

"Skills and Qualifications at the Core of the Relationship between Resources and Employment"

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Introduction

This chapter examines the relations between training, skills, credentials and the wage in France, Spain and the United Kingdom. It focuses on recent changes in the different systems of vocational training and certification and their connections with the occupational classifications and remunerative systems of each country. From a perspective considering the total reproduction of labour, we concentrate on the articulation between the processes shaping the productive characteristics of labour and the processes resulting in the purchase of labour by companies.

Our particular focus means we have chosen to concentrate on a specific aspect of the training/employment relation. This relation has been approached elsewhere from multiple fields and points of view, one of the most recurrent being that of the role of training in labour market integration and career development. The perspective adopted here contrasts with this and is based on a two-fold approach. We first examine the different institutional forms of skill production and certification and how they are related to and embedded in different societal logics; then, we analyse the processes leading to the construction of occupational hierarchies and wage determination. These two aspects are finally examined together in order to better analyse the role played by skills and credentials as a link between employment and wage.

The human-capital theory, despite its simplistic presuppositions, has been the most frequently used perspective. As Méhaut (1986) notes, research based on this perspective almost exclusively views training and education in terms of public economic policy and individual "investment".

Our necessarily brief descriptions of the different systems of vocational education and training in each country do not do justice to the important role these play in the production of skills and credentials and as a point of reference for occupational classifications. For a fuller account, see Aventur and Möbus (2000), Otero (2001) and Twining (1999).

The chapter is organised into five main sections. The first section discusses the definition of occupational grids and the links between these and skills and credentials. The aim is to establish the terminology that will be used in the chapter as well as to introduce some of the elements that will be discussed in more detail in Section 5. The following three sections present the systems of production of skills and credentials in France, Spain and the United Kingdom respectively, showing the connections between these systems and the occupational hierarchies and associated levels of pay (i.e. the direct and indirect resources received by workers at a particular occupational level). We are not concerned here with wage levels (in a macro perspective) or with skilling and deskilling processes, but with the institutional forms underlying the process of wage determination. Finally, Section 5 presents a comparative synthesis in which we attempt to identify the main trends of change with an emphasis on the principal actors and logics involved.

The analysis will focus on three of the five countries originally examined in a preliminary study conducted by the "Social construction of employment" research network³. These three countries show sufficient differences with regard to collective bargaining practices, the determination of occupational hierarchies and the production of skills and credentials to provide an appropriate basis for an international comparison – although the range of configurations covered is clearly not exhaustive.

In France and Spain, wage definition is generally based on occupational grids established through collective bargaining between workers and employers at a centralised level. However, the grids applied in each country differ with regard to their collective points of reference and their implementation at company level. The close relationship between credentials and position in the occupational hierarchy observed in many sectors in France produces a very different situation from that found in Spain. At the same time, the extremely high incidence of fixed-term contracts, the small size of many companies, and the multiple levels of bargaining that are characteristic of Spain result in a level of coverage by collective agreements that is qualitatively and quantitatively lower than that found in France.

In Great Britain the role of collective bargaining is less visible, partly due to the voluntarist tradition of industrial relations, the less formal connections between training, recruitment and pay, and the different institutional levels for the setting of wage scales. Nevertheless, in the

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The other countries were Italy and Portugal.

traditional British model, collective bargaining allows for the negotiation of a wage that provides some form of recognition of the productive knowledge collectively shared by groups of workers.

Despite these differences, certain transformations affecting the processes of wage formation are common to all the European countries. The most important of these is perhaps the trend towards the individualisation of the wage relation, a process attested to by the centrality of the discourse on competencies. It implies a progressive disconnection of pay determination from a collective point of reference, thus jeopardising the political character of the wage. The three countries analysed here each present specific configurations of this trend, and we will show how these are embedded in the particular systems of wage definition and related to the differences we have highlighted here.

I. Training, occupational hierarchies and pay: A complex relation

A. Occupational classifications and wage scales

The perspective we adopt considers the wage – that is, the total remuneration in cash or kind received by workers for providing the use of their labour – to be the result of political bargaining between workers and employers. The wage is thus taken to be a tariff, rather than a price (subject to the laws of supply and demand) for a measurable and exact quantity of work. Our particular interest here is in the processes leading to the placement of a worker at a particular wage level.

Traditionally, customary rules and practice played an important role in the determination of the "adequate" remuneration for a particular kind of work or post (Marsden, 1994). Today, however, wages in most countries are determined on the basis of occupational hierarchies: each occupational level has an associated level of pay. It is important to note that these hierarchies and the criteria on which they are constructed vary within and between countries, and it would be an extreme oversimplification to assume that they are established by similar processes or produce similar effects. In addition, labour market and employment policies contribute to diversifying the processes of wage determination and to rendering them more opaque; the traditional association of an employment with a particular wage level is being eroded (Chapters 2 and 6).

