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UMR 7317

THESE  
pour obtenir le grade de  
DOCTEUR EN SCIENCE ECONOMIQUES  
présentée et soutenue publiquement le 1 Octobre 2013 par

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**THE IMPLEMENTATION OF THE LISBON STRATEGY IN AN  
HETEROGENEOUS EUROPE. THE CASE OF THE SOUTHERN  
COUNTRIES CONCERNING THE EDUCATION AND TRAINING  
SYSTEMS**

**L'APPLICATION DE LA STRATEGIE DE LISBONNE DANS  
UNE EUROPE HETEROGENE. LE CAS DE L' EDUCATION ET  
DE LA FORMATION DANS LES PAYS DU SUD**

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## GENERAL INTRODUCTION

The creation of the European Union started as a thought after the end of the post war in the name of peace. Even though in the beginning only few countries joined the European idea, the desire of membership was spread enormously, by giving a number of 27 countries nowadays. The join of 27 countries under the European umbrella leads to a confusion sometimes because each Member State has its own unique way of function and many dissimilarities between them make European decisions complicated and not easy. However, the legislation of the European Union states that decisions are taken by examining and respecting all the different angles as the European Union is not one unity, but various dissimilar separate Member States. It is to say, that, the European Community provides common guidelines for educational and training policies which are supposed to help to the better progress of each country with their adoption. The main question to that is the level of success of this effort.

The major goal of the thesis is to analyze the relationship, - level of influence-, between national and international structure as concerns the educational and training policies focusing on the Southern countries of the European Union. National is the policy which is followed within the borders of a country, in Greece and Italy for my case, and international is the policy used for the common coordination of more than one country simultaneously, by the European Union to its Member States for my case. The chosen countries for my analysis are Greece and Italy. I had to limit my analysis by choosing two of the four Southern countries because of the limitations on the permitted time span of my research. Within the text I refer to my geographic area by using the term of the “*olive belt*” as Brunello, Garibaldi and Wasmer (2007) use it for the description of Portugal, Greece, Spain and Italy where fewer opportunities of training are offered in contrast to the rest European countries. The case of international comparisons seemed to be interesting to a respectful number of researchers (Lallement and Spurk: 2003), however, the olive zone met less analysis than the other European countries, a fact which made my research more challenging.

The reason of choosing the analysis of the educational and training field is based on its crucial role in economic and social growth as there is an increased phenomenon of

unemployment and economic welfare instability in the European Union. After having isolated the education and training areas for my research, my interest focused on the Lisbon Strategy 2000 which was mainly created for the encouragement of all types of knowledge (initial, vocational and continuing training) looking at the creation of a strong economy; variety was given to the training both in educational institutions and working environment and courses for unqualified and seniors were offered. The educational systems of the Southern countries start looking at the vocational learning, a fact that was not that important before. Reforms have taken place and significance was given to life long learning. An important issue of my thesis is the level of change which has been noticed after the implementation of the Lisbon Strategy 2000 within the two examined countries, Greece and Italy. Additionally, the poor outcomes of the Lisbon Strategy 2000 regarding its expectations set as a necessity the need of the examination of the variables which influence most the society's function and the analysis of their structure for the specification of the factors which have blocked the adoption of the European guidelines in my case.

Academics based on data and empirical research (Brunello, Garibaldi and Wasmer: 2007, Trubek D. M. and Trubek L. G.: 2005) prove that serious gaps between EU countries and difficulties in the adoption of the European benchmarking are still on; especially the countries of the South are characterized as poor performers. The problematic area of the South creates many queries based on the future balance of the European Union and more precisely queries about the ability of the European Union's Community, not only to compete, but to overcome the other global economies. Inside the text it will be noticed the distinction which is made between the "good" and the "poor" performers of the EU policy, however, the aim is not the creation of the impression that the one model of performance has to be followed by the other, but the analysis and the examination of the variables which blocked the successful achievement of the Lisbon's Strategy guidelines by the poor performers.

As my research is based extremely on comparisons between nations; my interest is supported well by O'Reilly (in Lallement and Spurk: 2003) where in the given question "why comparisons between nations are necessary" explains that the answer relies on the necessity of the identification of those characteristics which contribute to the most productive system of a society. The research analysis and the comparisons



which are completed in my thesis aim at the better understanding of the situation of the olive belt, giving a basis for future research in the way of change, either at national or at EU level, for the establishment of methods which will lead to a better harmonization and cooperation between the two levels for great progress and economic welfare. However, I would like to raise the point of Rangone and Solari (2010a) who note that economic growth is related to economic and social factors, thus, Europe should start talking about the social model of economic growth and not about the most suitable economic model. The process for the fighting of unemployment seems to be socioeconomic and not solely economic; European citizens should first understand why there is a need for a change and more importantly to realize the direction which this change should have and take. Superficial reforms cannot have any real improvement, only fundamental efforts can lead to the future change.

Thus, the Lisbon Strategy 2000 tried to implement a specific model which would apply to a more flexible and competitive market. Key role for the coordination of the European's Community strategy is the soft legislative instrument of the Open Method of Coordination- a procedure of benchmarking and sharing of best practices among the EU. The EU directives aimed at influencing the domestic agenda. The term "directive" is defined by a legislative act which sets a target to the Member States of the EU. Even though this target must be reached, States can decide independently the way how. Nevertheless, the level of effectiveness of the European policy is questionable as domestic change does not always happen. The criteria by which the domestic governments shape their agendas may misfit with the guidelines of the Lisbon Agenda.

My research based on a series of international literature reviews at a national and an EU level related to investment in education, training and skills. The methodological approaches which I use are the following: the "*Méthode comparative et analyse sociétal*" by Maurice (1989) and the "*Three Systemic Level*" by Nieuwenhuis and Shapiro (in Descy and Tessaring: 2004). The key elements of the theories are the internal variables which influence the structure of the national educational and training systems of Greece and Italy. The variables which influence the structure of a country are the base for the analysis of my both countries as I can find the

characteristics which prove the match or mismatch with the EU policy. Furthermore, the new theoretical added element is the policy used by the EU which as an external actor also influences the structure of the national framework. Thus, I also include the theoretical framework of Trubek D. M. and Trubek L. G. (in Zeitlin and Pochet with Magnusson: 2005) which identifies different competing models of how the OMC may bring policy change; the different levels are examined and applied to both countries Greece and Italy aiming at the identification of the EU impact at a national field and the level of change caused by it.

By using the three above theoretical frameworks I created my methodological approach which is a combination of them. The second part of my research which is characterised by the examination of the two countries in relation to the educational and training policies is totally built on the structure of this theoretical combination. An important element is the strong interaction between the important variables examined. The three fields of education, legislation and labour market have strong links to each other and change to one level cannot be occurred without change to the other. One may hypothesize that the poor results of the olive zone are connected to the no fundamental change of one of the fields making change impossible to the others, to take an example, educational reform can be difficult without the real reform of the labour market. The connection between the structure of the educational system and the structure of the labour market, in my both countries, is carefully analysed in my research, as it can provide serious explanations about the behaviour of their educational and training systems and their potential progress according the Lisbon's Strategy guidelines.

The structure of the thesis is divided into two main parts. The first part (Heterogeneous Educational and Training systems and the coordinative role of the European Community) is divided into three chapters. The first chapter presents an overview of the training and educational policies, their socio-economic importance to the society and the theoretical frameworks which have been mentioned above and they are used for my analysis. The combined framework is the heart of my thesis as the second part of it is totally based on its structure. It presents the five levels for possible policy change within the national system and it organizes my analysis to a more understandable way for the reader. Furthermore, the second chapter provides the

principal variables which influence the function of the societies concerning the educational and training policies. The key variables are the necessary elements for examination within the Greek and Italian borders as they can provide us with the blocking causes of their good performance regarding Lisbon. Coming to the third and last chapter of the first part the debate about the limitations which the olive belt meets at EU level performance and the degree of effectiveness of the European Union's recommendations are presented. This chapter is the base of analysing the way by which the European Union implements its policies through the use of the Lisbon Strategy 2000 in order to examine if its policy is friendly to the structure of the Greek and Italian educational and training system at a later stage (in the second part). Importance is given to the type of the country's decision making, -centralized or decentralized-, as the coordinative European legislative tool of the Open Method of Coordination (OMC) applies its policies centrally. At this stage it is hypothesized that decentralized systems meet greater difficulties than centralized systems.

Moving on to the second part of the thesis (The examination of the Southern Educational and Training systems before and after the implementation of the Lisbon Strategy 2000- The Greek and the Italian case), the level of change after the introduction of the Lisbon Strategy 2000 concerning the educational training systems of Greece and Italy are examined. The examined time span of the level of change relies on the 2000 to 2007-08. After the above period results would not be easy to be measured as the appearance of the economic crisis is met. The analysis of both countries (one chapter per each) is divided into two periods, the before and the after period of the implementation of the Lisbon Agenda 2000. The sections before 2000, study the structure of the national educational and training systems, their norms and legislative codes, the educational context and the labour's market behaviour. The sections after the 2000 examine the level of changes which have occurred in the same fields because of the introduction of the Lisbon Strategy. Additionally, as it is mentioned above, the second part is analyzed based on the three frameworks - political, educational and organizational- of the two countries, which have been considered as the most important variables within a society, able to influence the function of its educational and training system.

To sum up, by analysing the national structures of the educational and training systems and the EU policy used for the implementation of the Lisbon's guidelines, both levels are examined, national and international. Great importance plays the level of influence of the EU policy within the domestic structure of both countries (Greece and Italy) and its dynamic on national reforms. The difficulty of examining the impact of the European policy on the national policy relies also on the case of change as it is hard to say if change is the result of an external factor or an internal need. Reforms are not necessarily results of the European's Community policy, but they can be results of the national pathway and they would have taken place in any case. The above hypothesis leads to the query if national policy change is linked to the international directives or it is the independent result of the State's development.

The two parts of the thesis interlink to each other as the first part leads to the creation of the second one; the hypotheses created at a national and at a European level within the second and third chapter of the first part are examined within the national systems of Greece and Italy, presented in the second part of the thesis in order to draft my conclusions. The collected facts of both parts aim at helping me to understand the poor results of the countries in the educational and training policies by defining the variables which can come against the progression which the European Community requires and to estimate the level of change caused by the implementation of the Lisbon Strategy 2000.

**First part:**

**Heterogeneous Educational and Training systems and  
the coordinative role of the European Community**

## INTRODUCTION OF THE FIRST PART

Knowledge and skills are crucial to economic performance and essential within the continuous competitive framework of the global economy. Training systems and education have to meet the increasingly various demands of society in terms of complexity and dilemmas across Europe by targeting to both groups of youth and adults. Member States and policy-makers are called to manage balance concerning economic requirements for the needs of the labour market including the employed and the unemployed. Every Member State responds to this challenge through its own unique way based on its educational, political traditions and its economic situation. Even though the aims of the European countries are the same (development at all levels), the national policies which are used in order for this aim to be reached differs significantly because of the dissimilarities in every society's structure.

The efforts which the Member states make to reach a satisfactory performance at an EU level seems demanding, but also the role of the European Commission to search for best practices to implement EU guidelines seems extremely complicated. The main question is consistently the balance between the two scales, - the national and the European's community-, and how these two levels interact. The European Union left the initiative of choosing the best practice of the adoption of the EU guidelines exclusively to the Member States; however, the goals of the vocational education and training model should only rely on the EU expectations. Each country had to reform its educational and training system by adopting the new guidelines and by taking as a paradigm the outcomes of the benchmarks of comparing best practices, even if they were not related to the state's policy and structure. The links of cooperation among the two levels (national and European) is determined by the national policy- makers who are the representatives of each country and they have been authorised to examine and present the needs of their society. However, as Green, Wolf and Leney argue (1999: p.2): *"National policy-makers cannot hope to learn or borrow from policies in other countries without understanding the local conditions and contexts which determine their effects. European policy makers must identify the common challenges facing European education and training systems and the broad parameters of policies which might have maximum applicability across the range of different states."*

By having as a goal the examination of the level of influence of the international educational and training policy into the national Greek and Italian contexts, I had to look at the structure of both sides. The first part is the preparation for the analysis of the second part. I expose the academic literature which is necessary for the analysis of the Greek and Italian educational and training system in both levels, national and international; national by presenting the society's domestic structure and international by comparing the policy of the EU with the policy followed within the internal context of the country. Thus, the first part is divided into three chapters.

The first chapter initially explains my reasons of interest in getting involved with the education and training and provides a first overview of the heterogeneous structures of the educational and training systems in the EU. At a further step, it presents a combined theoretical framework, which is the result of three different theories, and it constitutes my methodological approach. The structure of the second part is totally relied on this approach.

Moving on to the second chapter I study the principal typologies of the educational and training systems in the European Union aiming at searching the variables which influence the function of the educational and training activities within societies, in order to use them in the second part for the examination of the national characteristics affecting the level of performance of Greece and Italy according the Lisbon's 2000 guidelines.

Finally, the third chapter studies the structure of the European policy; the Lisbon strategy 2000 and its goals implemented by the coordinative and funding European instruments of the Open Method of Coordination and the European Social Fund (ESF). The literature of the current chapter presents the debate of the academic world concerning the effectiveness of the European policy and it constitutes the base for a further analysis, in the second part, related to the fit or misfit of the Lisbon Strategy 2000 with the structure of the Greek and Italian educational and training systems.

## **Chapter I**

### **INVESTMENT IN EDUCATION AND TRAINING POLICIES- THE FIVE LEVEL MECHANISM FOR POSSIBLE POLICY CHANGE**



## **Introduction**

The first chapter is a brief presentation of the subject of my research, the structure and the purpose of my thesis. The area of education and training seems to be highly complicated as it is divided into the continuing, initial and vocational training where they provide dissimilar skills regarding their belonging national framework (educational system and labour market function). Also, their meaning is defined differently depending on the sector, the size and the policy of the company. Additionally, the problem is not based only on the institutional or business framework of a society, but on the fact that all countries do not invest at the same level in education and economic performance. Even though the technological and economic-socio changes demand flexibility, innovation and adoption of the new global needs, each society does not give the same variety in education and training. It is interesting to examine the way by which each country functions and those characteristics which make it dissimilar.

The chapter is divided into two sections. The first section introduces a short spherical overview of the education and training and the initiatives which have been taken at an EU level for common guidelines (process of benchmarking). The second section presents the three theoretical frameworks used for the presentation of the thesis, the methodology followed and the structure of my research. Within this part I explain the logic of the thesis, the steps which have been followed, my initial hypotheses and the goal which is aimed to be reached. My analysis is based on the examination of the educational and training systems of the olive belt, focusing on Greece and Italy by using a comparative approach. There are two types of comparisons in the thesis; comparisons among the socio-economic model of the two countries and the Lisbon's Strategy 2000 proposed socio-economic model, and comparisons between the two periods before and after the implementation of the Lisbon Strategy 2000 aiming at the examination of the level of changes within the Greek and Italian educational and training systems.

## **1 The choice of the Education and Training analysis and its difficulties**

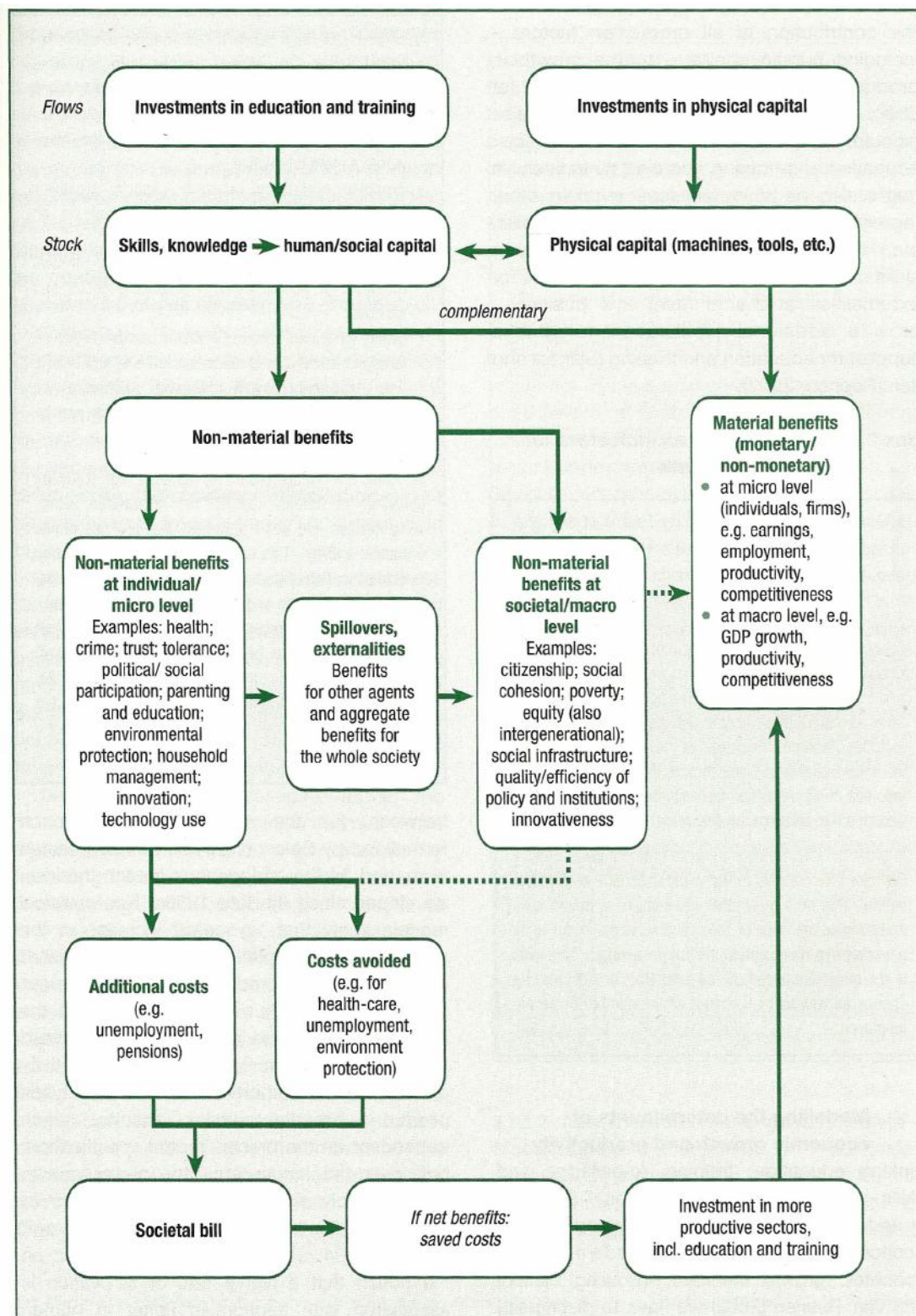
### **1.1 Reasons of choosing the Education Training field of research**

A necessary aspect for the development of a society is productivity. Economic growth, within the borders of a country, can only happen after the production of services and goods for the enlargement of the market. Productivity can be found when supporting factors such as education and training are offered in a way which have as a goal to lead the trainers to search for the best outcomes for the society. One may say that the growth of a civilization relies on the individual's interest for development. When people look at the direction of being useful, their job and occupation automatically becomes more creative and productive.

Furthermore, one may argue that education, training and qualifications have been always contributed to economic and social growth by public investment (such as the State) or by private (such as companies or even by the individual himself). In general, returns to economic growth by studies in education and training have been measured into two levels; the micro and macro level. The first one (micro) is usually measured by an increase in earnings or wages, but this is not the case of this research as the subject of this thesis does not deal with this direction of analysis, but the second level which deals with macro is the reason of explaining why my choice of the subject area is based on Vocational Education and Training. The contribution of education, training, qualifications and knowledge are central elements for the development of a society and the productivity of its economic system (Descy and Tessaring: 2005).

Garloff and Kuckulenz (2005) support that training increases the productivity from a human capital perspective and at the same time improves the understanding about the quality of a particular job match from an informational perspective. Businesses invest in training activities in order to increase the level of qualification of their labour force and to establish strong economic performance. So, firm provided training is considered one of the major post school investments in human capital which has the main role in the process of economic growth and individuals' labour market outcomes. Descy and Tessaring (2005) in their report in evaluation and impact of training appose the figure 1 where it can be seen the contribution of various factors to the growth of production of goods and services in the economy.

**Figure 1: Benefits of education and training**



Descy and Tessaring: 2005: p.75

More precisely, the figure shows two kinds of investment. The first one deals with investment in physical capital which offers benefits of materials, leading to earnings

in productivity (at micro level) and in Gross Domestic Product (GDP) growth (at macro level). The second type of investment relies on education and training, aiming at human- social capital benefits. At this point, education and training acquired by individuals could be of benefit to the society in general and not only to those who have obtained qualifications. Benefits at micro level return to the individual as a better quality of life. The figure gives specific examples of benefits at micro level. However, the great outcome comes at macro level and concerns the society itself. Investment in education and training in a long term process implies stronger citizenship and innovation. Of course, later on, the benefits of this type of investment and the saved costs, as the figure shows, lead to investment in more productive sectors and lastly to material benefits like the first type of investment.

The figure of Descy and Tessaring (2005) is a good example in order to understand the necessity of education and training. Growth and development cannot reach great success by looking only at economic benefits; it is a long term process which has to be completed taking account various dimensions in order for stability to be reached. The desirable result is the result which will be kept alive within a respectful time span based on a strong basis and not only in a certain period of time. Investments in knowledge, training, skills and education are meaningful for the development of the individual as a part of the society. One may argue that nowadays the most needful characteristic in a European society is the development of the feeling that citizens are vital parts and their working attitude will lead to economic growth. Nowadays, the crisis of unemployment and the lack of investments have led people to be against to any try of improvement, feeling that there is no chance of innovation. Especially the countries of the “olive belt” (as they are named in Brunello, Garibaldi and Wasmer: 2007), the South of the European Union, seem to have great problems; there is lack of trust among the state and its citizens.

Every type of training has as a main goal to improve the knowledge of a specific subject area in order for the individual to be well prepared to deal with it when he or she is called to do it. It is thus notable that education is the starting point for any later progress and its necessity seems the main issue for the development of the economy and the quality of life within a society. Education, according to Psacharopoulos (2007) leads to earnings in productivity and to wider social benefits, especially for the

individual, as learning motivates people to develop and improve their qualifications creating a greater participation in the labour market; having as a result the development of their economic and social status. More precisely, Psacharopoulos (2007) in his thematic review tries to prove that education can deliver dramatic changes in society by improving quality of life as it increases labour force participation.

It can be hypothesized that increase of qualifications leads to better opportunities to find a placement within the labour market and being useful in the productive area. As it is already mentioned education is the starting point which is usually offered in institutions of knowledge (colleges, universities, private institutions etc), but labour market is always the step after for the flow of its progress. However, it is crucial to have an overview of the results of the specific countries which I am interested in (Greece and Italy) as proportions change regarding the Member State of the European Union; in the second part of the thesis the importance of the educational level in the Greek and Italian labour market is presented.

Moving on to the next section of the chapter, the particularities of the Vocational Education Training field are explained.

## **1.2 The particularities of the Educational Training field: overlap of training definitions and national heterogeneity in participation**

The field of training is very broad; It does not include only initial and vocational education training but also continuing education training and work- based learning (Descy and Tessaring: 2004b). There are numerous directions and different levels of examination which a researcher may follow for further research. Even a further analysis of all of them looks interesting; the field of Education and Training is so wide that demands an especially long term process of research. Each field may have its own characteristics and meets its own problems, but even though there are various fields included in Education and Training, all of them illustrated by a similarity. Each of the field acts by following a gather of norms depending on the country. We may talk about the same area of research within the European Union but each Member

State develops and supports Education Training by its own way based on its beliefs and needs.

One may argue that balance can only be achieved through a form of a legislative framework, looking at the satisfaction of the educational and training needs for quality and flexibility. However, such reform may guide to a better balance but there is no homogeneous model that could be applied. There are many variables which have to be taken into account in order a system to meet a change such as social actors, institutional and legal frame, organizational strategy, historic structure, political culture, traditions; analytic description in chapter II. Educational Training reforms are not easy as change is a complex and some times an unpredictable multi-stage process (Descy and Tessaring: 2004b). The lack of a clear policy priorities and indicators makes the area of research much more problematic.

### **Dissimilarities of national expenditure on education**

The initial education and training is the training which institutions, such as High schools, Universities and Technical schools offer before the individual's entrance in the market (Cedefop: 2008). The institutional framework of each Member State varies and the different educational models will be examined later on in chapter II. In general, some countries give emphasis to a theoretical knowledge direction (France) and some others to a more practice oriented technique (Germany). The form of the national institutional frameworks depends on varieties such as regulations of governances (Green, Wolf and Leney: 1999) and the country's history. One may maintain that initial training is the basis in order to explain attitudes in societies, and its way of function influences the structure of the business framework and the outcome of the labour market. The heterogeneity of the function of the institutions play central role and it is one of the main factors which are responsible for the different outcomes in educational and training policies. Their examination at national and international level is essential.

Additionally, it should be noted that all countries do not invest at the same level in education and training (look table 1).

**Table 1: Total expenditure on education as percentage % of GNP for the 1975-1995 period**

Country	1975	1980	1985	1990	1995
France	5.2	5.0	5.8	5.4	6.1
Germany	-	-	-	-	4.8
UK	6.6	5.6	4.9	4.9	5.3
Sweden	7.0	9.0	7.7	7.7	8.1
Denmark	7.6	6.7	7.0	7.1	7.7
Greece	1.7	1.8	2.4	2.5	2.9
Spain	1.8	2.6	3.3	4.4	4.9
Italy	4.1	4.4	5.0	5.2	4.7
Portugal	3.5	3.8	4.0	4.2	5.3

Source: Descy and Tessaring: 2004a: p.22

By taking as an example the Gross National Product of the 1975-1995 period, a great difference on the investment of education among the nine selected Member States can be identified. It seems that Greece has the lowest percentage of the total expenditure on education in 1975-95 period, with 2.9 per cent in 1995, almost three times less than the percentage of expenditure of the same year regarding Sweden (8.1%). Moreover, even if some countries such as Italy and Spain or the U.K and Portugal have the exact or similar percentages of the total expenditure in education in 1995, however there have been differences between them depending on the year; to give an example, in 1975 the UK spent almost the double than Portugal on the educational field (the same goes for Italy and Spain). Thus, it can be noticed that each period provides dissimilar levels of importance related to education and investment in that field varies extremely from country to country.

Furthermore, in some cases education and training aim at the “know- how” practice, encouraging students to have practical training. Practice on job doing and experience in business field are crucial to this type of systems. Employment requirements vary from state to state in the European Union; the employment policy of the labour market relies either on the theoretical experience which the individual has gained or to the practical experience. This heterogeneity between the socio-economic models of the European Union is presented in chapter II and its analysis seems crucial for the examination of the structure of the labour market; being a central actor within the educational and training systems.

### **Diversified national participation in continuing training: no common guidelines for defying firm- based training**

The continuing training is based on training activities after initial knowledge or work experience in order to improve the skills which the individual has already gained (Cedefop: 2008). After the introduction of the Lisbon Strategy in 2000, many continuing education and training programmes are financed by the European Union for the improvement of the qualifications of the employees and the encouragement of unemployed adults to return to the labour market and being productive. However, this area of training meets complexity as it is given dissimilar definitions in sectors and in national contexts depending on the structure of the society.

Continuous training may meet limitations on finding data and information as not much is published in training investments, especially from a work- based training perspective; from the side of the companies. However, training cannot be defined easily as some times different types of explanations concerning it are given. To take an example, some companies describe training only when it comes to external and not to internal, however some others think in the opposite direction by including both (Descy and Tessaring: 2005); training is also divided into formal and informal. On the one side, it can increase both wage growth and job performance (Bartel: 1995), and on the other side, for some others, the main benefits rely on employees' skills and not that much on firm's productivity (Goux and Maurin: 2000).

