Switzerland and Austria. In the Netherlands, collective agreements on CVT are declared collectively binding for the sectors, and tax deductions are available. In Denmark, the state supports CVT mainly by financial means. There are also collectively binding agreements containing CVT in Switzerland, such as those found in the construction industry. But the low coverage rate, the highly decentralized and segmented pattern of Swiss negotiations, and the relative absence of other forms of public support make Switzerland something of a blurred case. The Austrian situation seems clearer, as there is only scant public support for CVT by means of CLAs.

Second, the structure of firms and employers' associations is of importance. With respect to this factor, our study points out two arguments. First, firm size plays a role in the willingness of actors to include CVT in sectoral CLAs. Small firms and their associations tend to conclude more sectoral collective agreements. Second, the internal politics of the employers' organi-

zations matter, and this question deserves further research. A promising field of investigation lies in the question of the internal bargaining that takes place between small and large firms within employers' associations, and with it of probable trade-offs between the distinct interests of firms. Another pertinent dimension would be the type of production engaged in by the different firms, implying different types of skill necessity and skill intensity.

The third pertinent condition is the unions' attitude towards negotiating on such subjects. Do trade unions prefer CLA or do they prefer legal enactment? In this respect, a clear difference can be made between, on the one hand, the Dutch and Danish cases, where unions have a tradition and strong willingness to negotiate on CVT, and, on the other, Austria, where the unions seem to put more confidence into publically enacted acts. The Swiss unions, as mentioned above, show different policy positions. Fourth, the willingness of the involved collective actors to use CVT as a factor in wage negotiations can be viewed as a consequence of the willingness of both unions and employers' associations to negotiate on CVT. Fifth, we stress that the consensus and cooperation culture in sectoral collective bargaining processes may be of importance. Our Swiss case study even reveals that a sectoral consensus tradition may be a functional equivalent to state support and intervention.

We contend that none of these conditions would monocausally lead to collectively negotiated CVT systems. CVT by CLA is a matter of causal complexity and it appears that there is a constellation of factors, some of which have been identified in this paper, which lead to CVT being regulated and financed through CLA.

With this finding concerning the probable conditions affecting the development of CVT by CLA, our paper makes a twofold analytical contribution to the comparative literature of skill systems. First, we contend that bringing together the VoC approach with comparative industrial relations research is one of the major tasks we have to perform to improve our understanding of skills systems. Second, our analysis has demonstrated that the VoC approach has to pay more attention to state activities and the behaviour of SMEs in the analysis of the development of advanced political economies, particularly of skill systems. Linking the VoC approach with the comparative industrial relations literature may not only favour a more fine-grained analysis of the preference formation process of firms, employers' associations, and trade unions in the formation and development of skill systems; it may also help to pave

the way for identifying interdependencies between the development of industrial relations and skill systems. Maybe the crucial link between these two subsystems of advanced political economies is the internal power balance between large firms and SMEs and the coalitions the SMEs may enter into with state elites and trade unions.

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Expert Interviews

- Expert interview A: expert interview on CVT in the Netherlands, 7th December 2009.
- Expert interview B: expert interview on CVT in Denmark, 17th September 2009.
- Expert interview C: expert interview (per e-mail) on CVT in Denmark, 17th September 2009.
- Expert interview D: expert interview on social benefits in CLAs in Switzerland, 16th September 2009.
- Expert interview E: expert interview on CVT in CLAs in Austria, 5th March 2010.
- Expert interview F: expert interview on CVT in CLAs in Switzerland, 5th March 2010.
- Expert interview G: expert interview on CVT in CLAs in Switzerland, 23th November 2009.
- Expert interview H: expert interview on CVT in the Netherlands, 8th March 2010.
- Expert interview I: expert interview on CVT in CLAs in Austria, 25th March 2010.

¹ Besides our countries, Belgium, Finland, Norway, and Sweden, along with France and Germany (although they are larger countries), could also be viewed as representative of this country group in Western Europe.

² The respective number for Austria is more than 5 per cent (Switzerland is not included in the survey; CEDEFOP 2010: 52). However, the numbers should be interpreted carefully because this does not mean that firms are covered by the CLAs but only that they know about it (CEDEFOP 2010: 51).

³ Interestingly, in 1973 the Danish social partners already signed a collective agreement that set up a special fund to finance the training of trade union representatives at the workplace. Other sectoral training funds were already set up by the early 1980s (CEDEFOP 2008a: 43-4).

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- ⁴ However, we also have to note that, with the decentralization of the Danish collective bargaining system since the 1980s, the SMEs have lost some of their influence in defining employers' strategies (Jørgensen 2005: 60).
- ⁵ Further examples of CLAs which make reference to CVT can be found in the following sectoral CLAs, almost every one of which applies to the *Gewerbe*: CLA of the heating, air-conditioning, ventilation, plumbing, and sanitary installation trades, CLA of the roofing and walling trade, CLA of the electrical and telecommunications installation trades (SECO 2003: 12-15; SGB 2008: 12-23).