Occupational and wage hierarchies are not simply the consequence of a particular division and organisation of labour, nor do they represent an irrefutable ranking of skills and qualifications. They are the result of political negotiations between workers and employers and reflect the balance of power between the two. They are also the result of the role played by the state in these negotiations, and reflect the level of state intervention in the regulation of economic and social life. As Rozenblatt (2000: p.141) points out, they are "rooted in the particular system of industrial relations developed within each national configuration". Occupational classifications, moreover, extend beyond the wage relation into many other domains of society. They serve to create social identities and meanings as well as to determine the position of individuals within the social structure – in short, they are one of the factors defining social hierarchies within a society.

Rozenblatt (2000)⁴ has developed a typology of "systems of work valorisation" which serves to illustrate the different systems and logics underpinning the construction of occupational hierarchies. While the original typology presents three different systems, the discussion here will be limited to two of these: we will not consider the system underwriting the Japanese model where distinctions are based solely on the level of the workers' initial qualifications and the position reached in the life cycle. Although this model can also be found in large corporations world-wide, our focus on societal logics within the EU makes it less pertinent to the present analysis. On the basis of this typology, thus, two main systems, can be said to characterise the dominant frameworks structuring the hierarchies found in EU countries:

- a) A system of valorisation connected to the organisation of work. It takes two forms: The *job evaluation system*, in which "the classification norm [...] seeks to specify the occupational attributes of a job held by an employee through the use of job evaluation techniques". And the system based on *category nomenclatures*, where "classifications are legitimated by an external stamp of recognition conferred directly or indirectly by the state, which acts as guarantor of a codified division of social occupations".
- b) A system of valorisation centred on professionality. This model also takes two forms. In the *trade-based system*, "the figure of

An earlier version of this typology was published by Eyraud and Rozenblatt (1994). Marsden (1999) proposes an alternative approach showing how a company organises the totality of work that needs to be done into different jobs and categories. The differences between these typologies stem from the authors' different objectives: Marsden analyses systems of construction of occupational categories mainly from the point of view of the organisation of work, the division of labour inside a company and job contents, whereas Eyraud and Rozenblatt are more interested in the implications that the different occupational categories have in relation to the

valorisation of work and the wages received by the workers.

the skilled tradesperson, via the trade unions and their control over apprenticeship, shapes the organisation of labour and segments the classification applied to the various types of workers". In the *professional system*, "the skilled worker who has served an apprenticeship is at the centre of the hierarchical order and unskilled workers as well as manual workers attaining posts of responsibility are positioned in relation to this central figure".

These two main systems can be identified with particular countries. On the one hand, the *job evaluation system* is characteristic of Sweden, and *category nomenclatures* are used in countries such as France, Italy, Portugal and Spain. On the other hand, the *trade-based system* is the dominant model in the United Kingdom, whereas the *professional system* is characteristic of Germany.

As noted by Rozenblatt, these models – which are described in their pure forms – continue to evolve. Indeed, the changes occurring in industrial relations and employment throughout Europe have, in certain cases, produced rapid transformations that some authors have qualified as a structural change (e.g. Eyraud, 1998, for the British case). These changes and their implications for workers' resources will be examined in detail for each of the countries considered here.

B. Skills, credentials and workers' resources

In order to understand the implications and consequences of the different ways in which occupational and wage hierarchies are constructed, we need to consider the role they play in the socialisation of resources, on one hand, and their relationship to skills and credentials, and thus to institutional systems of vocational training and certification, on the other.

Wage grids are one of the factors contributing to a particular societal configuration of workers' resources, and are thus an element entering into the construction of resource regimes. A distinction has been made in Chapter 3 between the resource regime based on the socialised wage and that based on public insurance. In the former, employers pay not only the direct salary but also social security contributions, and consequently both kinds of resources can be seen as a product of wage conflict. Therefore not only do the wage grids that define the direct salary have a politically negotiated character, but so do the rules for entitlement to social protection benefits and for the calculation of pensions.

In the resource regime based on public insurance there is a clear distinction between the wage and the fiscal deductions financing cash benefits and services in kind. In this case taxation is an important vehicle for the socialisation of resources, and a significant share of resources is thus not determined by political bargaining between workers and employers. Here, wage conflict is concentrated on the definition of occupational hierarchies and their associated levels of pay.

Although the resource regime based on the socialised wage may seem more likely to be associated with a system in which occupational hierarchies are defined at a centralised level and guaranteed by the state (category nomenclatures) this is not always the case. The logics of the division of labour and occupational ranking are not always the same within this model, as has been clearly shown in comparisons between France and Germany (Maurice, Sellier and Silvestre, 1987; Maruani and Reynaud, 1991). As stated earlier, occupational and wage hierarchies and the way they are defined are ultimately shaped by the system of industrial relations and the historical development of workers' rights and state regulations in each country.

Wage and occupational hierarchies can also be considered as a means of social and economic recognition of skills and credentials and can be related to the institutional modes of production and certification of skills and knowledge – and hence to the organisation of and policies on this field developed in each country. The final reference in occupational grids – whether their underlying logic is centred on *professionality* or on *work organisation* – is usually the workers' skill level and/or credentials. These are the attributes that legitimate workers being placed at a particular level in the pay hierarchy, and thus the wage they will receive. However it should not be forgotten that access to training, skills and credentials is the result of institutional and social configurations that are mediated by social and economic inequalities and conflict.