Additionally, there are many differences in training systems and in the strategic management which is followed by a country. More specifically, as Booth and Bryan (2007) maintain, training is seen as a way of increasing the productivity and living standards of less skilled workers, even though, statistically educated young people are more likely to be trained than high school dropouts (Parent: 2003, Goux and Maurin: 2000). However, there are various opinions about the use of training; one may say that importance relies on the questions: "*Was this training of education given by...?*" (the way it is provided) (Leuven and Oosterbeek: 1999: p.310) and "*Is a day of training in company A the same as a day of training in company B?*" (Bartel: 1995: p. 402). Despite the debate on the necessity and the use of training, only the company itself defines the policy which is going to be used and decides what can be



recognizable within its borders (formal or informal training). Moreover, training statistics results for the 2005 period prove that training in business with at least ten employees varies extraordinary in European Member States (Checcaglini and Marion-Vernoux: 2008).

Furthermore, the complexity of defining training is also based on the existence of diverse perception of training systems between public and private sector. Directives followed in the private and public service differ as they depend on the sector of the business and the job category (Falkner: 2003). Schomann and O'Connell (2002) argue about the fact that a common market in the EU may led to a convergence of the various training systems if someone looks at the sector level. To take an example, *“the training system of a company in Germany could have more in common with a French company in the same product of service market than with other German companies in different sectors”* (Schomann and O'Connell: 2002: p.364).

There are no guidelines of how to define training and especially firm- based training; vague definitions having as a result the insignificance impact of some studies and surveys (Descy and Tessaring: 2005). However, there are not only differences among firms but cross-country dissimilarities based on human capital and educational systems which are central in explaining differences in growth (Lucas: 1988; Romer: 1990).

If I also take as an example the labour force data in Tomassini's (in Brown and Participa Project consortium: 2004) research work I can present the participation of the EU 15 in educational and training activities in the period just before the introduction of the Lisbon Agenda; from 1992 until the 2000 by the 24-64 aged group. The numbers are estimated by percentages.

**Table 2: Participation in educational and training activities in the 24-64 age group by country and by year (percentages, years 1992-2000- labour force data)**

	1992	1993	1994	1995	1996	1997	1998	1999	2000
Belgium	2.3	2.7	2.7	2.8	2.9	3.0	4.4	6.9	6.8
Denmark	16.2	15.6	15.1	16.8	18.0	18.9	19.8	19.8	20.8
Germany	-	-	-	-	5.7	5.4	-	5.5	5.2
Greece	1.2	1.1	1.0	0.9	0.0	0.9	1.0	1.2	1.1
Spain	3.3	3.3	3.7	4.1	4.2	4.2	4.1	4.9	4.9
France	2.9	3.0	2.9	2.9	2.7	2.9	2.7	2.6	2.8
Ireland	3.4	3.5	3.9	4.3	4.8	4.2	-	-	-
Italy	2.9	3.4	3.7	4.0	4.4	4.9	4.8	5.5	5.2
Luxem- burg	2.9	2.6	3.3	2.9	2.9	2.8	-	5.3	4.8
Portugal	3.6	3.2	3.5	3.3	3.4	3.5	3.0	3.2	3.3
Finland	-	-	-	-	16.3	15.8	16.1	17.6	19.6
Sweden	-	-	-	-	26.5	25.0	25.0	25.8	21.6
England	12.5	10.8	11.5	-	-	-	-	-	-
EU 15								8.2	8.4

**Source: Tomassini in Brown and Participa Project consortium: 2004: p.45**

Looking at Table 2 seems that the Nordic group (Sweden, Finland and Denmark) coming first in the participation of such initiatives in comparison to the other Member States of the EU. In fact, if someone looks at the period of 2000, the training activities of Scandinavian countries are almost four times more than the training activities of the rest states. More than problematic is estimated the case of Greece as the percentage of training reaches only the one percent; almost the same every year for the 1992-2000 period. At this point it should be mentioned that one of the main goals of the thesis is the analysis of the characteristics which lead to the poor participation of the educational and training activities of certain societies.

At this point, one should take into account the fact that countries do not invest at the same level in education and training performance and the offered opportunities vary, depending on the country. There is a main distinction between countries which invest in continuing education training, such as the UK, France, and the Scandinavia and countries which do not seem to invest enough, such as Greece, Italy, Spain and Portugal; the “olive belt” (Brunello, Garibaldi and Wasmer: 2007). The second group constitutes my case. However, heterogeneity in training makes research outcomes complex and some times, especially when data is not provided, difficult to be found.

The two countries (Greece and Italy) which are going to be analyzed are both countries which lack in data and transparency, causing difficulties in my analysis.

Even cross sectional data of the EU countries are used in order to test the different models empirically, the quality of educational and training provision data which has been perceived, it has been strongly reliable only in some cases (Descy and Tessaring: 2004a). The analysis of the training activities in the labour market and its results usually is based on the company's level data used by the two categories of quantitative studies; the "survey based studies" and the "case studies" (Brunello: 2007). However, even though these efforts offer some results there are various problems when productivity of training comes to measurement. Brunello (2007), in his review about the effects of training on employment, wages and productivity, argues that the "survey based studies" very often lack information on the cost of training, making impossible the estimation of rates of return. The case of the "case studies" seems better as it is usually offered more information on cost. By examining the idea of training in practice we can discover many difficulties based on cross border differences in Europe. Comparisons among nations have important meaning for the identification of the most and the less efficacious characteristics of training systems (O'Reilly in Lallement and Spurk: 2003).

### **1.3 The European policy used as a process of learning concerning Vocational Education Training: creation of good and poor performers of benchmarks**

The major priority of the European's Union Agenda in 2000 was the implementation of the Lisbon Strategy which looked at the growth of jobs, the increase of competitiveness and the face of unemployment (Johansson, Karlsson , Backman and Juusola: 2007). Its implementation looked at the encouragement of educational and training activities through the European Union; detailed analysis is presented in the third chapter and the second part of the thesis as well. At this point, there is no reason of analysing the strategy in depth; however, it would be interesting to present the logic of the approach. My examined area relies mainly on the 2000-2007 period, as after it, the economic crisis appeared and outcomes would not be considered as reliable.

The process of the benchmarking, which has as a goal to detect weaknesses and lead to improvement by comparing used methods, came up with the implementation of the Lisbon Strategy 2000. Best performers are baptized to be the examples for repetition, even though strategies cannot easily be copied under diverse contexts. However, there is the question of which can be thought as the best indicators chosen for benchmarking concerning the educational and training systems at EU level (Descy and Tessaring: 2004b). Does benchmarking point the way forward in educational and training policy?

The process of learning by making comparisons among countries may have logic as countries have the opportunity to compare their policies and performance and learn by their weaknesses trying to adopt more concrete and successful processes. Of course the creation of ideas aiming at improvement can be taken only as positive, but again the selection of the performance indicators seems to be vague as each Member State has its own weaknesses and needs (Descy and Tessaring: 2004b). To give an example, the Danish Ministry of Finance (1999) after having a series of benchmarking exercises in order to check where Denmark stands regarding to other states of the EU, came to the conclusion that softer educational objectives, which esteemed highly for the country, have not been covered by the benchmarking exercise (example of the low reading skills of the nine-year-old students), a fact which proves complexity when benchmarking is applied to educational systems (Descy and Tessaring: 2004b).

Even though the process of ranking can be useful to define the areas which need improvement, however, the strong context- linked character of the education and training systems creates difficulties to the benchmarking approach (Descy and Tessaring: 2004b). Also, Grubb and Ryan (1999) argue that the method of the benchmarking for international comparisons it can be characterized weak as the evaluation of systems with multi- dimensional goals hides' complexity. To conclude, *“experience with the benchmarking of VET systems at EU level so far shows that the main problem is not so much general acceptance, among MSs, of the approach, but the development of appropriate indicators and securing that data are available to measure these”* (Descy and Tessaring: 2004b: p.225).

Lastly, benchmarking looks even more complex when a country's system is decentralized. Some Member States are in favour of a more decentralized system which makes evaluation outcomes more difficult. Decisions not always taken by the central government, but localities are responsible for national programmes. More precisely, Grubb and Ryan (1999: p.141) argue that: *“regional variation can create “natural experiments” where the differences in VET programmes from region to region can provide real information about more and less effective practices”*, but at the same time, they arise the question of how a country can establish a globally effective national VET policy through local decisions? The limits and the complexities of the implementation of the European policies at a national level are many.

## **2. Chosen theoretical framework, methodological approach and the structure of the thesis**

### **2.1 Choice of theoretical frameworks**

Even though many academics examine Vocational Education Training Systems, each of them separately focused on the analysis of different variables which influenced these factors. To give an example, Hall and Soskice (2001) and Greinert (2004) isolate market economies (their chosen variety) whose function depends on variables such as the role of the state and the labour market requirements for employment (variables which form the structure of market economy), in comparison to Maurice, Sellier and Silvestre (1986) who focused on the same area but chose the analysis of the size of the company and the sector which represents them. My personal goal does not rely on the isolation of only one area, but it aims at presenting a spherical overview of variables which are combined and influence the structure of the country, respecting all perspectives and giving an overview of the principal angles. I chose to introduce all important areas which influence the structure of a society to a short extent in order to provide an overview of the analysis of the olive belt area and look for the national characteristics which make the adoption of the EU guidelines a difficult case for the Southern Member States. In order to explore the characteristics of the olive zone, I decided to examine two of the four countries which compose it (Italy, Spain, Portugal and Greece); even though they belong to the same area, each of

them is unique and the analysis of the structure of the four would have been impossible within the time limits which are given for a thesis.

At this point, I found that the most suitable theoretical framework for my analysis would be the societal analysis of Maurice (1989) which is based on the principal idea of the examination of the main factors which influence the structure of a society within its borders; as an extension of Maurice theory I include the theoretical approach of Nieuwenhuis and Shapiro (in Descy and Tessaring: 2004) who agree with the idea that VET Systems is a composition of different factors of a society, creating unique models each time, by highlighting that factors which influence societies interact and a change to a field simultaneously is translated as a change to the whole national system, affecting all fields (political, institutional and organization frame).

Additionally, a state is a set of organizations and institutions, results of the national and the international structure; the legislation imposed by the European Union plays a great role at a national level. The speciality of the creation of the European Union is that its 27 Member States act as individuals supporting their national norms, but also as a European “membership” which should follow the applied guidelines. Thus, I also use Trubek D. M. and Trubek L. G. (in Zeitlin and Pochet with Magnusson: 2005) who identify different competing models of how the OMC may bring policy change. After presenting all theoretical models I explain the way I combine the three approaches in my research.

### **2.1.1 Approaches used for inter- national comparison**

It is thus, well-known that all states of the European Community have to fill some standards in order to be part of it, and once they have access to the Union a serious financial support is offered for further development. One may say that some times this is not enough. Each state deals with its own way of function and tries to survive in the market under its rules and standards, but as a part of the European Community, it should follow specific regulations and guidelines, common for the Member States of the EU. In order to find out how countries vary in the EU and the reasons why the Southern European states seem to have many difficulties to follow the given standards of the EU, the identification of models is necessary. Models of societies which testify

different structures may offer common characteristics which contribute to an ineffective model according to the EU standards.

O'Reilly (in Lallement and Spurk: 2003) highlights that the choice of the most valid level of analysis has always been the most problematic element in the domain of international comparisons. Thus, the degree of interest is based on comparisons of the heterogeneity among states has been lively over the years. However, even though the difficulties of international comparisons are various, Michon (in Lallement and Spurk: 2003) defines the two following as the major ones:

- the statistics of each country are not always the same, a fact which makes the creation of exact comparisons impossible and
- the creation of a non “*banale*” catalogue, able to overcome the simple reference on the differences and similarities among nations which always leads to the conclusion that each country is unique

Maurice (1989) had developed an analysis of different approaches relying on the “cross-national”, the “cross-cultural” and the “inter-national” one. The first model of the “cross-national” approach mainly used in 50’s- 60’s and its main characteristics are; the strong continuity of analysis of the phenomena by term- for- term between countries and the absence of interaction among the macro- micro level. The approach of the method of cross-national deals with comparisons among various countries and it is characterized as rationalistic (Maurice: 1989). The second model of the “cross-cultural” method deals with the identified culture of each society and its non continuation among the studied phenomena. It is a specific comparison of the objects of the national culture (Maurice: 1989). However, both approaches seem weak as their technique is fragile. On the one hand, the cross national method demonstrates the disadvantage of the use of the term- for- term analysis. Each society produces its own aspects which characterised its own system; so the comparison term- for- term put limits to the analysis (Maurice: 2001). On the other hand, the cross- cultural approach meets some danger of coming to very wide outcomes which determine the identity of the whole society.

Coming to a conclusion, the third and last research approach, the inter-national analysis, seemed suitable for my research as the main target of this comparison is to

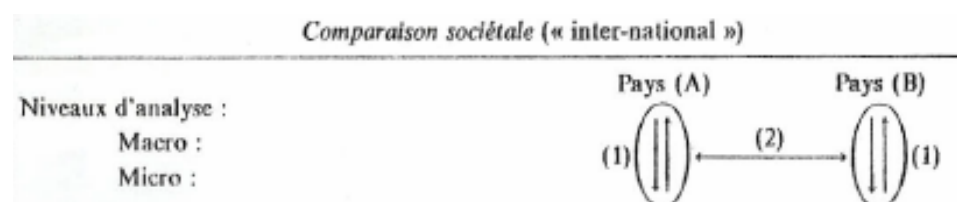
*'compare the incomparable'* by analyzing the way by which the societies of my interest are influenced by the role of the main actors within them.

Trying to become more precise of this social interaction within a certain time span, I continue with the theoretical framework of Nieuwenhuis and Shapiro (in Descy and Tessaring: 2004) which talks about the social cohesions which had influenced the vocational education and training systems within time. More specifically, the authors analyze- as they call them- the systemic levels within VET. This way of analysis divides society into three frames which all lead to the assessment of skills.

### 2.1.1.1 “Inter- national” or “Societal” analysis

This type of research approach is different from the others in many points of view. In this model, there is no need to examine neither the *“rationalité”* nor the *“culture nationale”* but the main interest relies on the *“construction des acteurs dans leur rapports a la société”* (Maurice: 1989: p.182). The main principal of this method is the analysis of the actors which contribute to the structure of the society in micro and macro level (look at figure 2).

**Figure 2**



**Source: Maurice: 1989: p.182**

The theory of Maurice was based on the principal of the initial paradox, “comparing the incomparable”. The methodology of the societal analysis is characterized via this paradox.

According to Maurice (in Maurice and Sorge: 2000), a commission which came from a state’s economic agency, entrusted to LEST researchers to contrast comparative *“pay levels “for the same jobs””* considering the German and French businesses. The commission was clearly thinking of the traditional direction of the principle of *“all*



*other things being equal*”, by comparing statistical analysis that: “*seeks to neutralise the ‘job’ variable in order to measure the ‘wage’ variable, thereby making it possible to compare that which can be compared*” (Maurice in Maurice and Sorge: 2000: p.15). However, the researchers of LEST were thinking closer to a case- study approach, which was “*more interested in reconstructing categories by locating them within the sets of principles underpinning the ‘space’ of which they were part*” (Maurice in Maurice and Sorge: 2000: p.15).

More precisely, the interest of the researchers focused mainly on the mechanisms which form and construct differentiated forms of the organization of salaried work in different capitalist countries. The main idea of their research was simple: the top of the scale at enterprises, the specialization, the structure of employment, the division of labour, the labour categories or even the work post do not have the same meaning in different countries or the same consequences. They believe that among societies with similar level of technology and development, there are essential differences both at the level of formation of employment and payment and at the level of the training systems, the form of organization, the labour division, etc. According to these researchers, all these elements are in a relation of continuous interaction (or even interdependence). In their analysis, society is not considered as a macro-social level which acts deterministically contrary to the micro-social levels or as a national culture.

According to Maurice (1989), society “*is not restricted to a simple frame or environment or even an indefinite whole of values and cultural characteristics but, on the contrary, it represents the womb of a whole of the social relations that compose it*” (Maurice: 1989: p. 183). The approach of the “classic” contradiction between macro- and micro-social level takes place through the view of the relation between the two levels as “the whole of relation of interdependence” within which the “actors” and the “fields” become understandable through the relation with the society.

Thus, the outcome of the above has been the **societal** multidisciplinary analysis, a result of foundation of economical and sociological procedure, combining statistical results and case-studies. In any case, Maurice (in Maurice and Sorge: 2000) highlights

that principles on the job (such as training, formal- informal qualifications etc) are not conceived at the same way within each state.

The societal method is not a simple comparison between data, but its *“comparability is based on categories or criteria whose “continuity” is postulated”*, and *“it is indeed the process of the construction of actors and spaces, which is at the heart of societal analysis, that is reflected in the macro/micro relationship”* (Maurice in Maurice and Sorge: 2000: p.16). Moreover, the supporters of the societal method argue that term-for- term comparisons are impossible to be made because of their irrelevant social interactions within the country’s system, which explains the principal of the comparison of the non- comparable.

As concerns the notion of cohesion, this does not refer to the notion of balance but it refers to the relation of the analysis of the parameters which are interdependent (Maurice: 1989). This does not predispose the nature of these relations or interdependences; these can involve both cases of cooperation and competition consent and contradiction tension and conflict. In this analysis, the dynamic character is by all means innate as there is no reference to the idea of system but to “social relations” –“interactions” between the actors and the field of their action: the field is both structured and structures, it is a result and a cause, able to incorporate both the stability as well as the dynamics, the reproduction or the change. In other words, the actors are incorporated in a field, whose construction they form through their action.

Lastly, societal analysis conceptualizes the macro/micro antithesis *“as sets of interdependent relations in which actors and spaces are perceived in their relationship to the wider society”* (Maurice in Maurice and Sorge: 2000: p.17) a fact which leads to the conclusion of the exclusion of any term- for- term comparison between their different elements. At the same time, the author supports that actors placed in a space time- system as their birth is related to historical dimensions, making actors and spaces to be conceptualized as mutually dependent, *“there are no actors without spaces, and vice versa”* (Maurice: in Maurice and Sorge: 2000: p. 19). The “societal analysis” focuses its interest on these intermediate fields in which the interventions, the interactions between the “subjects” and the fields, between the macro- and micro-social field take place. The absence of immediate comparison is

based on the fact that all differences are included in a system of “social interactions” which cause these differences as dimensions of their singularity. In other words, the comparison cannot be applied in this case on certain separate phenomena which are directly compared, but to phenomena which through their interactions compose what the researchers call “social cohesions”; cohesions which are special in each society. Each one of these phenomena which compose these “cohesions” does not have a sociological meaning but only in relation to the whole of which it is part.

Besides, the field of viewing and analysis of the researching objects is not the society as a whole or the field of its structures and institutions that form it but the “place” of actors and the intervening fields; the place where the objects of the research are socially constructed, in a wide field of “intervention” between what is usually called micro- and macro-social level.

<b>Conclusion (Maurice 1989): Actors + Spaces = Construction of the society</b>
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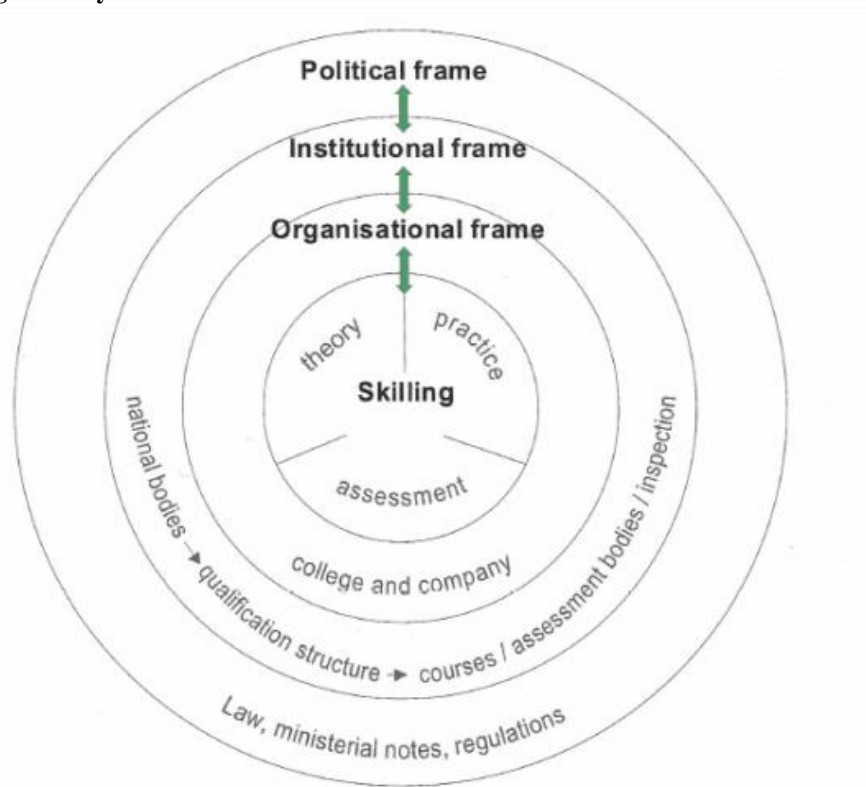
#### **2.1.1.2 The systemic levels within VET**

Using the “inter-national” approach of Maurice (1989) I am going to divide society into the most important frames which include actors with direct influence on the structure of the society. At this point, I use the figure of Nieuwenhuis and Shapiro (in Descy and Tessaring: 2004) who are going even deeper to my case- as they talk about VET- and they expose the principal actors which influence the training systems of an economy by dividing them into three crucial frames based on interdependence.

Nieuwenhuis and Shapiro (in Descy and Tessaring: 2004) argue that changing VET is a complicated, multi- layered process which is tried to be explained by highlighting the systemic levels within VET (look at figure 3). More specifically, the process is further complicated as *“changing Vet is, therefore, a long term enterprise, requiring interaction and debate between the different interest groups in the system”* (Nieuwenhuis and Shapiro in Descy and Tessaring: 2004: p. 57)

Both vocational education training institutions and organisations have developed through time by creating an institutional frame of VET- result of national market regulation, national laws on education, national labour agreements etc. - sometimes ‘*obstacle*’ to change as all levels are connected to each other. The authors support that changes to VET would not be right to happen with the method of top- down, but to be systematized simultaneously at all levels described on the figure.

**Figure 3: Systemic levels within VET**



**Source: Nieuwenhuis and Shapiro: in Descy and Tessaring: 2004: p.57**

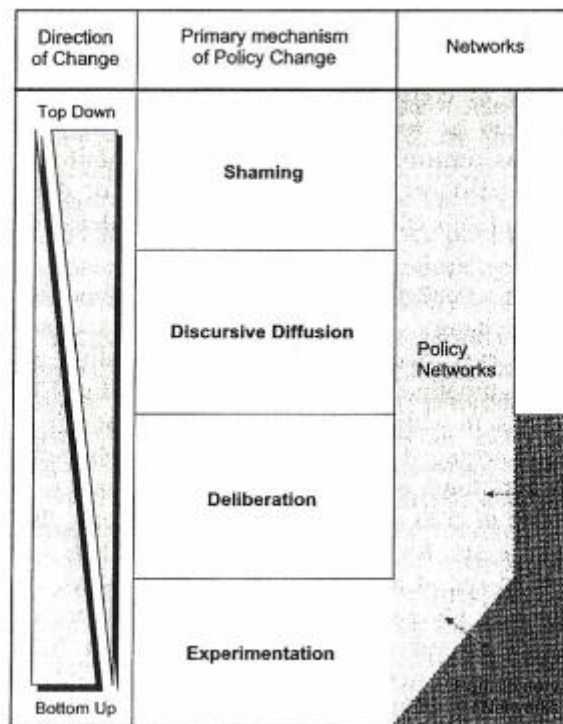
To become more precise, the three systemic levels of the figure, each representing a different frame, applied to the second part as follows; the political framework provides the Greek and Italian decision making mechanism, giving details about the system’s centralization or decentralization, its efficiency and the financial support which is offered for the IVET and CVET activities; the institutional framework presents the design of the Initial Vocational Education and Training (IVET) structure and the responsible National Bodies for the implementation and supervision of the Continuing Vocational Education and Training (CVET); and lastly the organizational framework where the organization and the requirements of the labour market are given.

### 2.1.2 Approach used for international comparison

However, both theories of Maurice and Nieuwenhuis and Shapiro lack the analysis of external actors which influence the society, such as the policy which is applied at a national level by the European Union; even though a detailed analysis will be presented in the third chapter, I presently give an idea about the theoretical framework I use regarding the EU actor and its influence at a national level for policy change. More precisely, I use the theory of Trubek D. M. and Trubek L. G. (2005), which identify that the ways of “*shaming*”, “*diffusion through mimesis or discourse*”, “*deliberation*”, “*learning, and networks*” in cooperation with the categories of top-down or bottom-up which may cause modifications. The influence of the European policy through the Open Method procedure (OMC) at a national level relies on changes in policy thinking, in policy agendas and in specific national policies (Zeitlin: 2007). Recommendations are given to MSs in view of their performance considering the European guidelines and benchmarks. Member States seek to fulfill the EU guidelines and skip harmful criticism and publicity of poor performance in peer reviews and Council recommendations, however, even though, there is always the pressure of respecting the European level-objectives, there are examples where these recommendations are not followed in their majority (De la Porte: 2002). The current mechanism of policy changed is used in the second part of the thesis where the impact of the EU policy after the implementation of the Lisbon Strategy is examined.

**Figure 4**

**Competing Models of How the OMC  
May Bring about Policy Change**



Source: Trubek D. M. and Trubek L. G. in Zeitlin and Pochet with Magnusson: 2005: p.94

### 2.1.3 Combination of three approaches: the five level mechanism for possible policy change

To sum up, my research work is based on the theoretical approaches of Maurice (1989), Nieuwenhuis and Shapiro (in Descy and Tessaring: 2004) and Trubek D. M. and Trubek L. G. (in Zeitlin and Pochet with Magnusson: 2005). Maurice, Nieuwenhuis and Shapiro meet great similarity by focusing on the fact that actors interact and possible change cannot happen solely in one field; to take an example, the relation of education and business which is analyzed in the second part.

Moving on to my combined theoretical framework I end up to the following table 3. By using the mechanism of policy change I enriched the four levels of it; starting from the bottom to the top. At level 1, I firstly present the European learning networks which form the experimental level of the EU policy. The policy networks are the European initiatives aiming at the Europeanization of the Member States by adapting

common guidelines. The European Community develops common programmes for the implementation of a strategy based on the increase and recognition of qualifications within the European Union for the mobility of students and workers. Examples of the above initiatives are given in the third chapter; look at the European Qualifications Framework and Europass. Moving on to the level 2, the deliberation of the EU policy is met. This stage is divided into actions at a European and a national level. The first relies on EU tools used for the coordination of the Member States, the Open Method of Coordination regarding soft legislation and the European Social Fund looking at the contribution of subsidies. The examination of both tools takes place in chapter III; their role within the Greek and the Italian context is also analysed in the second part of the thesis. Furthermore, the second level is related to the political framework, where the national strategic vision for the achievement of the European directives is met. Even though the European guidelines are common for each Member State, however they have to reach them by the implementation of their own strategy as national structures vary. The key concern is the outcome and not the national policy used.