As Recio (1997) has pointed out, workers acquire their skills through two major processes: formal vocational training on the one hand, and training on the job – which is difficult to disassociate from experience – on the other. We will focus on the first of these in an attempt to identify the links between training, credentials and occupational classifications, although we will also examine some of the procedures designed to certify and validate non-formal training or experience. We will thus distinguish between *formal training* and *non-formal training*. In the former we include the elements acquired in an institutionalised manner, and apply the usual administrative distinctions between *initial vocational training*, continuing vocational training and training for the unemployed. Non-formal training is used to cover the knowledge, capabilities and social skills that are acquired in a non-institutionalised

way on the job, through the use of and adaptation to technology, consultation of colleagues, or simply through the continuous performance of specific tasks over time. Nevertheless, not all skills are "trainable": the general socialisation process, mass media influences, and differentiated socialisation processes based on gender, social class or ethnic origin have a significant impact on the skills an individual may possess⁵.

Another point should be made here: skills and credentials are not, as sometimes stated, two sides of the same coin. They are not uniformly appreciated at company level: companies may take account of credentials only, or skills only, or both (giving different weight to each) depending on the job to be filled (Martín Artiles, 1999)⁶. Moreover, not all credentials stem from vocational education or training, nor are they the sole outcome of these processes.

Finally it bears repeating that beyond the general trends observed in all European countries, the relations between the organising principles underpinning occupational hierarchies and the institutional forms of vocational education and training take many forms. Countries such as Spain and France, that share a *category nomenclatures* system, show marked differences not only with respect to the role played by credentials in determining a worker's position in the hierarchy, but also regarding the kind of training situations that are considered suitable for recognition by a credential (Cachón and Lefresne, 1999; Verd, Gérardin and Barbera, 1999).

2. The Case of France

a. Production of skills and credentials

In France, the systems for the production of skills provide initial vocational training, principally for full time students, and continuing vocational training for workers and the unemployed. In addition, a system called *formation en alternance* (work-based training) combines classroom instruction and on-the-job training under specific labour contracts (mainly *contrats d'apprentissage* and *contrats de qualification*). Initial vocational training constitutes a parallel itinerary to the general/academic route and is regarded as less prestigious. Moreover, there is unequal access to continuing training: higher level employees are largely favoured, as are workers in the larger companies

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The concept of *tacit knowledge or skills* (Wood, 1987) corresponds fairly well to this idea of "non-trainable" skills.

For a discussion on the analytical distinction between the skills and credentials required for access to a job and those required on the job see García Espejo (1998) or QUIT (2000).

which offer training to a broader range of employees compared to the smaller firms (Gahéry, 1998).

The national education system (Éducation nationale) offers three levels of vocational training credentials: first the CAP (Certificat d'Aptitude Professionnelle) and the BEP (Brevet d'Études Professionelles); then the Baccalaureat Professionnel and the Baccalaureat Technologique; and finally, at the higher education level, the Diplôme Universitaire de Technologie and the Brevet de Technicien Supérieur. It is noteworthy that the creation of the Baccaulauréat Professionnel in 1985 implied the formal recognition of the knowledge that – it is assumed – can only be acquired in a situation of real work (in the company)⁷. This reflects the trend towards a broader recognition of knowledge by the national education system.

The creation of the certificats de qualification professionnelle (CQP) in 1987, which introduced sector-specific skill certification, opened a breach in the monopoly held by the national education system. The idea was to diversify the paths for acquiring credentials, particularly for young people entering the labour force through the linked work and training alternance system. The CQPs were initially introduced in the metalworking industry, but are now recognised in the classification grids in close to 40 sectors. They effectively reflect the companies' push to define a post in terms of capabilities and competencies: although they are in competition with the national education credentials, they are essentially dependent on company-defined needs and this raises the problem of their transferability.

It is also possible to obtain a credential from a training institution outside the national education system: the credential can, furthermore, be officially approved (homologated) by the *Commission Nationale des Certifications Professionelles*, which implies recognition at national level. Any private or public training provider can apply to the Commission for homologation of their credentials — on the basis of a number of criteria, but essentially that the training provided corresponds to labour market demands.

diplomes par unités, made it possible to obtain a credential for a single unit, with each unit being assessed separately (Bouyx, 1998).

With this diploma, the national education system introduced a new conception of vocational training credentials, which included two major innovative elements. The first, contrôle en cours de formation, or continuous assessment throughout the training process, replaced examinations by situations d'evaluation and implied changing the way of assessing the knowledge acquired. The second, délivrance des

With regard to non-formal training, the system for the *Validation des Acquis de l'Expérience*, which validates the experience gained in a job or in voluntary work (with a minimum of 3 years' experience), allows candidates to obtain the credits needed for a vocational credential⁸. This system is the outcome of recent thinking on the connections between training, certification and career, and the idea that training is first and foremost valorised in the firm: "From this point of view, negotiations on the validation of skills gained through experience (*les acquis*) is part of the same logic as that underwriting the development of 'management based on competencies' "(Merle and Lichtenberger, 2001: pp.184-185). Candidates are now able to obtain a full credential (from the national education system or an approved training provider), or sectoral certification (such as the CQP) through this process.

Finally, the *Bilan de compétences* offers a form of recognition of skills and knowledge that have not been acquired through formal training. It is a formalised procedure assessing personal and professional skills by various methods such as interviews and tests. A *dossier* or "portfolio" is established, which is not a credential but is designed for the holders' personal use and can only be shown to third parties with their approval (Bjornavold, 1998). The procedure is available to private and public sector employees as well as to the unemployed, but the number of workers using it remains limited.

b. Occupational hierarchies and the role of credentials and skills In France there are three main types of classification grids: *Grilles Parodi-Croizat*, *Grilles à critères classants*, and *Grilles Mixtes*. All three grids can be classified as *category nomenclatures* systems although there are important differences between them.

The key characteristics of the *Parodi* grids are the hierarchical structuring of occupational classifications within different industrial branches (*filières*) and the emphasis on work experience as the main criterion for promotion. This system corresponds to a Taylorist-Fordist model of work organisation. The needs of each job are defined in terms of work station, job content and tasks, independently of the person performing it.

This system was adopted in January 2002 as part of the Loi de modernisation sociale. It was preceded by two lesser known arrangements: the validation des acquis professionnels (VAP), adopted in 1985, gave employees and the unemployed who did not hold the required entry qualifications access to higher education on the basis of their work experience. In 1992, the VAP was extended to permitt candidates to

The Grilles à critères classants define each occupation in terms of the knowledge (savoir), technical skills (savoir-faire) and social skills (savoir-être) required, and thus go far beyond classifications based on the worker's technical knowledge. Classification is based on a scale of points – from 140 to 395 – attributed according to four main factors: a) knowledge, b) autonomy, c) responsibility, and d) kind of job or function.

Finally, the *Grilles Mixtes* combine elements from each of the above models. The structure of the grids is based on filières (industrial branches) like the Grilles Parodi, but the definition of occupations is more flexible, as in the Grilles à critères classants,

These three systems do not represent rigid models, as each company or sector has its own specific adaptation, which is set by collective bargaining. Collective agreement coverage is very high in France and therefore most of the workers are included in one of the three main classification systems.

Credentials play a central role in the definition of the level at which the worker will be placed and constitute a point of reference for all the actors involved in collective bargaining. Nevertheless, the Parodi grids do not make systematic reference to credentials : when these are specified, they are considered as a personal attribute of the jobholder. In the "critères classants" grids, "the credential is not attached to the person but contributes to identifying the work post" (Jobert, 2000: pp.114-115)¹⁰. It should be added that the traditional distinction between initial and continuous vocational training is coming under challenge due to developments such as the validation des acquis, the greater role played by the social partners in the production of credentials (joint consultative commissions), and the introduction of sector-specific certification (CQP).

It is important to note that the Parodi classifications are progressively being replaced by the Grilles à critères classants and Grilles Mixtes Indeed, the very principle underlying the appearance of the critères

In 1997, 96.7% of workers employed by companies with 10 or more employees and 83.9% of those in companies with fewer than 10 employees were covered either by a sectoral or a company-level collective agreement or by the status of a state-owned company (EDF-GDF, SNCF), (Combault, 1999). But this generalisation of coverage must be qualified by the large number of collective agreements and the diversity of their contents (Jobert, 2000)

These grids include entry thresholds which guarantee a minimum hiring coefficient for holders of a credential specified in the grid.

The grilles à critères classants now represent just under one third of the grids in use in France (Jobert, 2000)

classants model foreshadows the end of the Parodi system and the wage order linked to it. The Grilles à critères classants base their legitimacy on a "technical operation" rather than on collective bargaining, which partially deprives the unions of their legitimacy and capacity for action. In addition, the "objective" criteria defining the work post are implicitly linked to workers "individual" attributes, thus preparing the way for the discourse on competencies.

The shift from the Parodi to the classifying criteria grids also indicates a change in the *level* of bargaining, since consideration of individual attributes, as well as wage management, takes place at company rather than at sectoral level. As a result, there is a shift in the focus of sectoral bargaining, which tends to centre more on the definition of procedures (for the construction of the classification of posts) than on the actual definition of posts and their hierarchy (Reynaud, 1988). This prefigures the trend towards the individualisation of skill recognition, as observed in the shift from qualifications to competencies: the link between credential and post is becoming looser, with the credential becoming a condition of access to an itinerary rather than to a position in the classification grid.

3. The Case of Spain

a. Production of skills and credentials

The current system of initial vocational training in Spain was established in 1990; its implementation has been progressive, with completion scheduled for 2002/2003. Courses are organised in modules or short-term training units, with a high degree of practical training and a significant portion of the instruction (around 25%) in conditions of real work. This has implied a move away from a more academically oriented system towards the acquisition of knowledge and technical and social skills geared to meeting the needs of companies (Otero, 2001: pp.52-53).