Moreover, the level 3 of the table by presenting the discursive diffusion of possible policy change focuses on the copy of the best policies for the reach of the Lisbon's benchmarks. The European Community, as we will see in chapter III, encourages the reproduction of the best policy used by the EU-27. However, as Maurice (1989) argues, the best policy cannot easily be copied by others, as their domestic structures vary and probably it will not bring the same results. The current level is formed by the institutional and organisational frames where the variables influencing the structure of the educational and training systems are analysed. Each frame is analytically presented within the Greek and Italian context aiming at the creation of hypotheses able to lead to final conclusions. Furthermore, the level 4 is the level where the Member States' achievements are presented; there is a ranking list concerning the European benchmarks (more details are given in chapter III). The poor performers are not obliged to follow strict sanctions; however their popularity and good reputation can be harmed by the naming and shaming process. In the second part detailed outcomes of benchmarking applying on Greece and Italy are given.

Nevertheless, it should be highlighted that policy change can only happen under the intense control of the national activities by the European Community, thus monitoring is crucial for each level of change. The last level of the table 3 is the level 5 which is related to the monitoring applied to every level separately. As concerns the European financial contributions, the European Community has to make frequent evaluations on the effectiveness of this allotment and the correct use of them at a national level. On the other hand, the state by itself is responsible for making the necessary processes in order to check the effectiveness of the strategy which is followed. The only way to insure the efficiency of a national strategy is to follow up and evaluate its actions.

**Table 3: My theoretical framework: The five level mechanism for possible policy change**

	<b>EU mechanism for possible policy change</b>	<b>Practices within the national system</b>
Level 1	Experimentation/ Policy Networks	<ul style="list-style-type: none"> <li>• The implementation of EU initiatives, such as the EQF and Europass</li> </ul>
Level 2	Deliberation	<ul style="list-style-type: none"> <li>• The use of OMC and EU Funding (tools of deliberation)</li> <li>• The strategic vision of the political framework (decision making)</li> </ul>
Level 3	Discursive Diffusion	<ul style="list-style-type: none"> <li>• Copying of best policies for the best function of the institutional and organizational framework</li> </ul>
Level 4	Shaming	<ul style="list-style-type: none"> <li>• The use of the benchmarking</li> </ul>
Level 5	Monitoring	

## 2.2 My methodology

The target of the European Union has been the development of training systems which could permit its citizens initially to enrich and further to transfer their professional qualifications among European Member States looking at the creation of a competitive European economy (Zarifis: 2000). Thus, it should be assumed that the European Union has been trying to encourage the Member States to develop their educational and training systems and become more productive economies. Such a vision demands the strong economies to become even stronger and the weaker to be



integrated in a positive productive spirit within a limited time span displaying even greater effort. The differences among the structures of the societies (see chapter II) have been vast and the adoption of the EU guidelines cannot be reached by all Member States at the same level. However, national educational and training outcomes are results of domestic independent variables which have to be taken into account.

The principal goal of the thesis is the examination of the level of influence of the international policy to the national one; the affect of the Lisbon Strategy 2000 to the Greek and Italian educational and training context. The above can be reached by the study of the characteristics of the main variables, internal and external, influencing the society's function and their performance to follow the Lisbon's Strategy guidelines for the reach of its targets. Important element to the above is the fit or misfit of the national structure with the proposed socio-economic model of the EU.

The serious gaps among the South and North European Union keep placing the olive belt to the poorest performers of the EU policy, presenting their national structures not strong enough to reach economical competitive challenges. Therefore, in my point of view the examination of the fragile countries seems more challenging and it is in a greater need as not much has been done at scientific level in contrast to the comparative academic literature concerning Britain, Germany and France (Hall and Soskice: 2001, Greinert: 2004, Thelen: 2004, Möbus and Verdier: 1997, Méhaut and Géhin: 1993).

First of all, I separate my research into two parts. The first part constitutes the basis for the development of the second one. More precisely, the "Heterogeneous Educational and Training systems and the coordinative role of the European Community" part is based on the key literature for the creation of hypotheses which will be analyzed in the second part. The chapter II includes literature based on the national structure of the educational and training systems aiming at the identification of the main variables which could affect the structure of the educational and training policies of the Greek and Italian context and the chapter III focuses on literature related to the Lisbon Strategy 2000 and its implementation.

By having examined the literature at a national and at a European level I move on to the second part of the thesis: “The examination of the Southern Educational and Training systems before and after the implementation of the Lisbon Strategy 2000. The Greek and the Italian case”. At this stage I use the main variables found within the educational and training systems including them within the three systemic levels of my theoretical framework. I mainly examine the decision making, the educational framework and the labour’s market conditions before and after the implementation of the Lisbon Strategy 2000 within both countries. The division before and after 2000 is the way to examine the level of change which was noted after the implementation of the Lisbon Strategy and the level of its effectiveness within the national educational and training Greek and Italian system. When I am referred to the educational framework of the countries I examine mostly the upper secondary and higher level education as they are related to the benchmarks of the Lisbon Strategy 2000. The same goes for the analysis of the structure of the labour market and the legislation frames of the countries; I focus on the characteristics and norms which are in relation to the education and training function.

The second part aims at the examination of my key hypotheses leading to conclusions related to the level of change of the two educational and training systems. The examined period focus mainly on the Lisbon Strategy 2000-2006 as after that period there is a confusion related to the economic crisis of the South of the European Union and unemployment data cannot be really measured; at least in the sense of the Lisbon’s influence.

My methodological approach focused on two levels of research: the first based on the literature at a national level, academic books and papers related to national educational and training systems and the second at an international level looking at the studying of academic literature related to EU policy, EU reports, national reports about the progress of the countries at a European level, interviews with national experts, collection of international statistics and the comparison of data for the period before and after 2000.

The approach used can be characterized as comparative because I aim at the creation of comparisons, among the socio-economic models of the two examined countries of

the South, Greece and Italy and also their comparison with the socio-economic model which is proposed by the Lisbon Strategy 2000. I have chosen to compare two of the four countries of the olive zone as my time span is limited; the study and comparison of the two countries already need great effort in a long term period. The aim was to study as much material as possible, not only by national sources (material in Greek and Italian), but also by international studies (material in English and French), having as a result a multi-linguistic reading outcome. Furthermore, the choice of Greece and Italy seemed to be more convenient from a linguistic perspective to me.

Lastly, another element which influenced the geographical preference of my work is my roots as I have been raised in Greece. The fact that I grew up within the Greek society makes it easier for me to understand its traditions and its structure, whether this involves the educational system, the function of the labour market or its culture. My familiarity with the country led to an easier understanding of its structure within a short time- span in comparison to the analysis of other educational and training systems, which were not that clear in the beginning.

## **2.3 The structure of the thesis**

The structure of the thesis is divided into two parts. The first part presents the basis of my literature divided into two levels (national and international) and the second one analyzes the domestic structure of the Greek and the Italian system and the level of change after the implementation of the Lisbon Strategy.

### **2.3.1 The organization of the first part**

The first part consists of three chapters. I firstly present the combination of the three theoretical frameworks of Maurice (1989), Nieuwenhuis and Shapiro (2004) and Trubek D. M. and Trubek L. G. (2005) and I explain the theory applied to the method of my analysis; the combined mechanism of policy change. The above combined theoretical framework constitutes the organizational structure of the second part which relies on the presentation of the Greek and Italian educational and training system. Moreover, the second chapter presents and analyzes views and different perspectives of the academic world relied on the way societies function. The main

variables of examination focus on the type of governance regulations (Green, Wolf and Leney: 1999) and the market economies within the European Union (Hall and Soskice: 2001, Greinert: 2004, Molina and Rhodes in Hancké, Rhodes and Thatcher: 2007, Amable: 2003). The literature presents how the educational organization is determined by the governance decisions and how dissimilar models of capitalism shape economic performance according to their institutional qualities. The study of this part constitutes the basis for choosing the key national actors influencing educational and training systems for their further analysis in the second part within the national Greek and Italian framework. The overview of the above led me to the following hypothesis:

H1: The national educational system is related to the structure of the labour market (fields interact within a society); the labour market defines the type of education which is needed to be provided within the society. The olive belt may meet difficulties because reforms did not happen in both fields.

Additionally, moving on to the structure of the third chapter, the goal is to examine how the European Union coordinates the Member States and the policy used for the implementation of the European guidelines. At this stage the deliberation of the EU strategy is mainly given; the principal instruments for the above purpose are the soft legislative tool of the Open Method of Coordination, and the European Social Fund aiming at financial contributions at a national level. The academic literature is divided into two different directions; there are researchers who support that the use of the Open Method of Coordination procedure respects subsidiarity and offers advantages of policy coordination within the diversified European Union (Descy, Nestler and Tessaring: 2005), and some others who are more sceptical about its use and raise serious criticism on its democratic role (Smismans: 2004, De la Porte: 2002, Barbier: 2009). The analysis of the role of the OMC tool, which aims at a better coordination among the Member States, is crucial for the examination of the level by which the Lisbon's guidelines can be adoptable by the olive belt and even further by Greece and Italy in the second part. The following hypotheses have been made.

H2: Countries belonging to the olive belt area receive greater financial support than the others via the European Structural Found, thus one can be led to the hypothesis that the Southern olive will catch up the level of the rest EU.

H3: Greece is characterized by a highly centralized system in contrast to Italy where regions authority is involved in the decision making. Thus one may hypothesize that the European policy can be implemented better in Greece than in Italy.

H4: The misfit of the European socio-economic model in the olive zone may lead to political confusion.

### **2.3.2 The organization of the second part**

The second part is the part where my hypotheses are examined. Within it I analyse the national educational and training systems of Greece and Italy by examining the structure of their societies based on the variables chosen by the second chapter and the European policy which is implemented in their systems through the tools presented in chapter III. The way of presentation of the second part relies on the combined theoretical framework which has already been explained and analysed. Furthermore, the characteristics of the main actors of both societies can lead to comparisons among them and to the Lisbon's socio-economic model, drafting conclusions about the level of changes which occur by the implementation of the Lisbon Strategy 2000. However, one may think that changes could rely on the EU instructions or on the countries' pathway dependency.

## **Conclusion**

All directions lead to the conclusion that the Educational and Training systems are complicated enough and the socio-economic European model cannot fit in the same level to the structure of each Member State separately. However, the heterogeneity by itself is not necessarily bad, but its existence comes to a dilemma when EU States are called to follow the EU norms and reach its standards. Comparative methods show serious gaps between countries, having as a result a non stop race of the best performers followed by the poor. At the same time, it has been seen that reforms in the selection of indicators for benchmarking in the education and training policy area

are needed. Even though it seems a long term process, there is a necessity to look for the real cost of education reforms at national level in order for detailed guidelines, which will be carefully examined concerning their implementation in the EU countries, to be given.

The presentation of the combination of the three theoretical frameworks attests similarities between the chosen theories, mainly based on the relation between the different levels within a society. Authors argue that each field interlinks with the others and the behavior of an actor influences the behavior of the rest. This element is central for the structure of my thesis. I handle the three frames of political, institutional and organizational contexts as three incorporate variables to each other and I argue that the efficiency of the changes happen after the implementation of the Lisbon Strategy depends on that. The next chapters of the first part constitute the basis for the development of the second part as they are based on the literature written at a national (chapter II) and international level (chapter III).

**Chapter II:**  
PRINCIPAL MODELS RELATED TO EDUCATION AND  
TRAINING IN THE EUROPEAN UNION- MAIN  
VARIABLES

## **Introduction**

The structure of every society has been placed under a continuous change over the years and new forms have been adopted in it, depending on factors such as economy, history and culture. Many scholars examined in depth the phenomenon of variety and focused on the dissimilarities of educational systems and on the differences in the organization of capitalism across the advanced industrial countries. The European idea of a common socio-economic welfare model makes it complicated as there is a broad diversity of economical systems within the Member States. On the one hand, one may argue that the European Union as a unity, in any case, has to adopt a specific socio-economic strategy and on the other hand, the preference of one type strategy leads to the adoption of a policy which influences institutional adjustment in a certain way. In one sense, the decisions of the head, which are the Commission's decisions, affect in a different way the rest of the body which are the EU Members States.

As we have already seen in the first chapter, my theoretical framework combines both theories of Maurice (1989) and Nieuwenhuis and Shapiro (in Descy and Tessaring: 2004) who argue that the function of a society is the result of its own structure. It is to say, that the result of a country is related to a combination of characteristics which do not act separately but they lead to a certain direction of development. In what follows, I try to outline the most important internal factors which affect the structure of the educational and training systems for the identification of the key variables which could be examined in the second part where the national Greek and Italian educational and training structures are analyzed. However, I would like to emphasise that the responsible domestic factors interlink and the outcome could be a mixture of culture, history, economy and legislation. In my case I focus on the characteristics which could identify better the countries I am interested in; Greece and Italy, and to be led to useful conclusions concerning their national structure.

Therefore, the literature of the second chapter constitutes the basis for my analysis in the second part. The most useful characteristics which could lead to hypotheses and conclusions regarding educational and training systems will be the examined variables within the political, institutional and organizational context of my theoretical framework, level 2- deliberation and level 3- discursive diffusion for practices within



the national system for possible policy change at EU level. The current chapter is divided into two sections; the models of regulation and the models of market economies in relation to educational perspectives. The main fields and characteristics of the models provided are going to be analysed within the Greek and Italian context.

## **1. Models of regulation**

One of the main factors which determinate the structures of the domestic education and training systems is the legislative framework. In this section an analysis of norms and regulations within the countries of the European Union will be given; regulations are based on state's involvement in governance, funding, social protection and limitations of the social partners' initiatives.

### **1.1 Systems of governance**

A principal factor which determinates the form of educational organization is the way that governance takes decisions and the level of the divided power into its borders. Educational organization is a mix of political, institutional traditions and regional characteristics of a country (Green, Wolf and Leney: 1999). The examination of the models of regulation and governance and an analysis based on the structure of the way decisions are taken at a national level are crucial in order dissimilarities among the European Community to be provided. One may say that comparisons among the older Member States do not prove only heterogeneity of the systems but similarity of a group of countries.

More precisely, Green, Wolf and Leney (1999) note similarities between the systems of Nordic states, Britain and Ireland. It is supported that Scandinavians have strong traditions of local control in education; Britain is also characterized by strong liberal tradition, but, not with such strong form of organised social partnership because of voluntarism and local autonomy in educational organization. Furthermore, the authors continue with the similarities among the French and the Southern European systems which seem to be characterised by state- centred policies with, historically with weak forms of social partnership. Lastly, common roots are identified between the systems of the German speaking areas where decentralized or federal systems with strong

involvement of social partnership are met. Therefore, according to the political traditions and institutional structures of the country the majority of power relies on a different level (central, regional or local). Green, Wolf and Leney (1999), placed each national education system to one of the four models of education regulation and governance which were created by them.

### **Model 1 “Centralized systems with elements of devolution and choice”**

In this type it is given a strong central control all over the different phases of the educational system. More specifically, as the authors mention, the major characteristic of this system is that (Green, Wolf and Leney: 1999: p.80): *“Central Ministries not only planned educational provision but also exercised detailed administrative control over it. Schools had little autonomy over curricula, budgets or personnel.”* It seems that Southern Europe (especially Greece and Portugal), Luxembourg and France, have the more centralized education systems even though some measures to decentralize power was taken in the examined period of 1985-1995; except Italy which turned to place more power to regional level (Green, Wolf and Leney: 1999). This model is the most interesting one for my perspective as it includes the countries of my research work; Italy and Greece. Concerning the strong centralized role of both Southern countries, it looks that their systems apply to France in comparison with the other strong Member States of the European Union. However, as it will be seen on a later stage, Greek and Italian system may both support central power, but there are differences between them as the Italian system used to make a distinction between general education and vocational training. More precisely, the responsible body for the first one is the Ministry of Education in contrast to the second one which only applies to the demands of the regional authorities; a fact which places the two Southern countries in different models.

### **Model 2 “Regional systems”**

In contrast to the centralized system, the regional system of education regulation and governance settles the intermediate level of political authority in power. This model seems to be static regarding to any potentially reform as a number of regional authorities have autonomy in education and they have to agree separately in case of a national reform. In one sense, responsibilities and powers are authorized “below

*central government but above the level of the municipality of local district*” (Green, Wolf and Leney: 1999: p.87). This model characterizes the federal systems of the German- speaking countries which meet *“levels of regional control, along with high levels of horizontal dispersion of power to social partners”* (Green, Wolf and Leney: 1999: p.31).

### **Model 3 “Local control”**

Moving on to the model of the local control, it is provided *“a predominance of control at the level of the elected local authority within a light framework of central regulation and with some school autonomy”* (Green, Wolf and Leney: 1999: p.91). Examples of this model are the countries of the Nordic area and Britain.

### **Model 4 “Quasi- market systems of education”**

This model does not approach the systems of the Southern area. It is to say that only two countries meet the criteria of the model of the quasi- market systems of education. The first one is the Netherlands, for which this type of education regulation and governance represents *“a grafting of market relations on to what was always a highly diversified system”* (Green, Wolf and Leney: 1999: p.97). More precisely, the Netherlands has been described by a policy of freedom of education. Additionally, the second country of this model is Britain for which this system represents *“a radical departure from the post- war settlement in education and what may be seen as a partial resumption of the voluntarist traditions of the mid- 19th century.”* (Green, Wolf and Leney: 1999: p.97)

Thus, as a conclusion of the relationship among the regulated model and the supported governance comes up that the system which will mostly bother us at a later stage of the thesis is the centralized because both Southern countries, Greece and Italy, seem to belong to this group. Moving on to the next regulated factor which influences the structure of the educational and training within a Member State, national funding regulations are examined.

## **1.2 Funding regulations (state regulations and programmes)**

Various researchers focused on the area of market regulation and explain that the outcomes of this divergence (limitations, flexibility) among the EU labour markets lead to the creation of dissimilar educational and training systems within the European Union. The financial systems of initial and continuing vocational training are determined by the “*mechanisms of organisation*” and the “*deployment of appropriate instruments*” and political reactions to such measures vary (Folkmar: 1999). At this point funding regulations are divided into the state’s and the product’s market regulations.

Even though most of the cost of initial and continuing training in schools comes from the State, however, the level of involvement depends on the institutional system of each country separately. Folkmar (1999) puts priority on the national regulatory systems and their funding contributions to the education and training activities. To start with, he examines heterogeneity among the European Union by presenting the case of Denmark and France where enterprises are obliged by law to contribute to the funding of vocational education and training - considering the size of the company which is involved in training activities. On the contrary, in Germany and Britain enterprises finance such facilities according to their will without being legally obliged (Folkmar: 1999).

At this point, one may think that state’s regulations and programmes in financing training activities can either encourage the idea of it, or lack of interest of putting emphasis on this area. The regularity of training activities and the preference of its type (initial or continuing) depend on the state’s position and the restrictions which were applied to the labour market.

## **1.3 Social-partners’ regulations**

One may say that one of the main factors which influence the function of the education and training through the society’s legislative framework is the level of involvement of the social partners within each country separately. As Barbier and Letablier (2005) support, in order for welfare states to be compared it is necessary to

examine every state's function separately. The authors base their opinion on the difference which exists between the trade unions of the European states. They clarify dissimilarities between their political agendas, management and function. They also note that trade unions are consisted of different institutions which have been developed according to their national framework.

It is not surprising therefore that each country functions differently as there are various forms of regulations defining always diverse levels of involvement of the social partners' in companies. It is to say that there is a legal right of involvement in the states with strong regulation in contrast to the states with a tradition of voluntarism. To give an example, Winterton (2006), mentions the case of the "Anglo-Saxon model" which is characterised by the policy of the free market voluntarism. In the UK and Ireland there is not much union- employer articulation and union power is not related to political strength (O' Reilly in Barbier- Letablier: 2005), trade unions have codes of behaviour (Mermet in Bouffartigue: 2001).

Thus, differences on educational and training policies rely on states' role regarding political arrangements by unions. In Britain, the role of the state is the role of governance (supervision) by establishing a set of rules concerning the capital and labour relation often linked with state's institutions. Even though Britain is a country with strong institutions of civil society, it has not developed forms of association leading to social partnership arrangements in education and training (Keep in Clarke and Winch: 2007). According to Thelen (2004), industrialization in Britain was developed in a period that traditional organizations were destroyed. At the same time the political market conditions encouraged qualified employees to band together in order to protect their interests in the market. Additionally, the unions needed the support of the employers who were against the unions' will to control training. For instance, unions of skilled labour were aiming to support restrictions on apprenticeship training (such as the number of trainees), a fact which led to conflicts with employers. As the author supports the above conflicts had as a result the decline of firm- based training.

On the other hand, the Scandinavian countries and Austria (to a less significant level), are characterized by high levels of union power and employers union articulation in

contrast to Germany and the Netherlands which may have strong employer- union relations, but labour organisation is rather weaker (O' Reilly in Barbier- Letablier: 2005).

The German system (like the French) is combined by a complex system of parties including trade unions, strong associations, political parties and charities having a crucial coordination role on education and training arrangements (Clarke and Winch: 2007). As concerns Germany, industrialization occurred under authorities' support. Skill formation was the case between the artisan sector and modern industrial sector, rather than between labour and capital industry. In Germany legislation aimed at the continuous existence of the artisanal sector by preventing the labour market of the unions' control in contrast to the Britain's law which pushed the control of craft to the opposite direction as skill based unions encouraged to take the power, establishing a not similar set of dynamics to the Germany's one. Germany was led to a firm-sponsored training (Thelen: 2004). Lastly, regarding competition between artisanal sector and industries, which occupied skilled employees, a more coordinated approach to skill formation was developed with the establishment of training programmes in state- owned enterprises.

Moreover, coordination capabilities of firms are frequently flexible in institutional changes (Hall and Thelen: 2005), but flexibility in labour market is not always positive as temporary contracts reduce the investment in training. However, the legislative framework of a society includes also the social protection of the employed or the unemployed; the social insurance within the labour market of a national system.

#### **1.4 Social Protection**

At this point each country has also its own regulations and values (Barbier: 2002). The academic literature realises a distinction between cases of low and high employment and unemployment protection. As concerns the first case, where both employment and unemployment protection is low, employees try to protect their future alongside to the labour market insecurities by investing in transferable skills. Employers used to utilize technology relying on the needs of the job concerning specific skills, in this sense, general education becomes more attractive in the market

world and vocational training system seems weak (Estevez-Abe, Iversen and Soskice in Hall and Soskice: 2001). On the other hand, when employment and unemployment protection is both high, employees try to invest in industry-specific skills (Estevez-Abe, Iversen and Soskice in Hall and Soskice: 2001).

In general, it is highlighted that the principal of their theory is the connection between the level of skills and the social protection. The business competition at an international level depends on the product market strategy of the firm which uses the skills of its employees in a certain way in order to survive in the global market. Thus, as the authors claim there is a certain combination of firm-specific, industry-specific, and general skills (Estevez-Abe, Iversen and Soskice in Hall and Soskice: 2001). However, specific skills are necessary in a competitive product market and cost-effective firms call for employees willing to cultivate their personal skills and take the risk of such investments.

By have given an overview of the principal regulations which influence the structure of the society I try to find the key questions and variables which can be used in the second part of my analysis. Moving on to the next section of the chapter I analyze models of market economies which prove that final national models are results of a combination of characteristics based not only on national regulations but also on the educational framework of the country totally connected to the labour's market productivity and its training activities.

## **2. Models of market economies in relation to educational contexts**

The organization of the labour market sounds one of the most important characteristics which influence the national educational and training systems. There is literature based on the theory that the characteristics of the labour market of a state are highly connected to the culture of the nation (d'Iribarne: 1989<sup>1</sup>, Hofstede and Bond:

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<sup>1</sup> In his research, d'Iribarne (1989) discusses about modernity and traditions in the three "modern" societies of the US, the Netherlands and France

1988<sup>2</sup>), however, some academics argue that each business creates its own code of behaviour (Merchant, Chow and Wu: 1995). Another part of the literature also focuses on the legislation which determines the way a company acts by following specific rules defined by the country's national law framework (Brewster, Mayrhofer, and Morley: 2004, Jobert: 2001). In any case it is important to note that training activities are related to the sector of the economy and the size of the firm (Maurice, Sellier and Silvestre: 1986, Verdier in Maurice and Sorge: 2000, Méhaut and Géhin: 1993).

In what follows, as a first step, I have chosen to focus on cross- national differences in advanced capitalism market economies based on their strong connection with institutions. Such examples are the work of Thelen (2004) who uses the Soskice's and Hall's theory (2001) and Green Wolf and Leney (1999) who use the typologies of Due, Masden and Jensen. In my research emphasis was given on Greinert's (2004) theories (models of market economies) for the examination of the three type model of market economies applied to Germany, Britain and France taking also into serious consideration the Soskice's work in Maurice and Sorge (2000). As a second step I present the newest Mixed Market Economies model applied to the olive belt.

## **2.1 A three type model of the market economies in relation to their educational framework**

A factor which influences the function of the educational and training systems relies on the country's adopted educational framework. It can be said that the examination of the national behaviour of the education systems is not that easy and one may meet great difficulties of comparisons as the structure of educational systems varies according to the country (West in Lallement and Spurk: 2003). Kogan and Bleiklie (in Kogan, Bauer, Bleiklie and Henkel: 2000), in their research seek to develop an understanding of the changes that are related to knowledge and political power which have been noticed in the higher education system in the 1970-2000 period. Through their analysis, they highlight that the explanations that can be given for this change

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<sup>2</sup> A comparison study (study among employees and managers of the IBM Corporation in 53 different cultures) by Hofstede and Bond (1988) identified four dissimilar "dimensions" of culture in business. The four dimensions consisted of the: Power Distance, Individualism, Collectivism and Masculinity and Femininity (examples are given in Hofstede: 1994).



are socially and historically grounded. They have chosen the Swedish, the Norwegian and the British systems where the first two countries had been centralised in their public policies while the last one was highly devolutionary. However, although both Scandinavian education systems were developed in a traditional context with strong governments and strong faculties, as the authors found, there are differences between them. Furthermore, some literature claims that vocational training is related to the institutional structure of the followed educational system (Brockmann, Clarke and Winch: 2008); to give an example, the countries such as Germany, Austria, and the Netherlands are characterised by occupation-oriented systems in contrast to France which has a more school-based system. Additionally, Lehmbruch, (in Streeck and Yamamura: 2001), from a social- cultural viewpoint highlights that institutions have been perceived as a mode of self governance, acting by the social partners and lacking the involvement of the state. However, education and market economies interact; a brief description of the three educational training systems of France, Germany and Britain in relation to the model of market economy which they belong to is given.

Soskice (in Maurice and Sorge: 2000) and Thelen (in Hall and Soskice: 2001) make a distinction among the ways in which coordination between businesses takes place and they highlight two main cases. The “*Industry Coordinated Economies*” or “*Coordinated Market Economies*” which represent the European economies of the North and the “*Uncoordinated or Liberal Market Economies*” which are referred to the Anglo- Saxon model. It is to say, however, that Thelen points out that (in Hall and Soskice 2001: p.82): “*The idea is not so much to provide a full account of recent developments in each country, but to demonstrate in each case how micro-level strategies have affected the macro-level dynamics of change in the CMEs and the LMEs.*”.

However, Greinert (2004) in his try to analyse training systems and to modify them into forms according to their characteristics, focused on a number of literature examining vocational training as concerns the changes which have been noticed under the influence of the industrialisation and he adds a third case, the school- based model, by taking the example of France. I find, therefore, that both analyses can offer a clearer view why the national contexts differ. Labour market is an important factor which testifies the structure of a society and the examination of its function seems

necessary; however, the detailed exposition of the economies is not the main goal of this work. The idea of a basic presentation of the main models of the European economy and their educational background focuses on the need for explanation why national frameworks differ so much and on the need of contribution of the best variables to my theoretical framework. The creation of this chapter relies on the search of the main variables which are related to education and training for the identification of the variables influencing the Greek and the Italian structure.

### **2.1.1 “Industry Coordinated Economies” (Germany)**

Starting with the essential characteristics of this model it is important to note that industrial relations systems are affected by different elements in each society. The institutional framework of the Industry Coordinated Economies relies on the influence of the unions which – in this case- allow links within the company and the industry sector. The financial system usually allows “*long- term financing of companies*” and initial vocational training is involved in labour market, giving great importance to it (Soskice in Maurice and Sorge: 2000). Furthermore, their system encourages cooperation among companies and the technology transfer. To become more precise, industry unions and employer associations are the principal bodies for the function of the labour market (Soskice in Maurice and Sorge: 2000). There are various links between top managers, employer associations and labour market. It is found, therefore, that in the majority of these economies the role of the state plays a dominant role as the responsibility for the exchange of information across sectors is taken by the governance system. Decisions are taken by a kind of parliament consisting of trade unions, employers and state bodies having regulatory authority to decide on career profiles and training rules (Greinert: 2004). As Soskice emphasizes (in Maurice and Sorge: 2000: p. 172): “*Each system depends upon the other system to function effectively*”.

The German labour market makes investments in initial vocational training as it aims at the development of qualified, over skilled employees who will return their investment in a long term process through their excellent performance (Soskice in Maurice and Sorge: 2000). Of course, as it is mentioned at the beginning of the paragraph a long term investment requires long run finance with a commitment to

their employees (Soskice in Maurice and Sorge: 2000). Moreover, as in Coordinated market Economies the labour market depends on industry-specific or firm-specific skills which companies will for their employees, there is always the fair of “*stealing their best people*” by companies which maybe do not offer the same training but are interested in attracting employees who got involved in it (Hall and Soskice: 2001).

Greinert (2004), by presenting the apprenticeship-based system, he focuses on the German- speaking areas talking about the “*dual-corporate model of vocational training*” which is referred to its method of providing knowledge based on the principle of vocational training. Its dual system offers a largely work-based training, supported by theoretical knowledge and general education at the same time; there has been a tradition of an intermediate knowledge base (Brockmann, Clarke and Winch: 2008). In Germany, apprenticeships benefit from status and respect, and define a vital role in the structure of the function of the labour market (Green, Wolf and Leney: 1999). Furthermore, in dual- system model vocational schools are supported financially by the public sector and companies pay trainees expenses. Lastly, as it is argued by Greinert (2004) the above training systems have a traditional, craft-based background which is separated into three principles: the academic, the vocational and the market one.<sup>3</sup> The main goal of the German system is the practical training of students who have private training in firms as employees (Greinert: 2004). The German system supports firms in investment for employees’ skills as well and makes only use of mechanisms that assure high quality training. For Streeck (in Matzner and Streeck: 1991) the German diversified quality production case as he calls it, is characterized by a strong link between private sector training and national context.

Furthermore, Soskice (in Padoa-Schioppa: 1991), after approaching the German system from a functional- effective perspective, he supports that German vocational

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<sup>3</sup>“Vocational orientation: According to the modern, post-Enlightenment view, this legitimating model is ideally based on tradition.” (Greinert: 2004: p.23)

“Academic orientation: This legitimating model is based on the conviction that academic rationality should apply when setting the organisational didactic principle for vocational qualifications. The concept of attaining vocational qualifications via an academic approach is an immediate product of the Enlightenment and thus embodies the spirit of modernity, that is, that science, particularly mathematics and the exact natural sciences, will rule the world, especially in the field of technology.” (Greinert: 2004: p.23)

“Market orientation: This legitimating model is based on the teachings and principles of economic liberalism and classical national economics.” (Greinert: 2004: p.23)

training institutions have been a part of a complex institutional configuration which supports employer's management for a "high skill equilibrium". Moreover, Möbus and Verdier (1997) argues that its vocational training is characterised as a "*neocorporatist*" kind of regulation guided by the "*private governments*" which is based on a "*private*" training, since producers and users are the same. Lastly, Gillingham, (1985), by seeing the German vocational system from a power- resource viewpoint, supports that it has been supposed to be a reflection of working class force.

To come to an end, in Germany there is a great connection among training, qualifications, and work (Maurice, Sellier and Silvestre: 1986) and organizations tend to be managed by individuals who have been trained in practice, technically. Concerning this case, the "elite" includes managers who are specialized only in their subject area and decision making is a result of more parts of the organization (Hage in Maurice and Sorge: 2000).

### **2.1.2 "Uncoordinated or Liberal Market Economies" (Anglo - Saxon economies and Ireland)**

On the contrary to the coordinated market, there is the uncoordinated model where links and cooperation between companies do not really exist. In this case, there is a lack of organized, strong unions and businesses do not manage their actions collectively, having as a result the lack of cooperation with the state. Therefore, the state has the power to modify the institutional framework in which companies function without any negotiation. To take an example of deregulation, in Britain there was no right for strikes or the creation of trade unions which could present the employees, every government based on collective self- regulation (Almond and Rubery in Maurice and Sorge: 2000). Moreover, the perspective of the financial system of these economies is short- term, allowing "*high risk-taking*" with "*low cost hiring and firing*" (Soskice in Maurice and Sorge: 2000). That is to say, however, that those economies are obliged to adopt the changes as fast as possible making it very difficult for employees. Brockmann, Clarke, Méhaut and Winch (2008) give emphasis on the competence-based model in which Britain belongs; its system is designed to review the performance of the individual in the workplace and puts an emphasis on the informal learning and training.

More specifically, in this model education and training systems give all the emphasis to the general education, rejecting the long-term initial vocational training. Graduates are not prepared to hold deep vocational training skills (Soskice in Maurice and Sorge: 2000). As Hall and Soskice (2001) support, in this model companies do not will to invest in apprenticeship schemes and industry- specific skills because of the fear of loosing their staff from other firms. The labour's market training failure arise more in private sector than in the public one because of the concern of loosing any human capital investment by the possible loss of the worker, - even though the human capital is not lost for the society- as a result, the provided training which is chosen relies on a sub-optimal level (Booth, Francesconi and Zoega in Messina, Michelacci, Turunen and Zoega: 2006). Thus, one may assume that the liberal economies are very competitive with strong limits of possible cooperation in the labour market in contrast to the less liberal market economies where business coordination relies on networks and competitiveness set of a strategic collaboration (Sopart: 2005).

Additionally, the force of the labour market is well equipped with general skills, (development of the service sector) lack of employees with specialized specific skills. Also, according to the distinction which Ashton and Green (1996) made between economies, "high skill" and "low skill" ones, Britain is characterized as a low skill country. However, even though apprenticeship tends to be associated with a restricted number of sectors, in majority craft and technical skills can provide the opportunity for development and highly paid skilled worker status (Green, Wolf and Leney: 1999).

According to the main characteristics given for the current market, it is the only one which has the power of controlling the relationship between training supply and training demand as regulations supplied by it, it is called 'free' market since there is no role of leadership from the state, and training practices are not mainly standardised (Greinert: 2004); there are only few training certificates being accepted as valued (Greinert: 2004, Wollschläger and Reuter-Kumpmann in Cedefop: 2004). Moreover, the expenses of training are the individual's responsibility, even though, businesses are also charged in case they provide the training (Greinert: 2004). Lastly, one of the main characteristics of the countries with market models of education and training is the clear separation between general vocational education and specific vocational

training, where the first one is always provided by the state school and the second comes as a result of agreements between market actors (Greinert: 2004).

### **2.1.3 “The state-regulated bureaucratic model” (France)**

As we have seen, even though the education and training is supposed to prepare humanity for the job sector and its nature is practical, however the French labour market used to support a centralized and bureaucratic structure (Maurice, Sellier, and Silvestre: 1986). In France there is a distinction between general and vocational training, placing the first in a better position. The French typology based on the academic model and its education is characterised as school- led. Apprenticeship is less desirable than school- based pathway; Green, Wolf and Leney (1999) defined it as the last chance for the group of people who cannot cope with the full-time education. The theoretical knowledge implies to the society’s hierarchical social structure as the level of education represents the status of the individual in the society (Verdier: 1996). The French model is characterised by the “elite” prestige within the educational system (Maurice, Sellier, and Silvestre: 1986, Verdier: 1996). Even though there is a broad choice of courses there is no much practical training and graduates are trained to be generalists. Thus, individuals who are authorized to have the control of a business have the impression that their knowledge covers all aspects of the business.

Looking at the organisation of the job sector, one may say that it is very hierarchical. Within the French educational and training system, vocational qualifications are not in a great value within higher education, more specifically, the French academic model, as Géhin (in Clarke and Winch: 2007: p.38) argues: *“can be defined schematically by the pre- eminence of general education and discipline- based approaches”* and that it is: *“a centralized mode of management and design in addition to a relative distance from education”*. Furthermore, this model has the tendency to create ranking scales and move the qualifications’ level further causing as a result crisis in the state when new institutions and training courses have to be found and replace the lower qualifications levels (Greinert: 2004). Lastly, as Brockmann, Clarke, Méhaut and Winch (2008) explain, in the period of 1980s the French model met a variety of

difficulties and it was in the centre of a debate as some employers argue that it causes confusions because of the recognition of numerous overspecialised qualifications.

To sum up, the general education in France has as a goal to offer courses which aim at the access of the higher education level giving little value on the labour market in contrast to the vocational education which gives major value on it (Géhin in Clarke and Winch: 2007). However, over the past few years many tries for changes have been made in order for vocational training to become more acceptable and to be considered as valuable as the general learning.

Thus there are three main models of markets economy in the European Union, the model where society is the main player in education and training, the model which is regulated primarily by market orientation, and lastly the model which has as a priority its politics (bureaucratic model). At this stage, one may see that variables such as the labour market, educational policy and regulations are important elements which have to be examined in my theoretical framework of the second part included to the organizational, institutional and political frames of my theoretical approach.

## **2.2 The Mixed Market Economies model: strong centralized character, inequality and a highly-fragmented system of income maintenance**

However, some later academic literature brought to the surface a fourth category of economies which applies to my examined area, the olive belt. The Southern European zone was examined by Ferrera (1996): the Southern model, by Amable (2003): the Mediterranean model, and by Molina and Rhodes (2006): the Mixed Market Economies (MMEs) which, as the latest, looks more concrete. In short, according to Molina and Rhodes (in Hancké, Rhodes and Thatcher: 2007) the Southern European models are composed by the Mixed Market Economies (MMEs) which are characterized by the strong fragmentation and politicization of interest and the great role of the state. The Mixed Markets differ to a great extent from both Liberal and Coordinated Markets. In general, they are characterised by employers and unions with stronger organisational structures than in LMEs, but, they also seem to be more fragmented and weaker in articulating their interests than in CMEs. In MMEs reforms

seem to be difficult and depend on the ability of government's leadership to overcome domestic veto power. There is much complexity in collective bargaining and the system is characterised as a hybrid because of the poor social protection, the high employment security and the high levels of product-market regulation (Featherstone and Papadimitriou: 2008).

A main characteristic of MMEs related to the educational system is the emphasis given on general education. Those economies are characterised by weak vocational training, the creation of generalists and long transition from school to work. At the same time, their higher education system is weak and enrolment rates in tertiary education are low (Amable: 2003).

All four countries – Portugal, Spain, Italy and Greece- are identified by a centralized character and the state's power "*which over time prevailed throughout the region*" (Gunther, Diamandouros, Sotiropoulos and Malefakis in Gunther, Diamandouros and Sotiropoulos: 2006: p.10). Portugal and Greece have highly centralized systems, without given any important authority to regional bodies; administration acts under the direction of the state. On the contrary, in Italy and Spain, which are characterised by strong regional autonomy, created provincial assemblies, which "*were basically advisory bodies to the regional executives, who were appointed by the central state*" (Gunther, Diamandouros, Sotiropoulos and Malefakis in Gunther, Diamandouros and Sotiropoulos: 2006: p.11). However, even the legal authority of the localities and the regions was not strong enough against the central power, the local elites engaged considerable power (privileges of no tax and protection) as they have been important links among central state and localities (Gunther, Diamandouros, Sotiropoulos and Malefakis in Gunther, Diamandouros and Sotiropoulos: 2006). The type of decision making, as we will see further up, plays a role to the coordination of educational and training activities and to the easy or not adoption of the EU policy.

The state's great involvement in the structure of the economy had as a result various controls and interventions in the market mechanism (Ioakimidis in Featherstone and Ifantis 1996). Ioakimidis (in Featherstone and Ifantis: 1996) mentions, regarding the poor economic performance of the Greek state during the late 80s and 90s, calls for reexamination related to the state's role on the economy are happened. The state ran



increased deficits mainly caused by the recruitment of the huge number of citizens in the public sector combined with the low quality of services; such systems are characterised by an inter-generational solidarity (Featherstone: 2003). Of course, as every country is composed by its own policies, the structure of recruitment between states varies (Möbus, Gérardin and Lhotel: 2000). Both Greek and Italian political economies based on the great regulatory role of the state (Amable: 2003), and the major role of the family in the provision of social assistance (Molina and Rhodes in Hancké, Rhodes and Thatcher: 2007).

In southern countries, it is common to meet some job categories which were composed by hyper-protected beneficiaries who receive generous replacement benefits in their retirement, such as civil servants, white collar workers with job security contracts (Ferrera: 1996). The South seems to privilege workers in the formal economy and to ignore employees of informal jobs and part-time contracts (García and Karakatsanis in Gunther, Diamandouros and Sotiropoulos: 2006). This system produces extreme dualism in working rights; formal positions are highly protected and unemployed or informal jobs or short-term employments are unprotected by no access to welfare benefits (García and Karakatsanis in Gunther, Diamandouros and Sotiropoulos: 2006).

However, there are some academics who have analysed cross-national variations among the south of the European Union (Gunther and Diamandouros in Gunther, Diamandouros and Sotiropoulos: 2006) and argue that, even if there are similarities among the four southern countries, there are also significant differences which lead to the conclusion of a non valid description of one model representing the structures of the four, - Greece, Italy, Portugal and Spain. A given example to the above is the strong centralized role (political and administrative) which is supported by the olive belt until the early of twentieth century when Italy and Spain underwent significant practices of division of power (Gunther and Diamandouros in Gunther, Diamandouros and Sotiropoulos: 2006).

The Mixed Market Economies model has no similarities with the three models of market economies explained above. The only similarity which can be found is with the bureaucratic educational French model (as it used to be). In both cases the

educational system encourages generalists who base their qualifications on theoretical education and not on practical. In the MMEs there is no connection between education and labour market and training activities are not taking place in the job sector as qualifications' development is not required. However, as it has already been mentioned, each country has its own particularities and detailed examination will be presented in the second part where Greece and Italy are analysed.

### **2.3 Synthesis of the educational and training national contexts: Britain; France; Germany; Olive belt**

By having analysed the economies of the main models in the EU I have found the following characteristics. As concerns Britain both schools and companies are the main providers of the training experience and individuals mainly pay for it. The qualifications gained are general without any certification or final exams after the attendance of the training courses (Wollschläger and Reuter-Kumpmann in Cedefop: 2004). The British model is demand-led, certifying the creation of narrow, task-specific skills matched to a low-qualified labour market. The policy of flexible conditions, as entrance to a job does not demand particular qualifications and formal training is not externally recognised, having as a result many graduates to hold intermediate level jobs (Kirpal: 2006). Moving on to France, the state in combination with the social partners, who play a great role within French borders, is responsible for the content of training activities. The state levies a tax on companies for the financial support of training initiatives. Training is provided in schools and certificates obtained for the knowledge gained at the end of the courses (Wollschläger and Reuter-Kumpmann in Cedefop: 2004).

Furthermore, the dual German system is a mixture of theoretical knowledge and workplace experience; however it is also a practice-oriented system. In Germany, there is strong cooperation of both vocational schools and companies where the training is provided. The content of the education and training is determined by the entrepreneurs, the unions and the state, and its structure is the responsibility of the state-regulated chambers of craft trades. Concerning the financial part, vocational schools are supported financially by the state and companies themselves contribute for their training. Lastly, the qualifications obtained are generally recognised and

participants can continue with higher courses (Wollschläger and Reuter-Kumpmann in Cedefop: 2004). On the one hand, apprenticeships and vocational education training have the main role and on the other hand, initial vocational training has the role of socialising young people to obtain an occupational specialisation (Kirpal: 2006). On the contrary, the Southern olive zone (MMEs) seems to be highly diversified of poor quality with no formal integration of work practice into the curricula of vocational qualification programmes before the 90s, and there is a long transition from school to work as seniors are preferred in contrast to young people. The rates of unemployment are high and skills are not in a great demand.

At this stage, it is essential to say that there is a distinction among the systems which look at the development of the individual's knowledge and education for an activity (theoretical learning, vocational training), such as the educational and training system of Germany and France with those which have as a target the employability of the individuals (working experience), such as the system of Britain. Germany seems to support a mechanism which aims at the individual's stable integration in the labour market, demanding skills acquisition. Additionally, France is characterized by a highly formalized school based system which relies on formal qualifications. However, MMEs seem to be defined by a school based system with lack of recognitions of qualifications and no standards of working skills profile. On the other hand, the Britain has the most highly and flexible deregulated system and the individual by himself is responsible for the increase of his qualifications. To sum up the following table summarises the structural embedding of work identities within the national contexts of Germany, France, the UK and the olive belt.

**Table 4: National contexts: the structural embedding of work identities**

	Germany	France	Spain part of the olive belt	UK
VET	Highly formalized; dual apprenticeship training	Highly formalized, mainly school-based	Diversified, unregulated; lack of recognition	Weak against general education and training on the job

CVET	Mainly state-regulated; mechanism for labour market integration	Flexible; complementing initial VET; employer-supported	Diversified, employer-directed; partly substituting initial VET	Demand- driven, modularised; mechanism to foster transition between different educational tracks
Work-skills profile	Highly stable	Adjusting	Many jobs require unskilled labour; striving for standards	Highly and flexible and deregulated; fluidity of job profiles and skills requirements
Special features	Strong links between skills acquisition and occupational labour markets	Labour market is driven by formal qualifications	Discontinuity, lack of standards; high rate of unemployment	Liberal market economy with flexible labour markets
Overall direction	Stability	Flexibility	Skills enhancement	Individualization

Source: Kirpal: 2006: p.32

## Conclusion

The role of the European Community seems more than difficult and extremely complicate in harmonizing its heterogeneity. The dynamic of the educational and training systems are either strong or weak, placing the Southern systems in the second case; however, reform for improvement is not an easy process. Changes at a national level means renew of the whole structure of the society, as according to my theoretical framework, relations between market, institutions and the state's norms interact. Additionally, Sopart (2005), talks about the theory of Hall and Soskice, who want institutions to have developed in a long-term progress, based on structures aiming at stability and security of the society because a change, according to them, *"would threaten the institutional equilibrium of rules, norms and forms of market dependencies"* and *"a convergence of economical systems would be an illusion"* (Sopart: 2005: p.4). It has to be accepted that modifications cannot happen only in a sector individually because the structure of a society is composed by direct connected fields. Nevertheless, there are some national characteristics, which in case of change could promise a spherical development of the field of education and training at

different levels, such as labour market and higher education simultaneously. The goal of the current chapter is the identification of the variables which influence the educational and training structure in Greece and Italy.

The second chapter by presenting an overview of the principal socio-economic models of the academic literature provides possible tools for research in the second part of the thesis. More precisely, the variables which influence the dynamic of the educational and training policies rely on the systems of governance: central or regional power, on the institutions and social partners' regulations: the type of training for obtained qualifications and the responsible bodies, and on the labour market: links among education and qualifications required in the labour market. At this stage, it can be concluded, that the presented actors of the chapter which affect the function of educational and training systems, meet similarities with the actors included within in theoretical frameworks of Maurice (1989) and Nieuwenhuis and Shapiro (in Descy and Tessaring: 2004), presented in chapter one. However, the fact that, the structure of the labour market within a member state plays a major role to the type of qualifications and the educational background which are required in a society led me to the following hypothesis regarding the olive belt countries: It can be hypothesized that the poor development of the olive's belt educational and training systems is related to the poor requirements of their labour markets, and if there is no fundamental change within them, no progress will occur.

As it has already been mentioned, the literature of the thesis is divided into two levels; the first talking about educational and training models at a national level (current chapter), and the second one which is applied to education and training policies at an international level. Thus, moving on to the next chapter, what is analysed is the policy which is followed by the European Union in order for the Lisbon's guidelines to be applied to the Member States. It can be said that the following chapter has the same role with the current chapter as it constitutes the basis for further development in the second part.

**Chapter III:**  
COORDINATION POLICY OF HETEROGENEOUS  
EUROPEAN MODELS- THE LISBON STRATEGY

## **Introduction**

As it has already been explained in the previous chapter, the key variables influencing the educational and training systems depend on the national structure of each society. Thus, one may wonder, how a modification of their structure can be feasible in order to follow the EU requirements. Is it a challenge for improvement or is it a non-stop run of the poor performers?

The aim of the decision making is supposed to serve the interests of the Member States as the decision of a proposal determinates the evolution of a country. It is to say, that the way of the decision making is done in the European Union -voting and blocking power- based on the notion that the largest countries have more authority in contrast to the smaller which have as a main objective to preserve their power; even though this concern has been diminished after each enlargement, however, it was given the impression that it made decision- making within the European Union more “cumbersome” (especially in 1995) (Moberg: 2002).

A new initiative for a change in the socio-economic field was introduced by the Lisbon Strategy 2000 which seemed to be the implementation of a structural reform of the European policy; the European Institutions are placed as the responsible bodies for policy coordination. Furthermore, this coordinating role was decided to be empowered by a new process of guidance, the Open Method of Coordination (OMC) which is the main subject of discussion in current chapter. Open Method of Coordination is called the mutual system of learning among Member States based on a basis of a benchmarking of good practices. The supporters of both Lisbon Strategy and the OMC argue about their necessity for the face of serious issues, - such as the high level of unemployment, the existence of low-skilled citizens and also the big number of the ageing population-, however, the lack of transparency and the low public profile which characterize the OMC led to an extended criticism (Featherstone and Papadimitriou: 2008).

In the current chapter the official decisions which brought the educational and training policies to the surface by focusing on the Lisbon Strategy, its priorities and the difficulties occurred by the use of the European coordinative tools are outlined. At

this stage, the European's policy impact at a national level is analyzed by having as a goal the provision of European elements affecting education and training systems. Similar research has already been done in various field, however, there is no intense analysis regarding the educational and training policies.

Based on my theoretical approach of the EU mechanism for possible policy change within the national system, the chapter mainly analyzes the level 1- experimentation/ policy networks, the level 2- deliberation and the level 5- monitoring; the other two levels related to discursive diffusion and shaming are just mentioned. First of all, level 1 relies on examples of experimentation and learning by the use of the European initiatives such as, the European Qualifications Framework and Europass for the establishment of networks among its member states. Furthermore, level 2 presents the European coordinative tools of deliberation of change, the OMC and the ESF. The analysis of the role of the OMC tool seemed fundamental to me because it helps me to examine the level at which the European guidelines can be adoptable by the olive belt. Lastly, even though monitoring is important for every level of my theoretical framework, it is mainly examined in the analysis of the use of the European financial tools by which I start with. I firstly present the old tool of the ESF, its contributions and results in the olive belt, continuing with the coordinative OMC tool, its role, its characteristics and the problems which occurred, moving on to the introduction of the Lisbon Strategy 2000 and its implementation in the educational and vocational training policies, ending up to the difficulties caused in the olive belt by the above European policy.

## **1. The necessity of common European tools for the coordination of Member States' heterogenic policy**

It is generally recognised that the EU is not a homogeneous entity but its strategic management differs as training systems among it differ significantly (Bassanini, Booth, Brunello, De Paola and Leuven in Brunello, Garibaldi and Wasmer: 2007); national systems may also act as barriers for mobility because of lack of transparency and transactional recognition. In one sense, as the European Community noticed, the creation of human resources management which provides an organized framework capable of handling socio-economic differences became essential. However, the term



of management is not just the policy which is followed by an organization, but it is related to the society's structure (Hofstede: 1993, Hofstede: 1994). I find, therefore, that, the skills needed internationally have to be suitable to the EU-27 and equal among the dynamic of their educational and training systems.

At this stage, it is probably fair to say that the balance between national and international level is a complicate and sensitive issue and it cannot be achieved within the overall framework. The required way, firstly for trying to decrease dissimilarities between Member States and further for establishing equivalence in the European Union's area, is to examine the needs of each country separately and create tools which can develop links among the Union's States by bringing a discussion of good practices on the table. Comparisons among countries are necessary in order to realize what is needed the most in a nation (Barbier: 1990).

Countries belonging to the "olive belt" with low skilled public, such as Greece, Italy, Portugal and Spain (Aventur and Möbus: 1999), have greater difficulties than others to implement the EU requirements. As it is mentioned in the European's Governance White paper (European Commission: 2001: p.8): *"many Europeans feel alienated from the Union's work"* and the cause is mainly attributed to the bad communication between the Member States and the European Union as the first easily blames Brussels for the taken decisions.

European tools and guidelines are created to outline and identify the problems, but each country separately has its own unique way of putting plans in action and manages them according to its structure. Common objectives do not necessarily work against diversity but, as a principal goal, aim at the avoidance of isolation of the Member States (De Groof: 2001). As Verdier mentions (2009: p.1): *"what is involved is promoting a common analysis which might be applied differently in function of the initial differences"*. To give an example, the European Qualifications Framework (EQF), as it will be presented later on, provides a general outline but each country has its own procedure for its implementation, a fact which respects the traditions of each country, but creates doubt for its trustworthiness.

Moreover, this diversity of education and training systems in the European arena installs the promotion of the social dialogue (Winterton, 2006). However, the Council has been emphasising the dual role of education and training systems which overlaps between economic and social fields. The process is further complicated as a variety of values such as innovation, competitiveness, equal opportunities and quality of life are necessary to be offered in order for economic growth and long-term sustainability of the Europe's social systems to be established. For the coordination of policies and the financial support of the Member States, the European Union used the European Employment Strategy (EES), the Open Method of Coordination (OMC) and the European Social Fund (ESF) tools, both apply to level 2 of deliberation of change of my theoretical framework. The current section aims at the analysis of the above European instruments for the identification of their role at a national level.

I firstly refer to the oldest European tool, the European Social Fund and right afterwards I analyze the coordinative instruments of the Open Method of Coordination and the European Employment Strategy

### **1.1 European Social Fund (financial tool)**

Starting with the presentation of the main European financial tool for contributions of the Member States, a short overview of the European Social Fund (ESF) is given. Regarding the article 124 of the Treaty of Rome the ESF is administrated “*by the Commission assisted by a committee composed of the representatives of governments, trade unions, and employers’ organizations*” (Addison and Siebert: 1994: p.708). The ESF supports the Operational National programmes of the Member States at both national and regional level by increasing adaptability of firms and employees, preventing unemployment of the disadvantage groups, promoting partnerships and enforcing of human capital (ETUI-REHS: 2007). In particular, the goal of the European Community concerning the vocational training is to promote funds into national programmes via the Community “structural funds”, mostly through the European Social Fund, which provides subsidies for vocational training, support of employment and job design (Addison and Siebert: 1994).

In order to get an overall view about the European tool of the Social Fund and the support which provides to Member States separately I designed a table, - info gathered by the official Europa website-, where the first column shows the total fund which was given for priorities related to employment, training and equal opportunities issues (sixteen in total). Furthermore, I selected two priorities which I am interested in the most for making comparisons among the countries of the strong zone and the southern ones (olive belt zone). The two priorities which had selected are: *“Promoting education and training throughout working life”* and *“Reforming education and training systems”* as I found them the most suitable for my case. Of course, there are other similar priorities, but the main goal of this section is to provide an overview of the situation on issues related to this thesis and not going into details for each priority of the ESF. The results characterizing each country are the total amount which was spent by Member State and not by region. Some regions are financed more than others depending on the needs of them and the subject of the priority (running programme). The above ESF deals with the period of 2007-2013.