Continuing vocational training and training for the unemployed constitute a sub-system called *formación no reglada* or "non-regular" training. One of the objectives of the second National Vocational Training Programme (1998-2002) was to establish a common system of accreditation for initial vocational training, continuing vocational training and training for the unemployed that would also recognise work experience. This same system would then provide credentials to students on completion of their initial vocational education, to workers who have had their professional skills validated, and to the unemployed for the training they have received. The aim of these policies on certification transparency and the validation of skills acquired on the job is to

facilitate the process of entry or re-entry into the labour market (Planas, 1998). In 1999, the National Institute of Qualifications was created to further these objectives, but to date, the list of vocational credentials that are to form the axis of the national qualifications system has not yet been approved.

However, the general guidelines establishing the *certificados de profesionalidad* (certificates of occupational aptitude) were drawn up in 1995. These certificates, which are not equivalent to the initial vocational training diplomas, were designed to give formal recognition to the "non-regular" training system, and training centres have been awarding them since 1998, although only for *formación ocupacional* programmes (the main programmes for the unemployed). To date, the only form of recognition available to those engaged in continuing vocational training is an attendance certificate. In theory, the *certificados de profesionalidad* offer the possibility of obtaining a credential for knowledge acquired in a non-formal way by validating onthe-job experience. Nevertheless, the main difficulties seem to be the recognition of very diverse skills by the same credential and the disparity in equivalence criteria (Casal, Colomer and Comas, 1998; De la Torre, 2000: pp.270-278).

b. Occupational hierarchies and the role of credentials and skills Until 1980, when the law on the Status of Workers (*Estatuto de los Trabajadores*) was passed, everything relative to occupational classifications was specified in the *Ordenanzas Laborales* (labour regulations that had been in force since the 1950s). These regulations established detailed descriptions of posts and tasks and attempted to address issues such as knowledge and experience, seniority and hierarchical position for each individual working in a company. This extensive specification of details could produce 20 to 30 different occupational categories in a single company (Miguélez, 1993).

Since 1980 and particularly since the abrogation of the *Ordenanzas Laborales* in 1994, the specific occupational structure applied in a company has been set by collective bargaining. However, as negotiations are traditionally conducted at different levels (company, sectoral or cross-sectoral, sometimes also combined with national or regional levels)¹² with no co-ordination between them, it became extremely difficult to identify the locus of wage determination. In addition, many companies continued to use the old hierarchical structures defined in the *Ordenanzas Laborales*.

¹² This situation has not changed much, despite the 1997 agreements.

In 1997, trade unions and employers signed the Acuerdo sobre Cobertura de Vacios (Agreement on Gap Filling) in order to cover sectors where occupational grids were not regulated by collective agreements. The objective was to replace the occupational classifications based on the Ordenanzas Laborales and to "modernise" the grids. However, the model proposed in the Agreement largely reflects the proposals from employers to reduce the number of occupational categories and to extend workers' polyvalence and functional mobility.

This model, which also serves as a guideline for sectoral and company-level collective agreements, establishes a structure based on eight different occupational levels. Each level is defined by a set of "framework encuadramiento): factors" (factores de knowledge/experience, b) initiative, c) autonomy, d) responsibility, e) leadership and, f) complexity. Some of these "framework factors" reflect the trend towards a model of labour force management based on competencies and therefore organised in a more individualised manner.

The Agreement comprises an important innovation in that it allows for the occupational classification system to be completed by dividing each level into different functional areas. The classification implies far more than a simple enumeration of posts as it focuses on their contents. In addition, it recognises knowledge and skills that have been acquired both formally (vocational education or training credential) and nonformally (through experience or other non-certified practices).

The importance given to workers' credentials and the links established between these and occupational level is another notable innovation¹³. This represents a significant change in a country where workers traditionally acquired their skills within the company. Basic skills were acquired by performing tasks and consulting senior colleagues, or through in-house vocational training in the large companies. The posts requiring middle-level technical knowledge were covered by workers who had received on-the-job training and progressed up the company step by step promotion ladders (Köhler and Woodard, 1997: p.69).

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to take up posts below their level of credentials.

However, while a minimum credential requirement is ascribed to each level, this does not mean that the holder of the credential will automatically be placed at the corresponding hierarchical level. With the spectacular increase in the educational levels of the Spanish population in the 1980s, companies were unable to absorb the large numbers of well-educated youth entering the labour market: many were forced

The Agreement on Gap Filling will expire at the end of 2002. In the cases where gaps in the definition of post and wage hierarchies remain ¹⁴ the Agreement provides for an extension of the existing collective agreements to the sectors without coverage (CES, 2001). This means – if things develop as agreed – that in the near future most of the companies will have wage grids in which the old occupational categories will have been replaced by the occupational levels proposed in the Agreement guidelines.

4. The Case of Great Britain

a. Production of skills and credentials

The reforms of the British system of vocational education and training introduced in the mid-1980s set up two major initial vocational training itineraries for 16- to 18-year-olds, offering the possibility of either continuing in full-time education at a college or of entering a government-supported training scheme. The focus of the reforms has been market-based training, which means that "private training is achieved by employers and employees making choices within a training market" (Tatch, Pratten and Ryan, 1998: p.88).

These initial vocational training routes lead to two distinct types of credentials, which were created in 1986 with the aim of unifying the various existing vocational credentials. The main full-time courses lead to General National Vocational Qualifications (GNVQs) in England, Wales and Northern Ireland, or to the Scottish equivalent (GSVQs). To obtain this credential, students need not only to assimilate the knowledge included in units linked to specific occupational fields, but also to acquire certain basic communication and technical skills.