**Table 5: ESF and priorities related to employment, social affairs & equal opportunities, millions of euro**

	<b>Total EU fund for all priorities deal with employment, social affairs &amp; equal opportunities</b>	<b>Priority: Promoting education and training throughout working life</b>	<b>Priority: Reforming education and training systems</b>
<b>Countries of the “strong zone”</b>			
Sweden	691.551	0	29.045
U.K	4.474.917	186.655	156.461
Germany	9.380.654	2.046.435	601.756
France	5.383.407	448.351	191.322
<b>“Olive belt” countries</b>			
Italy	6.938.007	841.183	958.153
Greece	4.312.800	522.061	814.034
Spain	8.057.328	372.724	477.348
Portugal	6.309.520	4.297.931	13.000

After gathering the total amounts which have been given by the EU to the Member States for the improvement of policies related to employment, social affairs & equal

opportunities I come to the following conclusions. First of all, it is well noticed that Sweden receives the lowest support of the fund. The difference is enormous in comparison with the other Member States. The total amount of 691.551 millions of E (spent for Sweden) is so low that, in some cases it is not enough even for the financial support of a single priority concerning the other Member States. To take an example, 841.183 millions of E were given to Italy only for the priority of promoting education and training throughout working life. Moreover, one may find surprising that Greece, even though is a small sized country with a total population of 11.305.118 (Eurostat) citizens, it received almost the same financial support as the UK did with estimated population of 62.008.048 (Eurostat) citizens. More specifically, the ESF provided 4.312.800 millions of E to Greece and 4.474.917 millions of E to the UK for the 2007-2013 period. In general, based on table 5, it can be said that the ESF is a great support for every MS and particularly for the countries of the “olive belt”.

According to the two selected priorities, exceptional interest provides the priority of *“promoting education and training throughout working life”*, where Portugal (one of the countries of the olive belt) receives the great amount of 4.297.931 millions of E part of the total amount of 6.309.520 millions of E. It is certainly noticed that this priority has great value for the country and its financial support almost reaches the total fund of Greece and the UK’s for the 2007-13 period. On the other hand, Sweden is the country which receives nothing for this priority. One may say that this means that working environment, education and training are strongly linked in Sweden. The priorities aim at the support of the needs of each country and funds are given only for the improvement of fields which they lack. In general, all the countries except Sweden, whether they belong to the olive or strong zone area, seem to receive a respectful amount for that priority. Additionally, concerning the *“reforming education and training systems”* priority the countries of the olive belt (Spain, Italy and Greece) receive more than the countries of the strong zone. Again the need for reform of the educational and training systems may be greater.

Looking at the table, it is probably fair to say that countries belonging to the olive belt area receive greater financial support than the others and one would expect great progress. But in order to come to a conclusion the information about the amounts of the fund is not enough. There are many elements which someone has to take into

consideration in order to support a long term improvement. It cannot be expected a direct implementation of European aims at a national level. Maybe the given amounts to the Southern countries are greater, but the gaps are also stronger. As it is already mentioned the Southern olive area has problems of integration in the EU family. Furthermore, the way each country manages its budget is determinate for the good or bad use of the fund. The main issues are the level of the needs of each country and the methodology which is used for the right use of the funds at a national level. The European Social Fund is not meant to change the structure of a country, but it only provides funds for the development of initiatives taken according to the state's management. Thus, one may think that the problem relies on the wrong management of the fund at a national level, on the other hand someone else can argue that gaps cannot be minimized, even a financial support was given, as the chosen indicators of the European Union are not suitable for all countries of the European Union. Both hypotheses create the feeling that the ways European tools are used are not strong enough to overcome the gaps between states in order to lead to a competitive European Union.

At this stage, the level 5 of my theoretical framework, relying on the principal of monitoring, can be considered not only a necessity but also a serious priority in order for the European activities to be effective. Nevertheless, the financial European support is created to provide the funds for development at a national level; however, the structure used by each country remains the same. It seems that the level of supervision of the on-course activities which are in progress for the insurance that the objectives and the performance targets are met, is limited- a great example is the case of Greece (see chapter IV) where there was a suspension of the finance of the Community Structural Fund after the checking control of the European Committee. Thus, Community's Structural Fund subsidies are of more doubtful value because of the quality of the Commission's monitoring regarding Community training (Addison and Siebert: 1994). A further analysis about European financial contributions at the national level (Greece and Italy) happens at a later stage. The next section examines the way by which the EU implements its guidelines to the Member States.

## 1.2 Open Method of Coordination (decision making tool)

The tool which is used for common solutions at European level and was created to support social Europe has been the Open Method of Coordination (Scharpf: 2002, and Cochoy and Goetschy: 2009). The European plan involves the idea of the *benchmarking*, the improvement of performance and the creation of a more competitive Europe via learning (Pochet 2001, De la Porte: 2007). There are many essays talking about the exact procedure of the OMC (Georgopoulos: 2005), but I firstly kept the clear description of Radaelli (2003) which clarifies the process of the OMC as it follows: the implementation of guidelines followed by the agreement of a directory of common indicators and benchmarks which have to be achieved via national plans. Later on, the outcomes categorized national practices into good and poor, giving emphasis to the best of them. Kaiser and Prange highlight that (2002: p.5): “*applying the OMC is “non-binding”*”, on the contrary, performance is measured via benchmarking indicators, monitoring and peer reviews without being accompanied by sanctions. Furthermore, the European Commission provides Joint Reports and Recommendations where the national plans and the situations of the Member States can be examined. The problem solving-mechanism OMC is based on comparisons of the gathered information at the EU level for learning and adjustment at the national one. However, Patiniotis and Stavroulakis (in Lauterbach and Sellin: 2000) comment that the composition of the individual national reports does not lead to concrete European outcomes as it lacks cooperation among the authors and great emphasis is given on the dissimilarities of the Member States instead of their national similarities.

The above applies to the level 3 of my theoretical framework- discursive diffusion-copying of best policies for the best function of the institutional and organizational framework. Of course despite the influence of the European law, national law is the final legitimizing mechanism for cases such as unemployment insurance, retirement schemes etc (Barbier: 2009). The White Paper on Governance<sup>4</sup> shows the way of how the OMC is applied to employment and social inclusion policies (European Commission: 2001).

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<sup>4</sup> The White Paper on Governance established the five “Principles of Good Governance”: Openness, Accountability, Participation, Effectiveness and Coherence.

In the question which institutional body is responsible for the decision-making of the Open Method of Coordination, one may say that the application of the OMC to different policy fields is held by the European Council (de la Porte, 2007), but Kaiser and Prange respond that (2002: p.6) *“Whereas the Councils (European Council, Council of Ministers) hold wide powers in decision-making, only the Commission can provide sufficient technical and organizational resources to ensure the continuity of common programs.”*

Additionally, according to De la Porte (2002) the central purpose of using common indicators in the European arena is the comparisons among Member States. There is a lot of discussion about the type of learning in OMC problem-solving as some authors support the top-down (the result comes by hierarchy) in contrast to some others who want the bottom-up one (shared learning process) (Radaelli: 2003). In the bottom-up category it is given further attention to deliberation, learning and experimentation in contrast to the top-down category where OMC tries to provide change via procedures closer to the “hard law” such as shaming which is supposed to correspond to formal sanctions (Trubek D. M. and Trubek L. G.: 2005). The shaming procedure applies to the level 4 of my theoretical framework and it is examined in details within the Greek and Italian benchmarking outcomes (second part). In any case the pressure on the Member States to reform their policy line starts from the top down where ideas developed at the EU level and progressively affect the national or sub-national level (De la Porte: 2002, Trubek D. M. and Trubek L. G. in Zeitlin and Pochet with Magnusson: 2005). However, before the further analysis of the procedure, I find crucial the presentation of the European Employment Strategy which is supposed to be the “mother” of the OMC, as Smismans (2004) calls it.

### **1.3 European Employment Strategy**

After the introduction of the Lisbon Strategy 2000 the new mode of EU governance, the Open Method of Coordination, held as the decentralised approach which had been authorised as the responsible process for the application of policies on sectors related to social inclusion, education policy, pension and economic reform, employment, innovation and life long learning (Smismans: 2004). However, Smismans (2004) notes that *“this mode of governance had already been introduced in the sector of*

*European employment policy*” via the European Employment Strategy (EES) “*which therefore could be considered the mother of the OMC*” (Smismans: 2004: p.1).

The legal status of the EES constituted via the Employment Title of the Amsterdam Treaty (June 1997, articles 125 EC – 130 EC) where it is said that its creation aims at economic change via employment promotion by encouraging cooperation of the Member States. In this case social partners were encouraged to participate in the development of traineeships, lifelong training, and training on information technology for early school leavers (de la Porte: 2007). National reports are outlined to joint examination and peer review by member state representatives in the Employment Committee (EMCO) and Economic Policy Committee respectively. In the meetings of the Employment Committee, at a European level, the civil servants from the Labour Ministry represent the employment policies of their governments; the committee is consisted by two delegates per Member State and two Members of the Commission<sup>5</sup> (de la Porte: 2007).

Furthermore, the drafted guidelines of the European Employment Strategy are based on the “four pillars” of “*Employability*”, “*Adaptability*”, “*Entrepreneurship*” and “*Equal Opportunities*”<sup>6</sup>; the role of the social partners, the localities and the regions differs as it depends on the pillar and the strength of the vertical and horizontal decentralism of the guidelines. More specifically, Smismans (2004) mentions that via the pillar of Adaptability responsibility is given to the social partners for the implementation of the 13<sup>th</sup> guideline on “*the modernisation of work organisation*” and on the 15<sup>th</sup> one which was based on the “*contribution of education and lifelong learning to adaptability*” (Smismans: 2004: p.11).

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<sup>5</sup> The composition and mandate of the Employment Committee are set out in article 130, EC Treaty

<sup>6</sup> “*Improving Employability aims at improving access of the unemployed to the labour market, both through preventive action, in particular by providing training, and through activation policies by reviewing tax and benefit systems. The Entrepreneurship pillar aims at making it easier to start up and run business, with a particular focus on SMEs, the knowledge- based sector and services. The activities include encouraging greater entrepreneurial awareness across society, reducing administrative constraints and reforming taxation. Improving Adaptability implies the modernisation of work organisation in order to reconcile more flexibility with security and high occupational status. Finally, the Equal Opportunities pillar includes gender mainstreaming, tackling gender gaps in unemployment rates, encouraging gender pay equality and reconciling work and family life through the design of family- friendly policies*” (Smismans: 2004: p.11).



Some academic literature supports that both EES and OMC have an impact on the national employment policy orientation, but some others argue the opposite by explaining that both European strategies had a little power on the modification of the national employment policies.

## **2. The analysis of the procedure of the Open Method of Coordination: main characteristics**

As it has been mentioned the Open Method of Coordination is the European soft legislative instrument related to the Lisbon Strategy 2000. Its detailed analysis constitutes a necessity for the examination of the way by which the EU implements its policies. In this section an overview of the main characteristics of the procedure of the OMC are presented. The presentation concentrates on the nature of the legislative European instrument (soft legislative power) and on the variety of cases according to the policy field; emphasis is given to the employment policy.

### **2.1 Distinction between hard and soft law**

There is a distinction between the Community Method (Scott and Trubek: 2002) and the OMC as the first one requires the adoption of rules by the MS calling for sanctions in case of failure (hard law), in contrast to the second case where guidelines are provided rather than rules and there are no formal sanctions (soft law) (Trubek D. M. and Trubek L. G.: 2005). The legal morphology of the OMC is characterised by a non real demarcation between rule-making and rule-implementation (Radaelli: 2003). Even though the last case sounds less imposing, it was thought a better solution because of the variety of problems among the MSs in areas such as law and policy. To take an example, in contrast to the employment policy, where the EU's legislative competence is quite limited, the area of environmental law is characterised by the EU's significant legislative power (Trubek D. M. and Trubek L. G.: 2005). More precisely, the first Member State which was imposed to pay sanctions was Greece; *“in July 2000, Greece became the first Member state that was ordered to pay a fine of 20.000 euros for each day of delay in fulfilling its legal obligations. This fine is low, considering it could have amounted to more than 200.000 per day”* (Demmke in

Somsen, Etty, Scott and Kramer: 2004: p.335) (environmental policy is said to have the highest number of infringements).

One may say that the instrument of recommendation cannot really be thought as a sanctioning mechanism (Radaelli: 2003), and the major question as regard as the applicability of OMC methodology relates to “compliance” (Cafaggi and Muir Watt: 2007). Soft law characterises the rules with no legally binding force but, which nonetheless may hold practical effects and as Mörtz argues (2005: p.7): *“the problem is not so much how to distinguish it from hard law but from law itself”* and he comes to an end by apposing six conclusions about soft law (2005: p.19): *“ soft law may precede hard law - soft law has the potential for independence - soft law can be disguised - soft law is closely linked to politics - international organizations can modernize themselves through the use of soft law - soft law provides room for flexibility and unintended consequences.”*

The interests of the Member States in the EU- 27 are so heterogeneous that it is particularly complex to legislate, therefore the focus tends closer to weak instruments of soft law (Weiss: 2010). The OMC is thought much more transparent and suitable for sharing of information and practices for the exchange of experiences even though there were many arguments that its use cannot bring real change as legislation does. (Trubek D. M. and Trubek L. G.: 2005). Chalmers and Lodge (2003) demonstrate their opinion about the assumption of learning through incorporation rather than obligation by emphasizing that the first cannot easily bring changes, at a national level, as in the case of non- achievement of the benchmarks in which there is no great enforcement power. Lastly, the Open Method of Coordination, as a governance process, supplies (Chalmers and Lodge: 2003: p.2) *“a new form of institutional ordering”* with the place of the European Council as a major actor of the Union’s policy-making.

## **2.2 Dissimilar cases of policies areas and political involvement**

The Lisbon conclusions present the open method of coordination as the way to reach harmonisation between the Member States, even though, there was no clear definition about ‘coordination’ and ‘open’ (Radaelli: 2003). The design of the method aims at

the strengthening of the MS and the respect of their policies. However, as Radaelli (2003) notes Lisbon uses the term '*convergence*' which demonstrates a political purpose where there are differences among their conception of definitions especially on areas such as employment, social and tax policy. More specifically he claims that (Radaelli: 2003: p.14): "*the Lisbon conclusions are significantly silent on how these EU goals should be reached and coordinated across policies.*"

A variety of researchers (De la Porte: 2002, Radaelli: 2003, Hingel: 2001) insist that the Open Method of Coordination, as it is presented in the Lisbon conclusions, is a broad paradigm and each policy area is obliged to search its own method of procedure in order to handle it. Most processes of the method seem to be political, but there are some others with bureaucratic goals. Radaelli (2003) supports that (Radaelli: 2003: p.7): "*One should not refer to 'the' method but to different policy practices that take inspiration from the Lisbon conclusions as legitimising discourse*". To take an example of variety, recommendations can be issued as concerns the economic and employment policies, as they are Treaty- based processes, however, this procedure does not imply to every policy field (Smismans: 2004). Even though recommendations differ from regulations, decisions and directives since are non-binding; nevertheless, they could lead to political complexity in their implementation. One may hypothesize that the European competence based model which leads to a specific economic and employment policy can cause problems to the countries which are characterised by completely different models. To take the example of the Southern European countries, the olive belt area, as it is called, meet greater difficulties in the adoption of recommendations because the European model seems too distant for their domestic structure.

It is to say, however, that the OMC promotes cooperation and imitation, but on the other hand it supports diversity and competition, a fact which demonstrates lack of balance among them. At this phase I use again the argument of Radaelli (2003) where he claims that (Radaelli: 2003: p.52): "*benchmarking, peer-review, and learning mean different things in innovation policy and employment policies*". In general, the majority of policies demand a political process of the OMC except for the innovation policy which takes place at the level of Directorate-General (DG) enterprise and stakeholders. The most problematic area to succeed a balance is the area of taxation

where (Radaelli 2003: p.36): “*tax policy-makers are more engaged in avoiding policy failures than in learning from ‘best’ or ‘good’ practice*”. On the other hand, Hingel (2001) supports that the policy field where conclusions seem less vague is education and training as the Heads of States identified comprehensible guidelines for national educational systems (Lisbon conclusions par. 26).<sup>7</sup> More precisely, regarding education and training, significance was given to the annual augment in per capita investment in human resources; the diminution to the half of the people aged between 18- 24 who had only lower-secondary level education without any further education and training (by 2010); the establishment of multi-purpose local learning; the encouragement of the lifelong learning via the increase of IT skills, foreign languages and entrepreneurship; the mobility of students and teachers via Community programmes (such as Socrates, Leonardo, Youth); the creation of a common European format for curricula vitae.

### **2.3 Employment policy**

One of the main considerations in the European Union is the issue of unemployment. Employment policy has been the highest concern of European citizens and it has been always placed within the agenda of the European Union. Very characteristically, Smismans notes that (Smismans: 2004: p.2): “*The introduction of an Employment Title in the Amsterdam Treaty was, therefore, a unifying and popular project easy to sell to European citizens*”.

More specifically, I would like to be referred to the exact goal of the Presidency Conclusions where one of the main issues deals with employment and aims at the increase of the employment rate from an average of 61% to 70% by 2010 and at the raise of the proportion of women in employment, from an average of 51% to more than 60% by 2010 (European Council: Presidency Conclusions 2000: 2005).

Syrpis (2002) argues that it is not easy to assume the effectiveness of the OMC tool on national policies. As he explains in the Joint Employment Report of 2001 all seemed to work well as the National Action Plans looked optimistic, however,

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<sup>7</sup> Look at par. 26 on the following website: [http://www.europarl.europa.eu/summits/lis1\\_en.htm](http://www.europarl.europa.eu/summits/lis1_en.htm)

according to the author's opinion, *"the Joint Employment Report makes startling reading" ... "eight of the fifteen countries do not even include national targets for the overall employment rate within their NAP, and the twelve fail to set national targets for the employment rate for women" ... "the Recommendations issued to States are remarkably similar from year to year. There has been very little change in the relative performance of States"* (Syrpis: 2002: p.39).

The outcomes of the implementation of the European strategy differ significantly according to the country; the results of the European strategies related to employment policies reform inspired countries such as Poland leading to better results in contrast to countries such as Denmark and Britain where influence was limited (Erhel: 2011). On the other hand, Syrpis (2002) supports that even if unemployment is a common issue for all Member States, however, this does not mean that it requires a common reaction at a European level as national policy makers, according to him, may be more capable to face the globalization's pressure. Additionally, Smismans (2004) insists that localities should be taken into account as local conditions create specific issues to cope with; unemployment cannot solely be faced centrally.

After presenting an overview of the tool of the Open Method of Coordination it is crucial to go deeper and analyze the academic debate of its effectiveness.

### **3. Argumentation about the effectiveness of the OMC- Confused outcomes after the use of the OMC**

The concept of legitimacy is not an easy case as it is complex to be defined and measured (Syrpis: 2002). In the context of the Lisbon Strategy, labour market policy is perceived as an instrument for economic growth in the internal market. This was the time when there has been a discussion about policy via guidelines (OMC) and not via law (EU employment policy replaces EU employment law).

Pochet (2001), trying to answer to the hypothesis that the OMC offers to governments the possibility to follow their own way, uses the argumentation of Scharpf who demonstrates that only international "liaison" officials are educated concerning the

learning results of deliberations at a European level who eventually lack power within the country.

It is not surprising therefore, that Radaelli (2003) in his research supports that the essential proposition of the ‘contextualisation’ of the open coordination should be the improvement of policies which deals with the way policy makers approach the method and not with the improvement of the OMC.

Furthermore, according to the research work of Chalmers and Lodge (2003) the openness of the procedure does not mean that everything is clear, there is confusion and vagueness on guidelines which aim at “*lifelong learning*”, “*increased employment in services*”, “*modernizing social protection*”, or “*promoting social inclusion*””. The authors note that the openness of the process is questionable as the adoption of European standards produces a particular EU- type package approaching the Anglo- Saxon interests, and French policy preferences in technology-innovation and employment. Moreover and even further the same authors argue that the policy making of the OMC can be considered as a threat to the *acquis* because of the lack of “*judicial oversight*” and “*the weak safeguards that protect individual rights*” (Chalmers and Lodge: 2003: p.13). It is to say, however, that the Open Method of Coordination instead of encouraging the exchange of ideas, mutual learning and improvement may succeed the opposite, such as a difficult economic competition among the Member States (Scharpf: 2002).

Georgopoulos (2005) raises the question of effectiveness of the regulation without punishment as, even though the “openness” of the method of coordination means that the national parliaments function in their familiar way under the conditions of their state, however, the “openness” of the method of coordination represents a democracy less representative of the MSs as negotiations are not always satisfying for them. Additionally, Des Vos (2009) in his research work explains that experience has proved that national parliaments have minimal input in the national reform programmes and there is lack of transparency.

Moving on to a greater depth, even though it has been supported that OMC builds an exchange of experience and knowledge (Jacobsson in Mörtz: 2003), Barbier (in Bredgaard and Larsen: 2005c) through his empirical research (interviews of the

representatives of the Employment committee) is led to a different conclusion. This is not to say that his results characterise the case of every Member State, but as concerns the French state there has been various conflicts about the language of the EES. Barbier (in Bredgaard and Larsen: 2005c) gives examples of confusion based on indicators and words such as '*working poor*' and '*quality-in-work*'. According to his work each Member State demonstrates a unique national approach and the interests vary according to their political agendas, thus harmonisation and exchange of learning seems a difficult case.

Lastly, one may say that only in areas where actors are not characterised by an institutionalised role, the OMC could provide a practical help of policy planning. More precisely, the dynamics of the policy networks of the EES and the OMC differ because of the involved actors. As de la Porte (2007) explains social partners have institutionalised functions in most Member States and they also seem to have a co-regulatory role in some areas. As concerns the OMC, there are some NGO's, under the support of the European Anti Poverty Network (EAPN), which influence decision-makers. The resources given for the Community Action Programmes encourage financial incentive for NGO involvement (de la Porte: 2007). At that stage one may hypothesize that the financial involvement of the social partners could lead to a less democratic decision making, some times acting against some Member States. Additionally, it can be argued that the use of the procedure (OMC) does not seem to be the best solution for coordination as great problems are raised by the role of localities criticizing eventually its centralised and not decentralized role.

### **3.1 The decentralized role of the OMC procedure**

Kaiser and Prange (2002) mention that the role of the OMC is complicated by itself as it is based on two dissimilar strategies; the first relies on the "*renounce harmonization*" and the second on the "*attention to the principle of subsidiarity*". In general the OMC is seen as a form of directly- deliberative polyarchy (Cohen and Sabel: 1997), where a networking of decentralised decision- making via a common system of benchmarking is supported (Smismans: 2004). The process of the OMC is supposed to lead to a better administrative coordination among ministries (horizontal level) and among the regions and localities of a nation (vertical level) (Erhel: 2011).

The creation of the idea of the OMC relied on the decentralisation approach by letting policy competency to governments regarding their national structure without forcing them for a common centralised policy. However the decentralisation of the OMC differs regarding to the policy field (Smismans: 2004).

Smismans (2004) argues that the Lisbon Conclusions define the procedure of the Open Method of Coordination as the absolute policy instrument which respects the decentralised approach in both vertical and horizontal terms and it is applied with the principle of subsidiarity, but on the other hand, one may characterise the OMC as a top- down than a bottom- up process of deliberation. More precisely, Smismans (2004) supports that the role of Open Method of Coordination could be rather mentioned as centralised since it directs to a central European level of policy choices without any political debate of the lower levels.

Furthermore, there is a debate about the creation of networks through the OMC; the main idea relies on the transmission of ideas coming from the top, however, networks can be channels of mutual learning and ideas can also be transferred from the bottom to the top (Trubek D. M. and Trubek L. G.: 2005).

There are many different views about the methodology which the OMC demonstrates, such as the bottom-up or a hierarchical learning for '*better governance*' where according to the Radaelli (2003) the lack of sanctions do not cause difficulties as long as there are incentives for learning. However, even though it is argued that one of the major issues of the OMC is the low level of coordination, Radaelli (2003) demonstrates that the creation of the OMC has been mainly trying to encourage the convergence and the coordination at a political level, defining politicisation inescapable but supporting diversity and competition at the same time.

Lastly, one may say that the possible positive outcomes of the OMC depend mainly on the motivation of the involved national actors in processes of European co-ordination. In the case of the existence of active officers, recommendations can be used as strong arguments in national policy, otherwise signify the status quo of national policy routine (Scharpf: 2002).



### 3.2 Lack of regional involvement

An important factor, which one may take into account, is that “*there is no systemic involvement of regional and local authorities, since the OMC rests on evaluating the position of the member states*” (Kaiser and Prange: 2002: p.6). It can be said that this issue causes great difficulties at a national level, particularly in countries which are characterised by a highly decentralized structure; regions defined by both legislative and budgetary authority (Kaiser and Prange: 2002); an example of it is Italy. Also, Syrpis (2002) in his paper supports that decision making cannot be a process of the European level only, but localities and regional authorities should take certain decisions by themselves. Nevertheless, the “*domestic impact*” of Europe is related to the national policy practices and political decisions (Héritier and Knill in Héritier, Kerwer, Knill, Lehmkuhl, Teutsch and Douillet: 2001). At this point, one may think that Greece is placed in a more advantaged position in comparison to Italy because of its strong centralized system, however, in the third part of the thesis the presented outcome comes against to that hypothesis.

Furthermore, Kaiser and Prange (2002) through their research found that the procedure of the OMC meets some problems relying on the involvement of the regional actors in the process and the implementation of the Union’s measures (Kaiser and Prange: 2002). The involvement of regional actors differs according to their “*constitutional role*” and “*institutional capacities*”. The successful application of the OMC depends on the type of authority, territorial or not, and on the level of the legislative and budgetary control of the regional governments (Kaiser and Prange: 2002).

Kaiser and Prange (2002), taking the European Research Area as a case study, provide some empirical evidence regarding to the above. The authors raise the question of how regional actors could be involved in the coordination processes since in the Presidency Conclusions 2000 (point 26) there is no space for decentralized policies or reference to regional actors in innovation policies, only detailed prescription of indicators as occurred regarding the national education systems at the Lisbon Summit. At this point, one may note that the European Union’s guidelines reduce the scope of autonomy of regions and put a political pressure on them by

benchmarking- even though the OMC policy is not binding on regional actors. Thus, the authors raise the hypothesis based on the possibility that: *“open coordination will not reduce but increase the trade-off between efficiency and legitimacy within the European political system”* (Kaiser and Prange: 2002: p.11). Concerning the European Research Area, a top-down strategy (European guidelines) decreases the potential innovative policy-learning because competition among regions (R&D-investments, knowledge etc) is ignored. As it has been seen in the second chapter the system of governance followed by Greece and Italy is centralised, however Italy has a particularity. The vocational training is the responsibility of the Regional authorities making their role important for the function of the training policies. A top- down strategy would cause difficulties to the educational and training Italian system.

In what follows I focus on my subject's area, on the educational and vocational training policies and the Lisbon Strategy 2000 for Growth and Jobs.

#### **4. Official decisions bringing the educational and vocational training policies to the surface- The renewed Lisbon Strategy for Growth and Jobs**

After the globalization, the borders of each country became broader offering free movement of goods and labour within the European area. One may support that European labour law was created for economy reasons (Fuchs: 2004). A series of directives came progressively to regulate the mutual recognition of qualifications for professions, having as a result the simplicity of the EU negotiations and mobility of employees among European States - one of the main legal instruments used for the social security of workers within the European Union was Regulation 1408/71 (Council Regulation (EC) No 1408/71) which was updated by the 883/2004 regulation (Official Journal of the European Union: 2004). As a result, the ministers of labour originally, followed by the ministers of education (1974), started discussions about vocational education and education policy, all having as a result the creation of the European Center of “Cedefop” (Sellin: 1999). However, even though the European Union created a single market, at the same time, it had constructed a framework within every Member State which could be developed by its own traditions pursuing its own best ruling for advance. But the basic idea of decision making on European level it has been the comparison of qualifications among

Member States in order to adopt the best practice. On the other hand, some authors expressed their idea of another form of democracy, such as “the directly- deliberative polyarchy” (DDP), where local units have the opportunity to learn from each other as they face similar situations (Cohen and Sabel: 1997).

#### **4.1 European modifications in the area of education and training policy and decision making**

##### **From the Treaty of Rome until the Helsinki Communiqué**

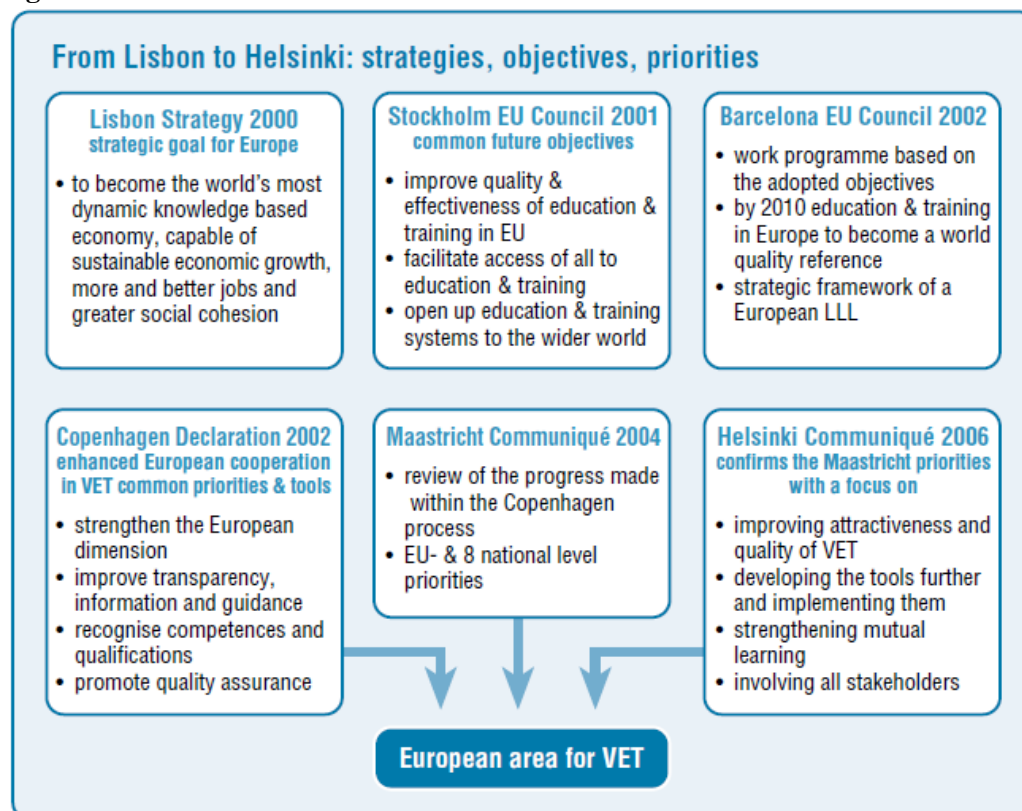
Starting with the past and trying to overview the facts without going into details, vocational training, in the beginning, had been identified as an area of Community action in the Treaty of Rome (Euro treaties) in 1957 but no particular provision was given, it was referred only to the necessity of general guidelines for a common policy of the vocational training (look article 128). However, later on, education and training became formally recognised at the legitimate field of responsibility of the European Union with the Maastricht Treaty in 1992 (Euro treaties). To become more precise, the articles 126 and 127 referred to educational policy and vocational education simultaneously by presenting specific objectives which had to be achieved but, as one can notice, without distinguishing initial and continuing vocational education.

At the same time the European Union takes action by establishing the principle of subsidiarity (treaty of Amsterdam) (Cochoy and Goetschy: 2009), which certifies the autonomy of the Member States in their individual policies - with the only objection that Community involvement is considered necessary, when the common objectives cannot be reached by the Member States. In 2000 we meet the introduction of the Lisbon Strategy, also known as the Lisbon Agenda, which aims at the development of the image of the most competitive and dynamic knowledge economy by the 2010; main priority more and better jobs via training. After the Lisbon Strategy the European Council met in Göteborg to issue political guidance for the Union; the Stockholm EU Council 2001 looked at the establishment of common objectives on the improvement, facility and globalization of the education and training (Presidency Conclusions- Göteborg European Council: 2001)

Additionally, in March 2002, we meet the Barcelona European Council which aimed at making education and training a world quality reference by 2010 followed by the Bruges-Copenhagen declaration in November of the same year, where there was a try to create an integrated strategy, gathering together, within a single easy- to- use instrument, the essential tools to increase the transparency of certificates and diplomas. It is to say, however, that the growing power of Life Long Learning, started with the Council Resolution in June 2002 (2007/C 300/01), raised the issue of the borders- on the one side, between general and vocational education, and on the other, between initial and continuing education (Verdier: 2009).

Moving on to further steps, the Maastricht Communiqué in 2004, reviewed the progress of the Copenhagen declaration and discussed future priorities of improved European cooperation in the field. Furthermore, the Helsinki Communiqué in 2006 set priorities for European cooperation in Vocational Education and Training by involving the relevant stakeholders (VET providers, teachers, trainers). An analytic figure explaining the strategies, the objectives and the priorities from Lisbon Strategy 2000 until the Helsinki Communiqué 2006 is given below.

**Figure 5:**



Source: Lipinska, Schmid and Tessaring: 2007: p.2

## **Decision making**

In general, the final result of the decision making is related to the delivery of an opinion. This matters because the best performers with the strongest arguments can succeed easier. Examples of deliberators can be the scientific experts, the representatives of interest groups or the civil servants, who are involved into epistemic communities, participate in “comitological” committees of experts or are representatives of Member States advising the Commission on new directives and re-examination of its final regulatory proposals (Sabel and Zeitlin: 2007). In any case, speaking for this decision-making design, outlined objectives such as full employment are established by a shared action of EU Institutions and Member States. That is to say, however, that the principle of subsidiarity plays essential role as every Member State accepts the full responsibility of the way of action as concerns the teaching content and the education system of its borders (Best: 2003). More specifically, the “lower level” units are given the freedom to raise their opinion at the “superior level”. Of course bad performers are obliged to report systematically on their performance and in case of poor results EU legislation does not “punish” the country formally but spreads its bad reputation. The key priority of the Copenhagen process (Copenhagen process in the official site of the EU) was the improvement of the quality of VET by training programmes which aim at increasing the relevance of VET to the labour market. Further emphasis was given on apprenticeship, collaboration between schools and businesses, and work-based learning (Council of the European Union: 2008). More specifically, the 2006 joint report led to the adoption of measures - at a national level- , aiming at the improvement of quality and attractiveness of VET and adult learning (Commission Staff Working Document: 2007).

### **4.2 Lisbon Strategy 2000**

Even though it can certainly be said that Europe is one of the richest and most educated areas of the world, at the same time it can be argued that it is facing a lot of challenges concerning structural difficulties in the labour market, low economic growth and lack of a strong international competitiveness. As the European environments are changing rapidly no-one can support that yesterday’s success will be followed by another success, economies are not stable and situations vary. The

European initiative which focused explicitly on this phenomenon is the Lisbon Strategy or Agenda, created in 2000. Its creation demonstrated a new start of economic perspective and through it many areas tried to be given an extra strength.

As a key solution to the above comes the necessity of the strengthening of the human capital. Of course, there are two main dimensions of human capital investment, with the first coming just before the entrance to the labour market, via “*formal education*” and the second comes during the period of involvement in the market, via the called “*professional training*” (Brunello, Garibaldi and Wasmer: 2007). More precisely, based on the Community’s decisions, there are two guidelines - number 23 and 24- aiming at respecting the priorities of the Education and Training 2010 work programme by focusing on the one hand, on the progress of investment in human capital and on the other, on the adoption of education and training systems following the new competency needs (Commission Staff Working Document: 2007).

Additionally, it would be useful to mention that one of the major goals of the European Heads of Government in the Lisbon strategy of 2000 was Europe to become the most competitive and dynamic knowledge economy by 2010. The Official Journal highlights (2007/C 300/01) the strategic goal set for the European Union by the European Council in Lisbon in March 2000: ‘*to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth, with more and better jobs and greater social cohesion*’, as well as the European Council's specific mandate to Education Ministers ‘*to undertake a general reflection on the concrete objectives of education systems, focusing on common concerns and priorities while respecting national diversity*’.” The last phrase of focusing on common priorities of education systems by respecting national diversity is a reason for a debate. As it was mentioned in the first chapter each country is characterised by a very particular educational context which is the result of the structure of the labour market and the type of decision making of its governance. The political- institutional and organizational levels interact, so change cannot happen solely in the institutional framework without reforming the rest as well. There is great possibility of failure. This is the first comment; however there is a second reason to be very sceptical on the above. As it has been seen, again in the first chapter, the Danish Ministry of Finance made an experiment of benchmarking exercises coming to the

conclusion that educational indicators needed for the progress of Denmark have not been included in the list of the benchmarks. The issue is that the European Community is the result of heterogeneous domestic needs and some times the strongest parts of one educational and training system are the weaker of another. The target of the common educational objectives was risky as it distinguished the MSs between the good and poor performers of specific educational indicators.

The significant efforts, which have already been planned or are underway, contain as a major goal the strength of EU's single market. During the 2004-2005 period the Council has adopted a number of common principles, frameworks and tools related to different areas such as quality assurance, non-formal learning, mobility etc. Moreover, the modernisation of the labour market has also been confirmed as priority for the renewed Lisbon Strategy for Growth and Jobs (COM (2008)317).

#### **4.2.1 The five European Benchmarks**

The Lisbon Strategy launched in 2000 by having a time-period of ten years, looking at the improvement of quality of life via economic development, social cohesion and environmental sustainability with the main instrument of implementation being the Open Method of Coordination (OMC). As time proved, the Lisbon Strategy meant to be very ambitious without being able to lead Member States developing a strategy able to reach the 5 main benchmarks which were set (Johansson, Karlsson, Backman and Juusola: 2007). Of course, there have been dissimilarities among states and the outcomes vary a lot. Moving on to the year of 2005 the results of an evaluated mid-term review forced for a change. Variety was given to medium- term and not to long-term measures, quantitative goals were decreased and the vital priority became the growth of jobs. In fact, the only goal that was kept was the goal of devoting three percent of the national GDP to R&D (Johansson, Karlsson, Backman and Juusola: 2007). The Lisbon Strategy was consisted by the following five EU benchmarks which had to be achieved by Member States until 2010 (Commission of the European Communities: 2008: p.10):

1. *“No more than 10% early school leavers;*

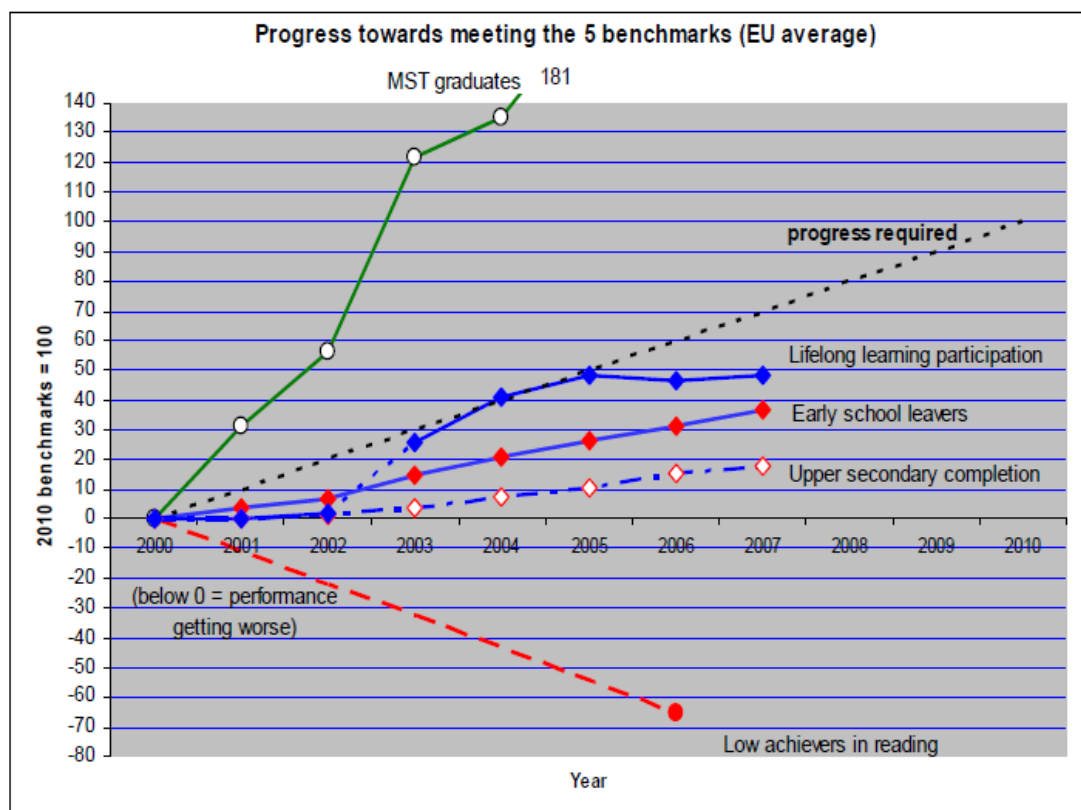
2. *Decrease of at least 20% in the percentage of low-achieving pupils in reading literacy;*
3. *At least 85% of young people should have completed upper secondary education;*
4. *Increase of at least 15% in the number of tertiary graduates in Mathematics, Science and Technology (MST), with a simultaneous decrease in the gender imbalance;*
5. *12.5% of the adult population should participate in lifelong learning.”*

The above benchmarks refer to the European Union which means to its Member States. Nevertheless their socio-economic models vary enormously, thus expectations cannot be the same. The profile of benchmarks is closer to some countries than others. One may argue that the consideration of the national diversity is doubtful by placing the same benchmarks to both categories of countries; those with structures encouraging the progress of the chosen indicators and those with national structures which kept a distance to the above benchmarks. At the end, good performance in ranking of benchmarks maybe is a matter of fit or misfit with the proposed indicators. It can be hypothesized that the educational and training system of the olive belt was too distant from the socio-economic model proposed by the Lisbon Strategy 2000.

At this point it is given the possibility of analysis of the progress which happened between the period of 2000 and 2007 by the Commission's chart which is based on the progress of the EU average on the five benchmarks of the Lisbon's Strategy.



**Chart 1:**



In this chart the starting point (in 2000) is set at zero and the 2010 benchmark at 100. The results achieved each year are measured against the 2010 benchmark (= 100). The diagonal line shows the progress required, i.e. an additional 1/10 (10%) of progress towards the benchmark has to be achieved each year to reach the benchmark. If a line stays below this diagonal line, progress is not sufficient; if it is above the diagonal line progress is stronger than what is needed to achieve the benchmark. If the line declines, the problem is getting worse.

In the case of lifelong learning, it should be kept in mind that there have been many breaks in the time series, which tend to overstate the progress made, especially in 2003. Therefore the 2002-2003 line on LLL participation is dotted. For low achievers in reading (data from the PISA survey) there are results for 18 EU countries for only two data points, 2000 and 2006. it is therefore not yet possible to assess to what extend the observed differences are indicative of longer-term trends

**Source: Commission of the European Communities: 2008: p.11**

Thus, as it can be seen in the chart 1, the results of the EU average, of the 2000-2007 have not been positive and look far from what is expected as only one of the five benchmarks meets a great progress; the increase of the number of the tertiary graduates in Mathematics, Science and Technology. All the others, with the exception of the low achievers in reading, seem to meet a progress, but not enough in order to reach the required proportions. More precisely, the early school leavers and the upper secondary completion meet almost a stable proportion of increase each year, but the results are very low in comparison with the required progress. On the contrary, the lifelong learning participation seemed to have reached the required progress for the 2004-2005 period, however after the 2005 this progress has stopped. Lastly, very problematic is presented the benchmark of the low achievers in reading which is

getting worse over the years, without the minimum of improvement. Thus it can be seen that four of the five benchmarks did not meet the progress required. The question raised concerns the reason of failure. Either EU expectations have been too ambitious, or the EU policy used has not been the proper one.

However, I will not go into details of the general view as the target of this thesis is the examination of the performance of the Southern olive belt and not the results as a whole. In the later stage I provide data about the progress which the two European countries of Greece and Italy met for reaching the five EU benchmarks. The following section relies on the programmes which have been developed after the introduction of the Lisbon Strategy and on the taken European initiatives for transparency and coordination of qualifications within the European Union.

#### **4.2.2.1 European programmes for the development of education and training at a national level after Lisbon**

It is important to note that the increase of mobility in education and training, - from primary to higher field-, is certainly a national desire, but not well-enough organised. One can say that the promising initiatives are few to think, however, the main support comes from EU programmes. In what follows, what is outlined are the initiatives that lead to the development of education and training and are taken under the European umbrella. Currently, the programme which represents the European efforts is the Lifelong Learning, with a budget which nearly touches €7 billion for the 2007- 2013 period (Lifelong Learning Programme, official site of the EU). At this point, I would like to present only a brief description of it by mentioning the four sub-programmes which put the lifelong learning initiative into practice and they aim at encouraging actions such as mobility, increasing links between the enterprises and the educational field, developing joint educational activities among pupils and involving seniors in labour market.

So, very briefly:

Firstly, there is the programme of Comenius which varies from pre-school and primary to secondary schools

- secondly, there is the Erasmus programme concerning educational field and more specifically higher education

- furthermore, the Leonardo da Vinci involving firms and training and
- lastly the Grundtving programme which has as a goal to train seniors

#### **4.2.2.2 Implementation of initiatives at a national level for transparency and better coordination at a European level**

As it has already been mentioned in my theoretical framework, the level 1 relies on policy networks and experimentation by the use of European initiatives among its member states which apply to the following:

##### **Lifelong learning:**

Recent developments concerning Life Long Learning (LLL) must be placed in the context of comparative continuity of the EUs initiatives. The principal goal of LLL is the establishment of certifications relying on the ‘transparency’ and ‘recognition’ of qualifications across Europe and the promotion of European standards to national VET systems. There is a range of European initiatives in Lifelong learning policy:

- The European Qualifications Framework (EQF)

The aim of the European Qualifications Framework is the transparency of qualifications within Europe, by establishing a common reference framework, which was engaged with the role of a “*translation device*” (The EQF- official site of the EU) among national qualifications systems for every level of general, higher and vocational education and training. In addition, the goal is to define reference levels for certificates by combining the dissimilar conditions of entrance and functions of performance. In fact there are some grounds for supposing that the designers of EQF have been planning to influence the national qualification frameworks at a high level which will prepare the ground for the adoption of the EQFs structure. It is probably fair to say that it is central to be sure that someone is capable of carrying out specific tasks. However, Young maintains that the idea of an EQF “*has wider implications if it is seen as part of a single national qualification framework*” (Young: 2003: p.200). Two similar instruments looking at the recognition of qualifications across the European Union are on the one hand, the European Credit System for Vocational Education and Training (ECVET), and on the other hand the European Credit Transfer and Accumulation System ECTS which is used in higher education and it

aims at making academic degrees comparable and transferring of mobility. In addition, there is also a strong relation with the Copenhagen process on Vocational Education and Training because of the initiatives of Europass, credit transfer, quality assurance and European Qualifications Framework, which are looking at the transparency of qualifications (Commission Staff Working Document: 2007).

- The lifelong guidance

In this case, it was agreed to set up a network in order to put into action the principles of the Council Resolution. Its vital role was the development of working methods looking at the empowerment of representative structures at national level.

- The non-formal and informal learning

In one sense, common European principles were established for the identification and validation of non-formal and informal learning (Commission Staff Working Document: 2007).

- The Europass

The basic idea of its creation is the use of common documents, five in total – throughout European Community- trying to make the level of the individual's qualifications easily understandable and comprehensible.

### **European Framework and Cooperation platform- Quality Assurance in VET:**

*“The Recommendation of the E.P. and the Council on the establishment of an European Quality Assurance Reference Framework (proposal presented in 2008, co-decision process, adoption: mid 2009) QARF(COM (2008) 179 final), is looking at a systematic framework for quality assurance (CQAF), a European network for sustainable cooperation on QA in VET of voluntary nature with 23 MS ( ENQA-VET), a quality assurance national reference points and at an virtual community” (Cedefop: 2009).*

Lastly, in order to have a complete picture of the purpose of the creation of the EU instruments and the way of their implementation from the European Member States, Annex 3 shows the common European tools which are used in order for common

principles, guidelines and recommendations to be agreed at a European level offering reference points for the design of national reforms.

#### **4.2.2 Lisbon Strategy 2005**

After the mid-term evaluation of the Lisbon's Strategy work programme on "Education and Training 2010" (launched in 2001) by the Wim Kok report (2004), the results, especially the rates of employment, have been disappointed; a new act was created on "Working together for growth and jobs" (Commission of the European Communities: 2005) relaunching policy priorities on growth and employment (more growth, better quality jobs, better governance); the latest running programme related to the above is the "Education and Training 2020" (ET 2020) conclusions providing a strategic framework for European educational and training cooperation up to 2020. The five EU benchmarks for 2020 aim at *"at least 95% of children between 4 years old and the age for starting compulsory primary education should participate in early childhood education"*; *"the share of early leavers from education and training should be less than 10%"*; *"the share of low-achieving 15-years olds in reading, mathematics and science should be less than 15%"*; *"the share of 30-34 year olds with tertiary educational attainment should be at least 40%"* and *"an average of at least 15 % of adults should participate in lifelong learning"* (Commission of the European Communities: 2010: p. 10). The examination of the ET 2020 is not included in the aims of this thesis as my purpose relies solely on the value added of the Lisbon Strategy 2000. However, by having a quick comparison of the five benchmarks for 2010 and 2020 one may hypothesize that the second strategy is general oriented. Tertiary education is encouraged without giving emphasis on Mathematics and Technology. The above leads to the need of the general analysis of the educational and training systems of my countries, without necessarily focus on the vocationally-oriented streams in education.

Thus, going back to the Lisbon Strategy 2000, it seemed that the long list of the Lisbon's sub-goals and the target of the increase of the national Research & Development (R&D) expenditures to three percent of the Gross Domestic Product (GDP) (two-thirds of it had to come by the private sector) accompanied by an employment ratio of 70 by 2010 have been extremely ambitious (Johansson, Karlsson, Backman and Juusola: 2007). Additionally, the requirement relying on the

increase of R&D investment (three percent of GDP) by all Member states does not make a concrete economic sense as not all of them had the resources to invest (Johansson, Karlsson, Backman and Juusola: 2007), however, this goal had remained the same even after the mid term evaluation process.

Scholars have criticised the performance of the EU via the Lisbon Strategy by pointing out that the EU lacks coherent macro- economic governance (Natali: 2010). Additionally, the recent Greek crisis has contributed to a further critical consideration of the Lisbon governance and its interaction via the Stability and Growth Pact (Natali: 2010). More precisely, Marinaş (2010) debates about the efficiency of the Lisbon Strategy and argues that its planning encloses weaknesses. He identifies that the undertaken reforms included a great number of fields in a short time span put serious pressures on the Southern olive zone which had to realise bigger changes (Marinaş: 2010 and Johansson, Karlsson, Backman and Juusola: 2007); reforms based on the social security system (higher flexibility in labour market), the number of spending for education-research growth (knowledge-based economy), the liberalization of the industrial and service market and so on. All the national modifications had to be taken into account via the implementation of the Open Method of Coordination instrument which, because of its soft nature, is considered weak by Marinaş (2010).

After having an overview about the role of the Lisbon Strategy and the OMC let us see how the implementation of best practices affected the Southern countries.

## **5. Occurred difficulties on the countries of the “olive belt” with the use of the Open Method of Coordination**

The open method tries to respect diversity and to establish harmonisation by offering the possibility to the various models of capitalism to search their own solutions in the challenge of competitiveness and by providing the chance of policy learning according to their own rhythm (Radaelli: 2003, Scharpf: 2002). Indicators, benchmarking, peer review and exchange of ideas pass new practices and support poor performers to rethink their approach and strategy (Trubek D. M. and Trubek L. G. in Zeitlin and Pochet with Magnusson: 2005). In that way the differences among

Member States can be minimized and there is political cooperation (Pochet: 2001). One may say that the use of the Open Method of Coordination may work as a “*radar*” (Radaelli: 2003) looking at the found of the best practices, of the problem-solving and learning approach (Zeitlin in Zeitlin and Pochet with Magnusson: 2005). More specifically, the performance of a good methodology which is followed by a Member State can be exposed via the comparative benchmarking, and its approach can become paradigmatic to the weaker Member States (Scharpf: 2002).

However, working conditions, wages, social protection and industrial relations systems are different at national level and they have been conserved through long and complicated negotiations. These negotiations as Barbier (2009) supports are feasible only at national level as voters and negotiators speak “*the same national language*” and “*feel part of a polity that had the duty to discuss social justice within its borders*” (Barbier: 2009: p.15). Additionally, Barbier (2002) comments that maybe the purpose of the introduction of the OMC to the field of employment was the coordination of the Member States, but at the end, as he argues (Barbier: 2005a) although the EES recommendations modified for specific member states, they have been introduced to a fuzzy language not applying to the national strategies, and even translation sometimes cannot give the exact meaning of the original language causing diffusion (Barbier 2005b in Barbier and Letablier, Slomp: 2000, De la Porte, 2007).

The European Union engaged itself, in the mid of 90s, to take action concerning the problem of unemployment. It decided to spread a coordination based on soft policy and not on hard regulation as the implementation of the European Social Model could not happen through one only way, nevertheless national legal and institutional structures vary and any change seems extremely costly. There have been five recommendations for Member States which were having as a main goal the encouragement of investment of training policies and the fight against unemployment. Employment relationships since they are determined by both economic and social situations, are too fragile to be merged in a single model (Supiot: 1999).

As Pochet (2001) and De la Porte (2002) support, the Mediterranean countries have to make a bigger effort to modify their systems in order to reach the objectives of the procedure. More precisely, De la Porte (2002) in her research argues that (De la Porte:

2002: p.49): “...*the continental and southern countries with corporatist welfare-state*<sup>8</sup> *arrangements have (had) to make a 180-degree turn to adapt to all four pillars of the European Employment Guidelines (EEG)*”. The Vocational Educational and Training European Model is totally based on competitiveness and flexibility, two elements not familiar to some Member States, especially to the Southern European countries; a reform of that kind, trying to implement the European demands, can only happen with the fundamental change of their structure which can be defined as risky and some times catastrophic. Even though the OMC has real affects on national plans, there is always a gap among the European countries as the actors are asymmetric (different national systems). Even further, the procedure of the OMC is expected to influence each Member State at different level as the “openness” of the method of coordination based on mutual adjustment among the policy elites (Chalmers and Lodge: 2003).

Moreover, as De la Porte (2002) demonstrates, the adoption of the guidelines seemed harder to the southern countries because the model of the female career was not that spread as much as in the northern countries. The Mediterranean model is characterized as traditional; the man seems to be the leader and the person who brings money to the family. At the same time, the same author, (De la Porte: 2002) highlights that social protection has the tendency to be dissimilar regarding to occupational class, especially in the southern countries. So, one may say that these Member States had to make a harder effort to reach the EU’s guidelines of the EES as the amendment of their system has been a necessity. Additionally, the easy replacement of employees and the short government’s support concerning services for child carrying etc make employment for women much more difficult in the South. Maybe the situation has been improved with the support of the EU, but still these countries seem to follow in comparison with the countries of the North which adopted the EU guidelines without such “pain”.