Government-supported training schemes such Modern National Traineeships and Youth Apprenticeships, Training programmes lead to National Vocational Qualifications (NVQs). The NVQ system is defined by the government as the main vocational training itinerary for those who have left the full-time educational system. It is structured in units linked to a particular aspect of an occupational field. The evaluation process usually involves an assessment of the student's ability to perform specific tasks, called "the

- but this figure has not been corrected for workers covered by more than one agreement.

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The percentage of workers covered by collective agreements is disputed as the official figures do not exclude employees covered by more than one agreement. The most recent calculations suggest a range between 83% (CES, 2001: p.359) and 85-90% (Fina, González and Pérez, 2001: pp.40-42). The proportion of workers covered by collective agreements setting wage scales was 65.1% in 2000 (CES, 2001: p.389)

performance evidence". It can also include an informal questionnaire or written test for "the supplementary evidence". The NVQs focus on practical rather than analytical skills, which means that they recognise the ability to perform tasks but not necessarily to have a deeper understanding of these.

NVQ credentials are also used to certify continuing vocational training and training for the unemployed. Continuing vocational training up to technician or similar levels is organised in modularised courses, which makes it easy to apply the NVQ evaluation criteria. The programmes for the unemployed - which should, in theory, focus on training - often concentrate on motivation and guidance or simply provide poor quality training. The Training for Work programme (which was redesigned in April 1998 as Work Based Training for Adults) offers assistance in finding a job or on-the-job training. This service is combined with compulsory remotivation programmes and the development of a "personal responsibility" approach job creation (Jones, 1999: p.146). The New Deal programme allows unemployed people to choose between subsidised employment, work for a charity, work for the government on environmental issues, or full-time education. In practice, it represents a way of introducing low-paid jobs into the market, as the option of full-time education is only open to people with very low level credentials.

The Training and Enterprise Councils (TECs) played a particularly important role in these government supported training schemes. The Councils were created in the early 1980s with the main objective of implementing a governmental educational policy that was essentially geared to the needs of local markets. They served as intermediary agencies between the primary funding bodies (government or enterprises) and the training providers (Atkinson, 1999). However, they came under heavy criticism, compelling the Labour government to launch a review process. This process – which was conducted by the National Skills Task Force composed of employers, special interest groups, voluntary organisations and trade unions – led to the TECs being replaced by Learning Skills Councils in 2001.

b. Occupational hierarchies and the role of credentials and skills In the United Kingdom, occupational hierarchies were traditionally linked to the apprenticeship system. The figure of the skilled tradesperson was pivotal in the occupational classifications and their associated wage levels. Trade union influence on pay determination was substantial, both through wage bargaining at a multi-employer (trade) level and also through their control over apprenticeship.

The progressive dismantling of the traditional apprenticeship system and Conservative governments' attacks on trade unions from the end of the 1970s have produced a situation in which occupational categories and their contents are determined in a completely decentralised way or even unilaterally by employers at company level. The percentage of workplaces in which collective bargaining is the dominant mode of pay determination dropped from 60 per cent in 1984 to 29 per cent in 1998 (Millward et al., 2000: pp.186-187)¹⁵. Where pay bargaining exists in the private sector, it is conducted at employer or plant/establishment level and, in general, negotiations beyond the company level are extremely rare (Millward et al., 2000: pp.187-193; Crouch, 1992: pp.402-417).

Single employer bargaining has resulted in an organisation of the work process that can present substantial differences within the same trade or industry: occupational classifications and pay scales can consequently vary from company to company. Moreover, the only possible national common point of reference regarding skills and credentials - the NVQ classification - is not perceived as providing a basis for a shared classification system.

It is disputed whether these developments mean that workers' skills have ceased to be a basis for the wage levels paid by companies. The linking of pay to individual performance appears to be more frequent in workplaces without recognised trade unions (Millward et al., 2000: p.213). It also seems that large companies are making increasing use of schemes linking pay to appraisals of individual merit or performance. As noted by Edwards et al., "jobs have come to be defined in terms of the internal requirements of companies, and pay systems have been oriented towards rewarding individual and collective contribution to company performance" (1998: p.18). Schemes linking pay to performance are "particularly common for managerial or white-collar staff, though they also extend to manual workers" (Edwards et al., 1998: p.22). Different dynamics can be observed in small companies, but these have not had a significant influence on pay determination trends. Moreover, employers' associations have called for the almost complete individualisation of industrial relations, meaning "individual pay contracts and merit pay in place of national agreements and collective bargaining" (Howell, 1999: p.39).

The same authors calculated overall collective bargaining coverage (including workplaces where it was not the dominant mode of pay determination) to be 40% of workers in 1998 (Millward et al., 2000: p.197)

The limited recognition of workers' skill levels in pay determination – in favour of performance and other more informal features such as social skills, personality or motivation – has been attributed to the British voluntarist and market-based approach to training. Some authors stress the danger of Britain becoming locked in a low-wage, low-skills equilibrium:

The failure of reward systems to link skill adequately with pay, the lack of ILMs [internal labour markets] and job structures that offer opportunity for advancement, the insecurity of employment in many sectors, the weak connection between qualifications and recruitment, the difficulties posed by the role of skills as positional goods and the threat effect of a more meritocratic approach to hiring and promotion, the uncertainty of the payoff from training *vis-à-vis* other forms of investment, the volatility of the UK economy and the product market strategies being pursued by firms in many sectors, all pose questions for the viability of a system geared solely to responding to market forces (Keep and Mayhew, 1996: p.320).

- 5. The role of skills and credentials in pay determination. Does the wage still have a political nature?
- a. Occupational classifications and the individualisation of the wage relation

As we have seen in the preceding sections, the dominant organising principles underlying the construction of occupational classifications vary from country to country. The most obvious differences appear to stem from the particular work systems that set the framework for the definition of occupational hierarchies. As shown in Section I, the *tradebased system* characterising the British case and the *category nomenclatures system* that is characteristic of France and Spain have sharply contrasting logics. We will provide a general overview here of the role that credentials and skills play in these systems today.

In the United Kingdom the most frequent situation is that of companies defining occupational categories and the associated levels of skill in terms of their own needs, either unilaterally, or in collective negotiations. This situation is the result of the progressive weakening of trade unions in a context where bargaining was traditionally conducted at industry level without legislative backing, and where skills were acquired within the company without the endorsement of a homogeneous national system of credentials. Nowadays the existence of a collective point of reference common to different companies depends on the strength of the trade unions at industry level, as the relatively new NVQ system has received little recognition from companies and is not used as a basis for positioning a worker within the occupational hierarchy. These circumstances have led to an increasing

individualisation of the wage relation. Companies have much more freedom to set pay based on individual performance, and career advancement (and thus pay) is frequently determined by attitude, personality, motivation and other more informal features rather than by skill levels (Keep and Mayhew, 1996).

In Spain and France the trend towards the individualisation of the wage relation is far less marked. The existence of a system of work valorisation with the external guarantee of the state has curbed this process. Wages are mostly the result of a collectively agreed occupational hierarchy, although the traditional role of credentials differs in these two countries. In France there is a dual point of reference: the knowledge and skills required for a particular post are socially recognised by a credential, and these credentials are taken into account in the classification grids. In Spain, credentials have traditionally played a far less important role, and have only recently come to be considered as a criterion for the placement of a worker in an occupational grid. However the introduction of the grilles à critères classants in France and the use of the Agreement on Gap Filling as a basis for collective agreements in Spain have entailed a progressive transformation of the role of collective bargaining in the wage relation. These "modern" classification systems primarily set the criteria and procedures for determining the pay received by a worker but do not establish guaranteed links between task, post and wage; credentials have become more of a condition of access to employment than the basis for a position in a hierarchical grid. These classification models clearly introduce a "logic of competencies" into the wage relation, although these "competencies" are yet to be clearly defined

But the logic of competencies is not specific to labour force management in France or Spain, since it is just as evident among British employers. Nor is it simply a pervasive principle affecting the impact of occupational classifications on the definition of pay as it is profoundly modifying the systems of the production and certification of skills. What are the principles underlying this logic and what are the issues at stake?

b. From skills to competencies

The discourse on competencies could be seen merely as a way of giving respectability to what has been known as "individualised management of the labour force". As Dubar (1996: p.189) points out:

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While we have only mentioned schemes relating pay to individual merit or performance in the British case, this trend, which is closely linked to the individualisation of the wage relation, is also evident – although apparently less frequent - in Spain (CES, 2001: p.390) and France (Goetschy, 1998: p.383).

The notion of competence serves [...] to indicate the highly personalised nature of criteria for recognition that permit to reward individuals on the basis of the intensity of their personal commitment and of their 'cognitive' capacity to understand, anticipate and solve problems related to their function, which are also the problems of their company.

The use of this logic in the wage relation has important consequences for the whole system of production and certification of skills as well as for the social order linked to occupational and wage hierarchies¹⁷. As Jobert (2000: pp.90-94) has indicated:

The social exchange dimension is absent in the competence approach [...] and there remains an implacable opposition between classification and competence: the one is based on stable properties subjected to collective debate and negotiations providing legal guarantees for the employee; the other is based on unstable properties assessed by the company and requiring individual commitment.

In the competence model, remuneration is based on an appreciation of an individual's performance within a work collectivity. In other words, competencies are evaluated individually but in context. Evaluation is thus conducted on a one-to-one basis between employer and employee, without the possibility of a critical view from the outside on what is going on inside the company. Moreover, competencies always have to be proved. Contrary to the context in which credentials constitute a stable basis for determining wages, "management based on competencies" always implies the possibility of modifying the wage. The wage relation becomes uncertain and ultimately, the definition of the wage depends on the power relations existing within the company and the ability of the unions to present a united opposition to the employer's attempts to individualise pay.