Nevertheless, even though the OMC is supposed to respect national specialties, it implies greater fundamental structural amendments to some countries than others. As concerns the employment policy, countries with the continental and southern welfare-state systems feel the most pressure, in contrast to the social inclusion policy which

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<sup>8</sup> “*Corporatist status divisions in the social security system based on employment and occupation*” (Karamessini: 2007)



causes more difficulties to the southern and Anglo-Saxon welfare-state regimes (De la Porte: 2002).

Even though the European tool of OMC was created to minimize the differences among national arrangements, in practice the situation is much more complicated and the degrees of adaptation vary extremely (De la Porte: 2002).

As concerns the area of education, economy is characterised as a 'knowledge economy' but there are still conflicts in access to the vocational training and to higher education at national level (Barbier: 2009).

Smismans (2004), after his research work, came to the conclusion that the OMC cannot be characterised as a fully decentralised approach. The practice of the Employment OMC is characterised by a rather technocratic manner because of the lack of *"decentralised stakeholders' involvement or public and parliamentary debate"*... *"without such a decentralised participation, the definition of benchmarks at European level may be rather a threat for than a radicalisation of the principle of subsidiarity"*... *"such a top-down approach cannot be the best guarantee for respecting national and sub- national diversity"* (Smismans: 2004: p.13). As it has already been mentioned, the top down strategy or the share of best practices could not have a result to the olive belt because the structures of their socio-economic models differ from the rest of the EU. As it was mentioned in the second chapter, the southern economies belong to the Mixed Market model which has characteristics dissimilar to the Coordinated and Uncoordinated Liberal Markets. Best practices cannot be copied and pasted as the base of the societies consists of totally different structures. One may maintain that the above theory is an unhelpful idea for the poor performers of the Lisbon's Strategy requirements.

Smismans (2004) tries to give some answers explaining the mystery of the gaps among the countries of the South and the North of the European Union regarding to their performance to reach the benchmarking; his argumentation is a great concern of this thesis as it is related directly to my main issue of analysis. The author puts emphasis on the nature of the policy preferences by referred to a non neutral decision of the four pillars of the EES; he argues that the model of the employment policy of

the EES seems to be a comprised combination of the Nordic and the liberal model (Smismans: 2004). More specifically, according to his analysis, *“on the labour demand side the EES, with its attention for entrepreneurship and adaptability, is inspired by the liberal model emphasising labour market deregulation and tax reductions; whereas on the labour supply side the EES is inspired by the Nordic model focusing on employability via training and active labour market policies. As a consequence, the adjustments costs are much higher for the central continental and the Southern countries. This is illustrated by the number of Recommendations addressed to the member states; the continental and Southern countries are twice as much the subject of Recommendations compared to the Nordic countries, the UK and Ireland. The OMC seems in fact to pay little consideration to the fact that countries whose employment policy is particularly distant from the one put forward by the EU will most likely face enormous political problems in implementing the guidelines and recommendations”* (Smismans: 2004: p.15). To give an example of the Southern countries, Spain has received more recommendations than the UK and Denmark. The results of the research work of Mailand (in Heidenreich and Zeitlin: 2009), related to North, South, East and West areas, place a representative country of the South - Spain- to be repeatedly requested modifications regarding gender inequality in employment rates, early school leaving, distance among flexibility and security at work and lack of part time contracts; more analysis in the second part. At this point it can be noted that the European model serves specific models of the European Union and more specifically the Northern and the British one. Thus, one may hypothesize that the serious gap which exists among the Member States is not only the result of a poor or good performance, but the result of the level of distance between the country's structure and the structure of the proposed EU model. Moving on to the analysis of the above it can be concluded that even if a country is encouraged to reach the best results of the Lisbon's benchmark, the results would always be disappointing as the selection of the performance indicators at a European level cannot be applied to every Member State. Great example of the current conclusion is the one which is described in the first chapter where the Danish Ministry of Finance has found out that softer educational objectives esteemed highly needed for the country.

Thus, Smismans (2004) in his paper argues that the Open Method of Coordination in order to be a helpful tool for the European Union has to take into consideration three

facts. His first point of taking into consideration for the better function of the OMC is the serious varieties of the national welfare attitudes. The author mentions that both employment and social fields of the OMC have been criticised for a strong influence by the economic guidelines under the concept of finance. Moving on to the author's second point, employment and social policy topics mainly deal with queries legitimated by representative parliaments, fact which lack in the OMC procedure; national parliaments are not aware in the process. Thirdly and lastly, Smismans (2004) considers that the flexibility of the OMC cannot promise legal protection and the objectives of the procedure could be adjusted according to interests.

As it can be seen the use of the OMC creates doubts on its effectiveness and divides the academic world about its success as a coordinative tool. It is to say that the wrong use of the European tools can lead to unpleasant results, especially for poor performers, further related analysis will be made at the second part of the thesis.

## **Conclusion**

For the achievement of the objectives of the Lisbon Strategy, five EU benchmarks were called to be reached by the Member States. The issue is that European countries present differences on performance and there was a serious gap among poor and good performers without any harmonization to cross national comparisons. The Strategy was found too ambitious. However, the policy which is followed at a European Union is important element for the explanation of the attitude of the Southern olive countries at a European level. Important is to examine if the areas which are covered by the EU objectives are the areas which a country would have tried to enrich anyway as they apply to its needs.

The Lisbon's socio-economic model is based on competitiveness and flexibility, unfamiliar elements to the olive zone area. One may argue that its profile approaches the Anglo- Saxon interests making the adoption of the European recommendations by the Southern European countries a difficult case. Emphasis was given to the market-based model, placing the bureaucratic one to a second position. Mediterranean countries had to make great effort to adjust their system and structure even though the

structure of a society cannot be easily modified. One of the great reasons causing difficulties to the adoption of the Lisbon's guidelines is the fact that the olive belt is characterized by inequality of genders in the working environment.

At the same time the use of the European Social Fund is not meant to be that helpful as it only provides funds for the development of initiatives without giving instructions on human resources management. The real issue has not been relied on the amount of the financial contributions, but on the organization of the use of the funds provided.

However, one may say that suggestions and pressures flow in both directions- by Member States to the EU and the opposite- determining the politics and economics of each other (Featherstone and Papadimitriou: 2008). On the one hand, the European Union plays a significant role for the economy of its Member States as national governments follow obligations and norms for common policies influencing their national strategy but on the other hand, States are the bodies which shape the European agenda. Nevertheless, as it has been mentioned, the impact of the European policy on the national context varies according to the field area.

## CONCLUSION OF THE FIRST PART

It is well known that the academic literature is rich of comparative analysis among nations, but usually deals with the stronger Member States of the European Union; from an early stage best performers caused great interest of analysis. As Ferrera (1996) mentions, -with the exceptions of Italy and France- the Mediterranean countries have not been examined much, especially the samples of Spain, Portugal and Greece. The fact that not much have been done for the southern European zone has two sides; the first shows the difficulty of founding enough academic sources and the second presents one of the reasons of my interest to choose the examination of the southern olive belt.

In any case, the difficulty of the southern olive area to follow the European initiatives and reach harmonization with the rest of the European Union led to conflicts and to the creation of the reputation of the weak and disorganized European zone. Of course, there are reasons of this problematic reputation and there are serious gaps among the European Union which have to overcome for the establishment of harmony within it. However, one may say that reforms cannot easily overcome the “*traditional particularistic practices*” of the South (Sotiropoulos in Gunther, Diamandouros and Sotiropoulos: 2006). In any case, the entrance to the European Union influenced the structure of the national southern systems and played a significant role to its function. The question is the level of the influence of the European guidelines within the national southern systems which I plan to examine in the second part of the thesis. However, in order for that to be successful, I have to prepare the ground for precise analysis. Through the first part I have initially identified the internal variables which influence the structure of the educational and training activities able to be used within the national systems which I intend to study, and secondly, I highlighted the structure of the European policy as an external influence within the national contexts.

Thus, regarding the fact that the performance of a society is divided into “good” or “poor”, according to the EU guidelines I have focused on the identification of the variables placing a performer to the top or to the bottom of the EU scale. The main variables which influence national systems are related to labour market, educational background, trade unions and rules of governance. I also argue that reforms can only

happen if there is a change related to three levels of legislation, education and labour market simultaneously as there is a strong connection between them and the function of one influences the function of the other. The variables found as the key characteristics which constitute the country's socio-economic model will be analysed at a national level, Greek and Italian, to compare the national and international structure and come to conclusions related to the degree of interaction of the two levels.

In order for the above to succeed I need to examine both sides, national and European, for the comparison of their structure. Thus, the additional key elements which are crucial for the development of the second part are related to the European instruments used for the implementation of the EU policy and their fit or misfit within the domestic context of Greece and Italy. As I have seen in the third chapter, the countries belonging in the olive belt meet greater problems of implementation of the European policy because greater effort for the modification of their national systems is desired. The European socio-economic model which is suggested by the Lisbon Strategy 2000 is oriented to competitiveness, flexibility and equality of genders. However, the above are unfamiliar to the olive zone, leading to the hypothesis that there is a risk of political confusion within these societies.

Furthermore, the European Social Fund mechanism is created for the financial support of the Member States. Great interest causes the fact that the olive zone is supported financially mostly when it comes to educational and training policies in contrast to the rest of the EU which happen to follow easier the EU guidelines. At that point I hypothesised that there is lack of strong monitoring. Even if the European Commission continues to provide funds to the Member States, via the ESF, without paying attention to the national policy which is used for these financial sources, no improvement will be noticed. The problem is firstly managerial and secondly financial.

The above hypotheses are going to be examined in the second part through my methodological approach. Based on the main goal of the analysis of the relationship between the national structures and the international policy I have chosen three different theoretical frameworks contributing to my methodology. According to the

theories of Maurice (1989) and Nieuwenhuis and Shapiro (in Descy and Tessaring: 2004) the study of the main actors which compose the state is central if someone wants to examine the construction of the society and the dynamic of its vocational educational and training (VET) system. In my case, this examination seems to be the key one in order to be led to some conclusions following my main question and find the variables which provoke complexities to the performance of the Greek and Italian educational and training systems for the reach of the EU benchmarks. Nevertheless, both approaches lack a vital part of analysis in my case which I added in my research. They both explain the importance and the necessity of an analytic study relying on the internal actors which influence the structure of a society, always talking about effects coming from its own core and not by external influences. Thinking of my case, the function of the educational and training systems is not solely depending on the national actors, but also on the given guidelines of the European Union. Thus, I also combined the approach of Trubek D. M. and Trubek L. G. (in Zeitlin and Pochet with Magnusson: 2005) which presents models of how the Open Method of Coordination could bring domestic policy reforms by using the primary mechanism of policy change which relies on the principles of “*shaming*”, “*diffusion through mimesis or discourse*”, “*deliberation*”, and “*networks*” with the top-down and opposite direction. To come to a conclusion of the above, I have decided to use the combination of the three mentioned theories by making my own theoretical framework based on a five level mechanism of policy change, using it as a guideline for the presentation of the second part.

**Second part:**

**The examination of the Southern  
Educational and Training systems before and after  
the implementation of the Lisbon Strategy 2000  
The Greek and the Italian case**



## **INTRODUCTION OF THE SECOND PART**

Even though the olive belt meets many similarities, such as emphasis on the regulatory role of the state (Amable: 2003), one may maintain that we may not talk about one common southern model, but rely on common characteristics among the Southern countries as there are also dissimilarities (Gunther and Diamandouros in Gunther, Diamandouros and Sotiropoulos: 2006). Both Greece and Italy have their own particularities and each case differs. The second and last part of the thesis focuses on the two countries I have just mentioned above and aims at examining and analysing their structure in combination to the structure of the socio-economic model which is encouraged by the Lisbon Strategy 2000. In that way it can be found at what level the international policy (guidelines of the European Community) can affect the national policy (Greek and Italian), regarding the educational and training field. Furthermore, one may think that possible changes may have not been caused because of the EU policy, but because of the needs of the society. Reforms can either be implemented by an external factor or they can be based on the national pathway. One of the principal issues that are going to be discussed also in this part are related to the question why the EU guidelines meet difficulties to be adopted by Greece and Italy and which have been the national undertaken activities for meeting progress in the educational and training area after the introduction of the Lisbon 2000.

For the easier presentation of the changes which have been occurred at a national level after the implementation of the Lisbon Strategy 2000 I follow the structure of the three theoretical framework presented in the first chapter. More specifically, information of both countries (Greece and Italy) is divided into the three frames, political, institutional and organizational, separated into the period before and after the implementation of the Lisbon Strategy 2000. The political frame examines the type of the decision making, the national measures which have been taken for the adoption of the European directives and the level of the effectiveness of the tools of the European Union (OMC and ESF) at a national level. The institutional level is composed by the educational context of the countries before and after the implementation of the Lisbon Strategy 2000, and the level of reforms caused in fields related to education and training. The organizational frame explains the structure of their labour market and changes which may occur after the 2000 period. Lastly, all

levels of the policy change mechanism are examined, -deliberation, discursive diffusion, shaming and monitoring-, except the first level regarding policy networks which is examined in chapter III.

**Chapter IV:**  
**THE GREEK EDUCATIONAL AND TRAINING SYSTEM**  
**AND ITS INEFFECTUAL PROGRESS**

## Introduction

The Greek government in order to compete successfully within the European zone had to implement and adopt initiatives such as, the macroeconomic dimension of EMU, the Delors White Paper (1993), the Amsterdam Treaty (1997) and the implementation of the European Employment Strategy. That meant the realization of various structural reforms (see the Greek labour market reforms for the 1997-2005 period in annex 1). Nevertheless, Greece did not seem ready to manage and control that kind of changes; its government met a problematic attitude to Europeanization as there was lack of suitable professionals to handle the situation.

An important element in my case is the state's refusal to follow the economic policy determined by the European Union and more precisely the guidelines relying on the *"redefining the economic role and functions of the State"* (Ioakimidis in Featherstone and Ifantis: 1996: p.37) by transferring economic activities from the public to the private sector, minimizing its monopolistic role and empowering the micro-sized businesses; conflict was caused with the European Commission<sup>9</sup>. However, even though Europeanization had integrated deeper to the politico- economic system of the country at a later stage, there have still been problems to be solved. It can be certainly said that Greece has been more than a complicate case for the European Union because of the strong role of the state (controlled according to the needs of the political parties) and the lack of concrete policy planning; political systems and culture composed a *"patron-client interaction"* within an *"over- centralized entity"* (Ioakimidis in Featherstone and Ifantis: 1996: p.40) which disables the interests and activities of the regions and localities to meet great development. Greece has been blamed for lack of strong sanction mechanisms for non-compliance as the four reform packages (two under Simitis's government and two under Karamanlis's)

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<sup>9</sup> Example during the 1983 year: *"the Government setup the OAE Organisation for the Reconstruction of Enterprises to assist so- called ailing industries of the private sector. This, in effect, resulted in bringing a host of so- called problematic private companies into the public domain, thereby enlarging the scope of the public sector in gross defiance of the EU rules, policy and dynamics. Predictably enough, this gave rise to a plethora of legal cases involving infringement of EU legislation, some of which were eventually heard by the European Court."* (Ioakimidis in Featherstone and Ifantis: 1996: p.37)

demonstrated only slightly influence from the EU (Featherstone and Papadimitriou: 2008).

In what follows, I outline the regulated, educational and the labour's market line which is followed within the Greek society divided into the levels of the political, institutional and organizational frames used by Nieuwenhuis and Shapiro (in Descy and Tessaring: 2004). The three frameworks are separated into the period before and after the introduction of the Lisbon Strategy 2000. In that case the main characteristics of the Greek society can be presented and analysed in a way which some hypotheses about the chosen national line can be created. Even though the chapter aims at studying the level of the impact of the Lisbon Strategy 2000 within the Greek borders and presenting the blocking factors which make the adoption of the EU guidelines complicated, the crucial part of it, is the subject by itself; the examination and the analysis of the educational and training system of the country which seem to have a great sense for future work and improvement. Nevertheless, the conclusions of this research are related to the period before the economic crisis (in 2008) in order to be reliable.

Also, by having presented the networks policy (level 1 in my theoretical approach) of Trubek D. M. and Trubek L. G. (in Zeitlin and Pochet with Magnusson: 2005) in the previous chapter (CH III), we currently move on to level 2, 3 and 4 including deliberation, discursive diffusion and lastly, the shaming process. All these levels compose practices within the national system for possible policy change influenced by the EU mechanism and belong to the political, institutional and organizational frames after the introduction of the Lisbon Strategy 2000. The level 5 which introduces monitoring concerns both periods before and after the Lisbon Strategy.

## **1. Political Frame: the mechanism of decision making in Greece**

### **1.1 The national political frame before the introduction of the Lisbon Strategy 2000**

The political frame includes all the ministerial notes and regulations which come from the society's top level. It is an important level as it involves the state's decisions and norms which influence the structure and function of a nation. The section of the

political frame is divided into the state's function, the initiatives and national bodies responsible for training and the financial support regarding the education and training.

### **1.1.1 The function of the state and its role to the Greek economy: low efficiency and clientelism**

#### **Low efficiency of the state's mechanism**

It is argued that the Greek model is composed by low efficiency and effectiveness of the Greek state as *“the size of government administration, as a proportion of GDP, is relatively high”* (Featherstone and Papadimitriou: 2008: p.59); the state's mechanism seems weak with difficulties in coordination, unable to deliver a reform according to the European demands even though there are serious problems such as, low competitiveness in labour market and a large black economy<sup>10</sup> (Featherstone and Papadimitriou: 2008, Amable: 2003). However, another important issue is the inadequacy of its public sector; low quality of services and insufficiency in infrastructure. The lack of good quality services in education led the public to ask the service of the private sector. Ioakimidis (in Featherstone and Ifantis: 1996) gives the example of pupils who learn a foreign language or students who pass university entrance examinations only after the attendance of courses in private institutions offering knowledge which is supposed to be provided during public school classes; the quality of public courses is not enough for the development of knowledge (Ioakimidis in Featherstone and Ifantis: 1996). It can be argued that there are complexities on structural reforms based on the liberalization of the state's economic regulation and social support as its administrative role is suffering from an internal poor organization (Featherstone: 2003). Thus, based on this weak organization, which serves various sectional interests trying to earn subsidies or favours, it can be hypothesized that the dysfunctional policy-making reality makes the establishment of institutional changes almost impossible.

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<sup>10</sup> Informal sector

## **Clientelism relation**

Nevertheless, one may wonder about the role of the political economy and the activities of the party systems in order to face this inefficiency. The only answer which can be given is that the influence of the Greek political parties is noticeable, but mainly because of the clientelism relation which has existed. Employees and individuals in general place their identity according to the political party which they support and their career depends on the position of the party (if this is on or not). It can be assumed that this system of corruption meets the failure of a democratic system, a system which enriches the lack of responsibility of the political leaders and bureaucrats and a monopoly situation for voters (Featherstone and Papadimitriou: 2008).

Over all these years resources have not been spent for the implementation of projects and investment in Greek society, but on the contrary, many consumption type activities with the top of the hiring of civil servants have been noticed. It is to say, however, that Greek political parties after their elections, do not realize any fundamental change, even though there is a strong political antagonism based on their ideological divisions before the electoral results (Papadopoulos: 2011). Political parties are for the Europeanisation process only to the extent which does not threat their control over the state (Ioakimidis in Featherstone and Ifantis: 1996). The above situation leads to the hypothesis that the autarkic Europeanization attitude of Greece creates feelings of antitrust as the public usually is not well informed. The corruption of the political system (political parties) seems to create opaque activities for their private good causing difficulties to any kind of change.

### **1.1.2 Fundamental initiatives for Education and Training: establishment of institutions, centres, mechanisms of funds, and responsible national bodies for the implementation and supervision of CVET**

During the period of 1990s, one may consider that there have been some developments in Greek education and training with few remarkable changes. First of all, in 1992, there is the establishment of a new vocational training institution (IEK) at the post secondary level, which is managed both by the private sector or the State and

aim at the development of qualifications, specialised on training and recognisable at European level. Secondly, three years later, another new institution was established, the Vocational Training Centres (KEK) which had as a goal the offer of vocational training to unemployed and also employed individuals. A year later, there is the entrance of a new fund for employment and vocational training (LAEK) which look at the reimbursement of enterprises for their training expenses; this mechanism has been the main source of private funding for CVET in Greece. Lastly, in 1998 there has been a catalytic reform in the educational system. All the types of lyceum at the post-compulsory secondary education were merged into the unified lyceum. Thus, the vocational education and training has been started to be characterised as the necessary and valuable tool of a new competitive and more demanding labour market for the reach of the peak.

Continuing with the national responsible bodies, we first meet the National Accreditation Centre for Vocational Training (EKEPIS<sup>11</sup>) which supervises and manages the agencies involved with the CVET in order to ensure quality and it is controlled by the Ministry of Employment and Social Protection (YPAKP) (ReferNet Greece: 2007). Furthermore, the providers of the CVET are the Vocational Training Centres (KEKs<sup>12</sup>) of OAED which implement programmes after a process of an acceptance of a formal proposal aiming at the increase of existing continuing vocational training activities. These training programmes are mainly relevant to long-term unemployed, women and excluded social groups (ReferNet Greece: 2007). After the end of the courses trainees receive a certificate of attendance. However, it matters to say that this effort is co-financed by the European Social Fund and the state budget which is allocated to the Ministry of Employment and Social Protection (YPAKP) (ReferNet Greece: 2007). Lastly, the national body which confirms the connection of the initial and the continuing vocational education and training is the National System for Linking Vocational Education and Training to Employment (ESSEEKA<sup>13</sup>) having as a goal the satisfaction of the needs of the Greek labour market (ReferNet Greece: 2007).

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<sup>11</sup> EKEPIS was founded in 1997 under the Law 2469/1997

<sup>12</sup> Ministerial decision 115372/94

<sup>13</sup> ESSEEKA founded by the law 3191/2003



### 1.1.3 Funding of the Educational and Training Initiatives

It is certain that in the area of vocational training many actors, such as trade unions, public institutions, universities, banks and private businesses are involved, by showing the absence of one policy for the coordination of its activities (Μπαλούρδος and Χρυσάκης in Μαράτου- Αλιπράντη and Χατζηγιάννη: 1998). Patiniotis, Spiliopolou and Stavroulakis (1997) mention important laws establishing rights of union's participation, such as the law 1565/1985 and the Presidential Decree 17/18.1.1996 which permit employees to create 'Health and Safety committees' for the improvement of working conditions and the law 1767/1987 which is *"provided for the formation of powerful workers councils at the enterprise level, authorised to participate actively in all aspects of business life"* (Patiniotis, Spiliopolou and Stavroulakis: 1997: p.29-30). However, the same authors argue that union's action proved minimal; decision- making has been the state's result without any previous debates with the social partners (Patiniotis, Spiliopolou and Stavroulakis: 1997). The state consists the main power for the identification of the provided knowledge in the class-rooms and the definition of the qualifications which have to be cultivated within courses.

Starting with a concrete picture concerning the Education and Training funding, a table which summarises all funding sources, of the Initial Education Vocational Training (IVET) and the Continuing Education Vocational Training (CVET) is given.

**Table 6: Education and Training Funding sources, allocation, implementation and consumers**

	Funding agents	Allocating agents	Implementation agents	Consumers
IVET (public)	European Funds - State budget (Ministry of National Economy)	<ul style="list-style-type: none"> <li>• Ministry of Education and Religious Affairs</li> <li>• OEEK</li> <li>• Ministry of Labour and Social Affairs (OAED)</li> <li>• Other ministries</li> </ul>	<ul style="list-style-type: none"> <li>• TES, TEL, EPL (until 1998)</li> <li>• Technical vocational institutes (TEEs) (after 1998)</li> <li>• Vocational training institutes (IEKs)</li> <li>• OAED apprenticeship schools</li> <li>• Vocational schools of other ministries</li> </ul>	Persons seeking professional qualifications and skills (mainly 16-22 years old)
IVET (private)	Households			
CVET (public)	European Funds - State budget (Ministry of National Economy)	<ul style="list-style-type: none"> <li>• Ministry of Labour and Social Affairs</li> <li>• OAED</li> <li>• Other ministries</li> </ul>	<ul style="list-style-type: none"> <li>Vocational training centres (KEK)</li> <li>• Enterprises</li> <li>• Liberal studies centres (KES)</li> </ul>	Employees
CVET (private)	Employers and employees (LAEK)	LAEK committee (with the technical support of OAED)		

**Source: Tsekouras, Stamboulis and Litsardakis: 2003: p.23**

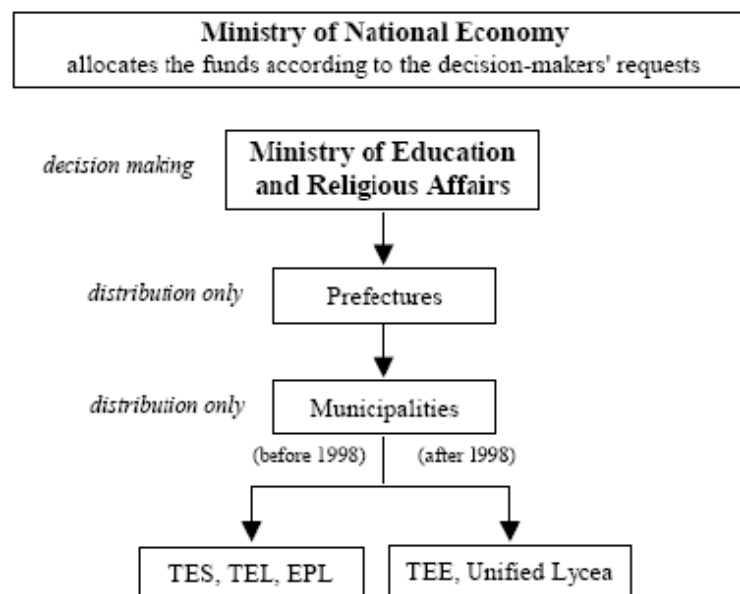
In both cases of IVET and CVET the main financial resources are the European Social Fund (ESF) and the State's budget; the 75% of the funding is provided by the European Social Fund (ESF) and the rest 25% comes from national subsidies (Tsekouras, Stamboulis and Litsardakis: 2003). Nevertheless, the structure of the funding process presented in the above table including funding sources, allocation, implementation and consumers is analysed in the following subsections, giving details firstly for the IVET and secondly for the CVET case. The only implementation agents which are not meet in the following subsections are the liberal studies centers (KES) as they are educational organisations providing non-formal vocational training, usually covering technical and computer skills (Tsekouras, Stamboulis and Litsardakis: 2003).

### 1.1.3.1 Supervision and distribution of public funding for the Initial Vocational Education and Training activities

#### Upper Secondary Initial Training

Firstly, as concerns the upper secondary vocational education and training, the Ministry of National Economy is the responsible body which distributes the public funding regarding the Education and Religious Affairs Ministry's requests on annual expenditure. Additionally, the Ministry of Education and Religious Affairs contributes financial support to the prefectures which enrich financially the municipalities where the institutions of the upper secondary vocational education belong to (Figure 6).

**Figure 6: Public Funding for upper secondary vocational education and training**



Source: Source: Tsekouras, Stamboulis and Litsardakis: 2003: p.41

The same procedure is followed for the budgetary planning of the vocational training institutions belonging to the supervision of individual ministries; the ministry submits budgetary proposal to Ministry of National Economy.