In the logic of competencies, and from the employers' point of view, workers holding the same credential will not necessarily have the same "individual competencies" and will therefore not be ensured the same wage. The wage is no longer a tariff but a price paid for the worker's individual contribution to the company. The process for setting the salary that the worker will receive is seen as merely a technical and "objective" decision, and the wage relation loses its political character. The corollary to this is increased inequalities between workers:

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But classification grids are not only being weakened as a result of the introduction of the competence approach: the role of the occupational sector as a space of social regulation is being challenged (declining union influence, development of cross-sectoral skills, etc.) and manual-worker categories are losing ground to intermediate and upper-level categories, which are most affected by policies aimed at individualising the wage and careers, and where collective rules have less sway.

The legal figure of the worker that had been modelled by labour law has thus progressively given way to a Janus-faced figure: one face is that of the professional whose individual identity finds expression through work, and the other that of the isolated or insecure employee, whose work is once again being treated as a commodity (Supiot quoted in Lichtenberger, 1999: p.104).

This trend towards the individualisation and depoliticisation of the wage is restrained by the presence of trade unions and the limitations imposed by collective agreements, although the balance of power between the traditional actors is being tipped in favour of the employers.

c. Credentials and vocational training systems and the competence logic

The managerial use of the concept of competencies has also been introduced into vocational education and training programmes, affecting their contents and how they are taught and evaluated (Ropé and Tanguy, 2000). This can first be seen in the trend observed in all three countries examined here towards the extension of their certification systems to include any kind of "competencies": the rationale being that any kind of knowledge, capability or skills that can be used by companies should be recognised by a credential. Furthermore, vocational training courses are being partly developed at the workplace in order to adapt their contents to company demands; this is consistent with the systems validating prior experience or knowledge in which learning on the job is perceived as equivalent to formal learning in vocational training courses.

Beyond these general observations, the particular systems of vocational training and certification in each country must be taken into consideration. It can be argued, as Lefresne suggests, that there is a correlation (both negative and positive) between the legitimacy of the system and the emergence of the debate on competencies. More precisely, when:

the system of professionalisation is regulated jointly by the social actors and draws on strongly established professional identities [...] the debate on competencies and the issues it raises have no real autonomy outside of the system of qualification/classification endowed with a strong legitimacy (stable norms associated with a high level of recognition) and a certain flexibility (through collective bargaining) [...]. If the system of professionalisation and certification is still poorly structured, the debate on competencies remains a secondary one, the central question being that of the production of collective points of reference (Lefresne, 2001: p.7).

Thus, in the UK, "competencies" could be seen as constituting a possible model of correspondence between vocational training, credentials and pay in a system that is still in search of its collective

points of reference. The British unions, more attached to a trade logic and the time spent in apprenticeship, did not mobilise around the issue of a homogeneous system relating skills, vocational training and credentials. The NVQs have introduced a system of credentials that is partially independent of the training institutions and companies, but which retains the traditional job/craft distinction. "A system implemented without the participation of the trade unions raises no real issues in terms of classification criteria since there is no collective agreement" (Lefresne, 2001: p.13)¹⁸.

In Spain, where the system of vocational training and certification is still poorly structured, the debate on competencies appears to be largely secondary. The major issue, in a context where a large part of the population holds no recognised vocational credentials, appears to be the construction of a more transparent and structured system of accreditation for initial vocational training, continuing vocational training and training for the unemployed.

The French debate thus appears to be specific, since the competence logic is now challenging a collective reference system based on the occupational sector as the key defining space. Management based on competencies echoes the debates over the respective roles of the company and the sector, the validation of experience (acquis de l'expérience) (which also concerns the unemployed), and the national répertoire des certifications (list of credentials) — that is, a heterogeneous mix of norms, actors and issues.

Lefresne emphasises that the good press received by the British system in Europe is paradoxical considering how little it is used by firms in the UK.

Conclusion

Three aspects have been emphasised throughout this chapter, and particularly in the last section: the transformation of the processes of wage determination, and the resultant individualisation of the wage relation; the emergence of political and economic inequalities between workers arising from this process; and the significant role of the state in the construction of vocational training and certification systems reflecting the logic of individualisation.

There are, however, some further issues related to the production of skills and credentials and the articulation of these with pay that we would like to mention here, although they have partly been raised elsewhere in the book (Chapters 1, 2 and 3).

One of these issues is the importance given to training in employment policies at both national and European (EU) levels. This is due to European rhetoric attributing unemployment to inappropriate or inadequate training. This rhetoric is being increasingly intermingled with the discourse on competencies, a concept that tends to be dished up in every shape and form for employees and the unemployed alike. Underlying this is the idea that it is the responsibility of individuals to be employable or for their training to be adapted to the labour market. However, the debates on "employability" frequently ignore the unequal access to initial or continuing vocational training.

Another issue is the question of transferability. New systems of vocational training and certification have emerged that seek to provide a more "comprehensive" system of credentials geared to companies' demands, as well as to enhancing labour market "transparency" and worker mobility with a view to sustaining employment. The question arises here of the "quality" of the credentials that are granted. A vocational training system that offers credentials with lower social esteem to those who are excluded from the labour market or faced with job insecurity does little to remedy their situation.

These questions can be approached from the perspective of the construction of rights over resources. This framework places the conflicts and inequalities of access to training and employment within an analysis of the processes and institutions governing the distribution of resources. This will be the object of future research by our network.

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