According to the structure of the decision making for the public funding in upper secondary vocational education and training, the strong centralised role of the state

can be clearly seen; even local authorities are responsible for the function of schools, they do not have any financial resources, only the Ministry of Education and Religious Affairs has the power to decide about the distribution of the budget; everything is allocated based on its decisions and jurisdiction.

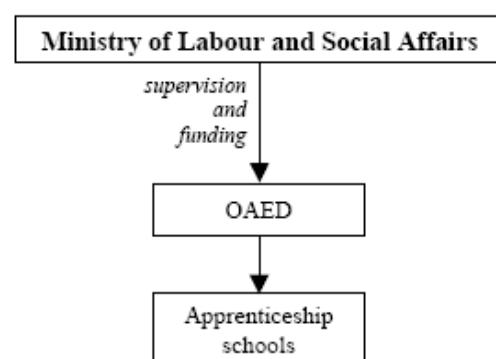
### **Apprenticeship training**

Also, moving on to the responsible body for apprenticeship training, it is met the Ministry of Labour and Social Affairs which transfers the funds to apprenticeship schools via the Manpower Employment Organisation (OAED); the Apprenticeship Schools binding for financial contributions via the regional offices of OAED which pass the proposals to the central OAED office. Apprenticeship has not flourished in Greece.

*“In Greece apprenticeship is defined as alternating training in a school and the workplace. The apprentice is contractually linked to the employer and receives a wage. The employer assumes responsibility for providing the trainee with training leading to a specific occupation.”* (ReferNet Greece: 2007: p.18)

At this point, it should be mentioned that mechanisms adopted for the quality assurance of practical experience rely on the supervision of OAED which monitors the working places in order to ensure if working conditions and training plans respect the criteria of quality assurance (ReferNet: 2008).

**Figure 7: Public funding for apprenticeship training**

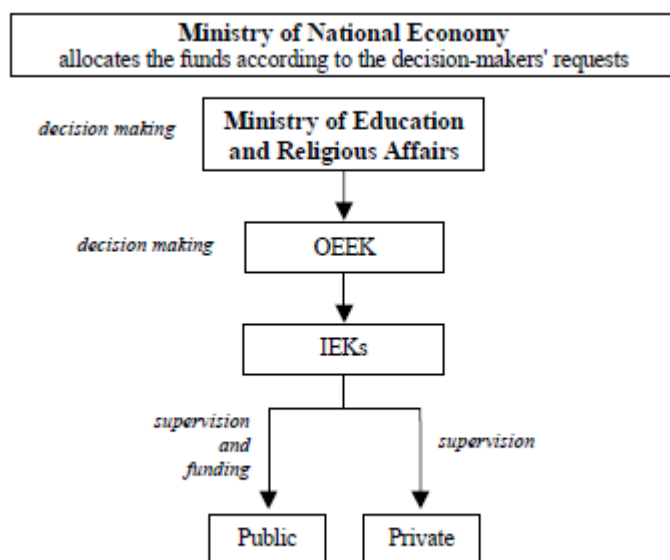


Source: Tsekouras, Stamboulis and Litsardakis: 2003: p.42

## Post secondary Initial Training

At this step the Vocational Training Institutions (IEKs) submit a detailed budgetary proposal to the Organisation for Vocational Training and Education (OEEK), which *“raises a small level of funding payment from private training institutions for certificates to operate as IEKs”* (Tsekouras, Stamboulis and Litsardakis: 2003: p.42), to carry it forward to the Ministry of Education and Religious Affairs which in its turn provides the details to the monitoring committee of Ministry of National Economy for the control of the expenditure.

**Figure 8: Public funding of IVET (post-secondary vocational education and training)**



Source: Tsekouras, Stamboulis and Litsardakis: 2003: p.43

### 1.1.3.2 Funding mechanisms of Continuing Vocational Education and Training

There are various mechanisms of funding of the Vocational Education and Training activities. Firstly, there is the internal business training programme in private sector; in this case the programme is public financed (EU and State) and the responsible body of its supervision is OAED. The programme offers training between 150 to 300 hours and it is offered to enterprises whose proposal is approved, no matter the size and the sector of the firm. Furthermore, there is the Operational Programme (Kleisthenis) where funding procedures vary depending on who is responsible for the evaluation

and provision of the training; in this case, the responsible contributors of finance are also the Greek State and the European Union, with the particularity that contributions happen only via the Community Structural Fund (CSF- European financial tool) within the budget of the local Operational Programmes for training programmes (Tsekouras, Stamboulis and Litsardakis: 2003). Going into details the main supporting mechanism for the funding of enterprises for CVET is the Account for Employment and Vocational Training (LAEK) (Μπαρκαμπά and Γιαννάτου: 2007).

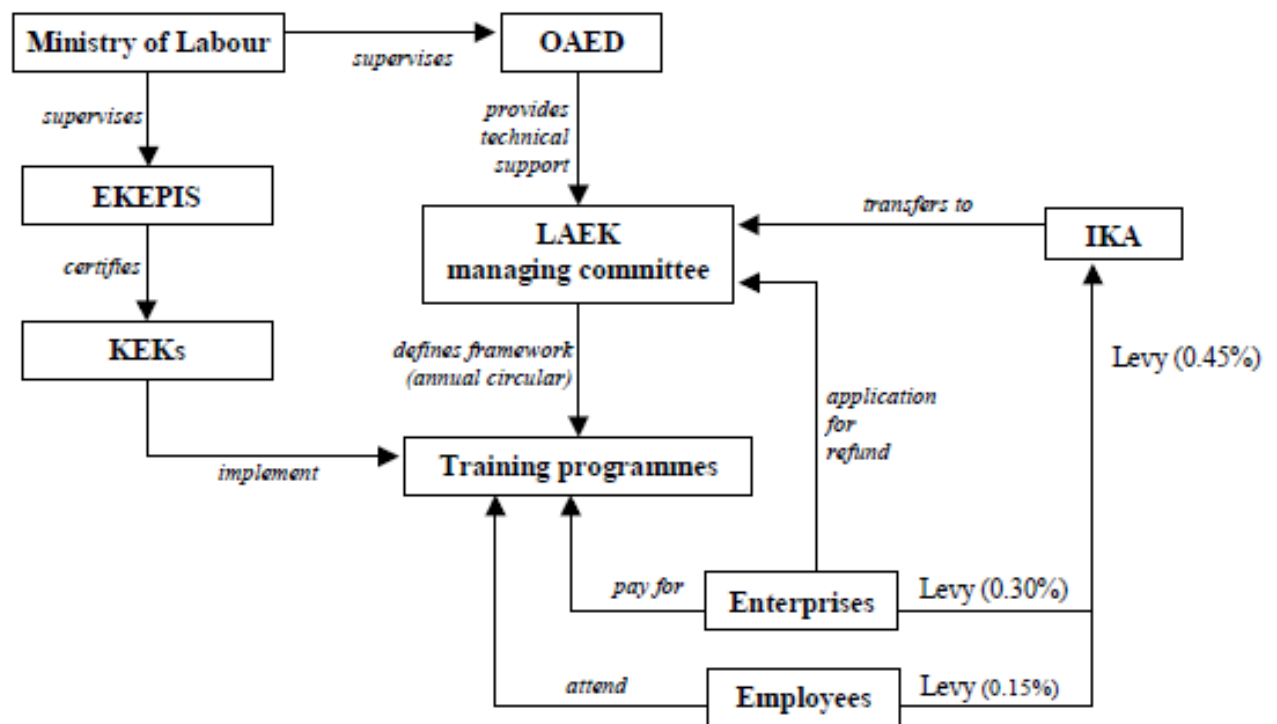
### **The Account for Employment and Vocational Training (LAEK) financial mechanism**

The main mechanism of enterprise-based CVET in Greece relies on the Account for Employment and Vocational Training (LAEK) as the specific programme contributes to the strength of vocational training and employment policies. Its financial resources are based on contributions of both employers and employees (covering the cost of training programmes of the staff), and amount to 0.45% of the yearly total gross salary of employees in each enterprise (ReferNet Greece: 2007, Tsekouras, Stamboulis and Litsardakis: 2003). The Social Security Institute (IKA) is responsible for gathering the amount and a tripartite committee with technical support from Manpower Employment Organisation (OAED) supervises the programme (ReferNet Greece: 2007, Μπαρκαμπά and Γιαννάτου: 2007). Both private and public enterprises can participate in the programme; concerning public enterprises can be semi-state, legal entities of private law and municipalities. Furthermore, the personnel that are trained have to be insured in IKA and the training programme could be only theoretical or 70% theoretical and 30% practical, small enterprises with 1 to 25 employees can also participate (ReferNet Greece: 2007, Tsekouras, Stamboulis and Litsardakis: 2003).

Moreover, OAED is responsible for the supervision and evaluation of proposals via other internal business training programmes covering enterprises of all sizes (small, medium and large) and sectors (ReferNet Greece: 2007). More precisely, a public annual call of interest is made by OAED and enterprises submit bids (certain quotas: maximum amount on cost per training hour per trainee) of their training programme (Tsekouras, Stamboulis and Litsardakis: 2003).

After the approval of the training programme announced by OAED, according to the funding regulation, (Tsekouras, Stamboulis and Litsardakis: 2003: p.56): “50% of public contributions to the programme’s budget is transferred to the firm within a month of the announcement. After completion of the programme, and with two positive inspection reports from OAED local agencies, another 30% of the public contribution is granted. The remaining 20% is given when the programme is finished and expenses have been audited and approved by OAED central services. The private contribution to the programme, which varies from 30 to 50% (depending on enterprise size), is covered by the enterprise mainly through eligible elements of budget which are already real expenses (i.e. consumable, raw materials for the practice part of training, salaries of training supervisors, etc.)” (Look figure 9).

**Figure 9: Private funding of CVET (LAEK fund)**



Source: Tsekouras, Stamboulis and Litsardakis: 2003: p.56

## **Elements determining the proportion of funding of the Continuing Vocational Education and Training activities**

To come to an end, the proportion of funding depends on the size of the company as well. More precisely, the National Greek Labour Institute composed a report where it is mentioned that:

- Businesses with 1-50 employees or businesses which try to recover a crisis receive:

Private Contribution	30%
Contribution of OAED	17.5%
Contribution of the European Social Fund	52.5%

- Businesses with 51- 300 employees receive:

Private Contribution	40%
Contribution of OAED	15%
Contribution of the European Social Fund	45%

- Businesses with 301 employees and more receive:

Private Contribution	50%
Contribution of OAED	12.5%
Contribution of the European Social Fund	37.5%

**Source : Μπαλώτη: 1996: p.52**

As it can be seen the contribution of the European Social Fund for each type of business, - without considering its size- , seems to be the highest. Especially for small sized businesses which consist the majority of the Greek market the proportion of contribution is up to 50 per cent.

### **1.2 The impact of the Lisbon Strategy 2000 on the political Greek frame: Level 2- Deliberation and Level 5- Monitoring**

According to the composition of the three theoretical approaches used in the thesis (table 3), the second level is characterised by the mechanism of deliberation. At this



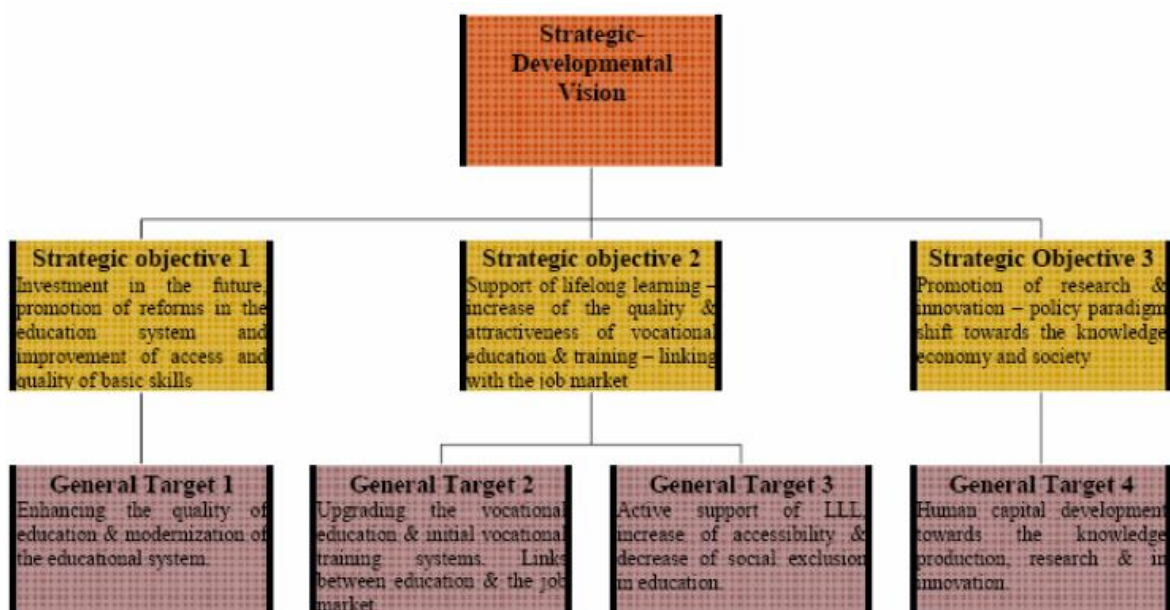
level we meet the process of delivering policy change, which is implemented by the chosen Greek strategic development vision for the adoption of the EU guidelines and the way by which the European coordinative tools, the Open Method of Coordination and the European Social Fund are used.

### 1.2.1 The Greek strategic development vision

In order for an improvement of education and training to be succeeded, the Education Research Centre (ERC) examines methodically the level of their progress over the period (European Commission: 2005a). The Education Research Centre of Greece is an independent institution implementing and supervising research projects assigned to it by the Ministry of Education and it functions under the supervision of the Minister of Education and Religious Affairs.

The objectives of the VET policy are looking at the improvement of the quality of education; the creation of links between the initial vocational education and training and the labour market; the strengthening of the lifelong learning programme for adults and the empowerment of the human capital for innovation (ReferNet Greece: 2007). The analytic strategic development vision of the Greek system is presented by the diagram 1 taken by the National Report- Hellas 2007.

**Diagram 1: The Greek strategic development vision:**



Source: National Report- Hellas: 2007: p. 34

It is obvious that the strategic plan of the Greek government takes into consideration the guidelines of the Lisbon Strategy for a more competitive European economy as it aims clearly at the enrichment of the labour force via educational vocational and training activities, encouragement of life long learning and research and innovation; essential policies which used to be left aside all over the years. If someone compares the above diagram of the Greek strategic development vision with the “Education and Training 2010” work programme where the basic reform priorities in Greece concerning the education and training systems are given (European Commission: 2005a), he/she can assume the following: First of all, the strategic objective 1 of diagram 1 tried to be succeeded via the priorities relied on the “*establishment of appropriate infrastructures*” available to Greek education by emphasising the improvement of educational materials for teaching and learning, on the “*systematic professional development of teachers*” as an inservice training and on the “*promotion of European languages*” via the placement of a second foreign language at the last grades of primary school. Additionally, the strategic objective 2 based on two priorities related to the “*forging links between education and training and the employment sector*” (looking for the required competences of the labour market) and the “*development of actions at all levels of lifelong learning*” (mainly relying on the activities of the Adult Education General Secretariat). Lastly, the objective 3 looked at the “*quality improvement for the provided education services*”; the success of this achievement is based on the procedure of recording the needs and evaluating the progress which is marked.

Looking at the Greek national strategic plan and its priorities I would like to focus mainly on the third objective related to the quality of the provided educational services and the need for evaluation. At this point I feel that this objective is the most crucial one as real change can only happen in a long term process by using methods of monitoring and evaluation for fundamental improvement and future development. As we have seen, the state’s mechanism is characterised by low efficiency which makes the deliberation of reform complicate and there has been also a lack of qualified experts related to the subject. Even though the third objective is very crucial for the Greek case, the question is the frequency and the consistence of assessment. In 1996 the European Committee made a checking control on the Vocational Training Centres and it suspended the finance of the Community Structural Fund II for two years (see

institutional frame); that means that there has been lack of tense monitoring at both levels, national and European. However, the European Community provides only the guidelines and funds, the Member State by itself has to find the way to change its structure. Thus, wisely the main goal of the Ministry of Education had been to establish those methods and mechanisms which can evaluate the performance and needs of the education and training sector.

For the implementation of the above strategic plan, it should be hypothesized that suitable experts, who can deal with it, exist. Nevertheless, another serious issue of the Greek reality is the lack of policy institutions; various research institutions (such as the National Centre for Social Research and the Centre of Planning and Economic Research) may exist, but their academic priorities are not coinciding with the analysis and evaluation of public policies (Featherstone: 2003). The experts of this issue have been limited and the impact of policy analysis is examined by the international bodies as a result, great autonomy of professional public policy think tanks are ceded to politicians who define reforms according to their will (Featherstone: 2003). Thus, it can be hypothesized that the slow process of development and change does not necessarily rely on the bad mismatch of the EU and the Greek socio-economic model, as it is referred in chapter III, but also because of the lack of scientific staff which could identify the needs of the national labour economy. Also the situation becomes worse as great power was given to the political parties in order to deal with this issue empowering their authority and putting democracy in danger.

### **1.2.2 The level of effectiveness of the main tools of the European Union**

As it has been examined in the first part of the thesis the mechanisms which have been used by the European Union concerning the coordination and the founding of the Member States, rely on the Open Method of Coordination and the European Social Fund. At this point, the extent of their effectiveness and the level of their adaptability are tried to be examined.

### 1.2.2.1 The Coordination Tool of the OMC procedure

According to the literature of the third chapter of the first part of the thesis (Chapter III: Coordination policy of heterogeneous European models) the Open Method of Coordination evaluates the position of the Member States without any systemic involvement of regional and local authorities (Kaiser and Prange: 2002, Smismans: 2004). This leads to the hypothesis that only countries with highly decentralized structure may face difficulties at a national level, thus, Greece characterised by a strong centralised system should be in favour of the OMC procedure. However, the strong centralized structure of the Greek society is a reason of mistrust as the central state has no intentions of promoting a legitimate social dialogue involving all social actors. The issue of central decision- making is fragile as the enormous central power can be turned out to be catastrophic; the value of democracy exists only via dialogue. Thus, it can be hypothesized that strong centralization within a country can meet great problems concerning the procedure of the Open Method of Coordination as there is a strong possibility of the lack of the social dialogue within the country. At this point, it can be estimated that the breach of social equality threatens the establishment and the permanence of a national well organized system based on values of democracy. The lack of the involvement of the social actors and the non regional consideration could only lead to a complexity as the real needs of the state cannot be represented and satisfied. Central decision- making cannot improve any kind of situation if regional requests are not considered. Centralization can be proved better in a matter of time, decisions can be taken in a shorter time span in comparison to decentralised systems, however the question relies on the importance of the decisions which have to be taken and their concrete meaning for the better function of the state. Nevertheless, it has to be considered that the involvement of social actors could create a more democratic and transparent system without doubts about the actions of the state and misunderstandings about the OMC procedure.

Furthermore, Featherstone (2003) supports, that the process of the OMC seems weak for the implementation of reforms within the national system of Greece and as he specifies (Featherstone and Papadimitriou: 2008: p. 30): *“The OMC and the Lisbon 2000 agenda: The policy objectives sustain conflicting interpretations on the basis of non-binding timetables, with member states at different stages in the reform process.*

*Relevant policy communities are open, with a diffusion of expertise. Asymmetry of information and expertise is thus largely unavailable to any one group of actors. The normative acceptance of the adaptation of domestic policy regimes in line with the EU stimuli is contested, creating domestic veto points. The cost of non-compliance appears low. The OMC process appears distant and not easily understood.”* The conclusions of the authors seem strong as each Member State relies on a different level of reform regarding the EU demands because the domestic structure which is used differs to a great extent; however the non-binding role of the OMC does not put the pressure which it would be placed on the countries by the implementation of strong sanctions. The flexibility which characterizes the OMC procedure can possibly causes doubts about its effectiveness.

#### **1.2.2.2 The Financial contributions tool of the European Union- ESF and CSF**

The biggest part of the education, innovation and training activities is financed by the EU Structural Fund. In 2000- 2006 priorities financed by the ESF related to Vocational Education and Training rely on the Greek language training for immigrants, promoting gender equality in Greek schools, but most importantly for my case the creation of a new network helping socially excluded access the labour market in Greece (Project duration 2003-2006) (Official site of the European Union). I found this priority very interesting because the Greek system lacks networking services linked with the labour market, as a result possible workers searching for a job only via relatives and friends placing social excluded people in a more disadvantageous position; more analysis is given later on in the organizational framework. The Greek government in co-operation with the European Social Fund managed to run a new employment and social reform project by establishing about 70 supporting offices (social service) around the country in order to serve the isolated groups and gain access to the labour market (Official site of the European Union).

The continuation of the ESF 2000-2006 programme is realised by the financial plan for the ESF 2007- 2013 where an interesting plan is given by the European site. Even though the 2007-2013 is not the examined period of my thesis, however, the presentation of its plan can prove the level of national and community's participation

and the match or mismatch of the priorities between the ESF 2000-2006 and ESF 2007- 2013.

Going into details regarding the amount which is estimated for the 2007-2013 period a brief analysis of the following table 7 can offer an idea of the real cost. The ESF fund aims at investing in four sectors, offering as a total amount almost 4.400 millions of euro, in comparison with the national investment, which touches the 1.729 millions of euro. The European Community seems to invest mainly in the development of human resources in Greece as the number of the funding is much higher than the one in the other sectors in contrast to the Greek government which firstly invests in the Education and lifelong learning initiative placing the top priority of the EU in a second place. Within these two priorities, importance related to education and training was given by the creation of links between the universities and businesses, the promotion of gender equality in the labour market, the upgrade of the technical teaching and the vocational training and increase of training courses for adults (Official site of the European Union). What follows is the investment in the public administration and lastly in the national contingency reserve (for facing local crises within the labour market for the 2007-2013 period). The European's Community financial contributions are clearly great importance and necessary for Greek government for future improvement.

**Table 7: Financial plan for the ESF in GR 2007- 2013 in millions of euro**

<b>Priority</b>	<b>Community funding</b>	<b>National counterpart</b>	<b>Total funding</b>
<b>Development of human resources</b>	2 260	731	2 991
<b>Education and lifelong learning</b>	1 440	775	2 215
<b>Reform of public administration</b>	505	170	675
<b>National contingency reserve</b>	158	52	211
<b>Total</b>	4 363	1 729	6 093

**Source: Official site of EU: The European Social Fund in Greece, 2007-2013**

As it can be seen the second ESF (2007-2013) is enriched in comparison to the first one. One may say that funding provides great financial help to VET systems. However, the main question is the outcome of these contributions. It has already been mentioned in the first part (CH III) that the European Social Fund is not created for

fundamental changes but it only provides financial support for the development of initiatives taken regarding the state's strategy. One may admit that financial contributions are necessary and more than essential for the activation of programmes related to the strength of educational and training systems, nevertheless, funding is the last step for a change. When the system is prepared for a well organised function the only element missing is the financial sources; in this case the adverse can be hypothesised. Examples such as the suspension of the Greek Community Structural Fund II for two years after a checking control (see institutional frame) prove that the state's structure is not coherent and transparent. Also, in chapter III (table 5) we clearly saw that the olive belt countries have greater European financial support than other Member States, however the gaps cannot be minimised. Thus, what is required relies on the analysis of their needs and the identification of the necessary changes within their structure. When the state's budget cannot be handled in the proper way, then the government's mechanism remains ineffective. Thus, we can be led to the conclusion that the European Structural Fund is ineffective if the country by itself does not use the organizational method needed within its borders. Lastly, it has been also seen (CH III) that Addison and Siebert (1994) argue that the financial contributions of the Community Structural Fund have a doubtful value and the main issue of examination is the mechanism of evaluation of the implementation plan emphasising the quality of the Commission's monitoring.

### **1.2.3 Recognition of qualifications under a common European umbrella**

As it is already mentioned there are programmes such as the Leonardo, the Erasmus and so on, which are financed by the European Union and aim at the encouragement of the mobility, the increase of the languages competences and the development of the social skills of students, pupils, teachers or employees. The Law 3404/2004 permits *“Universities, operating in Greece, to cooperate with corresponding foreign institutions towards the organization and implementation of common post-graduate studies (second and third cycle)”* (Barkaba: 2008: p. 55). On the other hand, the lifelong learning programme tries to recognise vocational skills of non-formal learning by providing a Supplementary Certificate which describes the activities taken

by the individual, having as a goal to classify the level of these competences in Europe (Regulation 89/48/EEC)<sup>14</sup>.

Therefore, under the Law 3191/2003 a National System for Linking Vocational Education and Training with Employment (ESSEEKA) has been created. The main goal of this system is to certify the competences which were gained during a vocational training (European Commission: 2005a). The two national bodies which try for the right procedures to be followed in order to make sure the trustworthiness of the result are, firstly the National Accreditation Centre (EKEPIS) and secondly the Organisation for Vocational Education and Training (OEEK) which is the responsible authority for the supervision of the Europass files (European Commission: 2005a). Going into more details the Administrative Board of OEEK is the necessary authority which regulates the way of the offered vocational training, the schedule, the workshops and all the activities concerning it (European Commission: 2005a). At the same time regarding the Greek case, it must be said that OEEK, has issued a respectful number of europassports; more precisely someone can agree that the Europass met a great success in Greece as up to 2005 the number of 3,200 Europass files has been issued out of the 70,000 files all over Europe (European Commission: 2005a). The OEEK tries to transfer training credits via programmes and to support the methodology of the Sustainable Vocationalism where similar study programmes lead to common diplomas (in the field of hotel reception services and logistics). Common initiatives were launched in France, Greece and Italy. Furthermore, the Greek-Italian side proposed the creation of a permanent system in order to establish professional profiles via a connection of the initial and the continuing vocational training with employment.

Even though the highly centralised educational system of Greece caused difficulties for innovation, however, the context of the national dialogue aimed at the empowerment of the community's participation in order to create initiatives guided by the local needs (European Commission: 2005a). In favour of the European's Union initiatives, mobility has increased by the European programmes of Erasmus, Socrates,

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<sup>14</sup> Presidential Decree 165/2000 (Official Journal 149, A') has integrated adaptation to regulation 89/48/EEC concerning the minimum 3 year course Tertiary education diploma recognition scheme



LEONARDO da VINCI, Associated Schools Project Network and the South Eastern Mediterranean sea Project<sup>15</sup> (European Commission: 2005a). However, Lifelong Learning has been the main policy priority in Greece; there has been a new Law on the “Systemisation of Lifelong Learning” (L. 3369/2005<sup>16</sup>), which composed a major legal and political reform (National Report- Hellas: 2007). According to the Greek National Report (2007) for the first time it is set up an “*integrated and viable “LLL network”*” looking at a new institutional framework for a broader governmental strategy. An important change has been the creation of “*the National LLL Committee*” and the “*Lifelong Learning Institutes in HEIs<sup>17</sup> and in Social Partners Structures*” which establish a new institutional framework continually updated for the satisfaction of the needs of the life course. This institutional change planned to organize the existing educational and vocational frameworks and secure terms of learning opportunities for all.

## **2. The institutional frame**

### **2.1 The national institutional frame before the introduction of the Lisbon Strategy 2000: the morphology of the Greek educational school system**

The institutional frame relies on the national bodies which provide education knowledge and training practices within the chosen qualification structure for the implementation of courses and the main characteristics of the educational system.

#### **2.1.1 A centralised, highly bureaucratic, taking no consideration of the labour’s market needs model**

#### **The Greek bureaucratic model in favour of generalists and its inflexibility towards educational reforms**

One may say that the Greek educational system is related to the structure of the French education as the main characteristic of both systems is the consistency of an

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<sup>15</sup> “*The Associated Schools Project Network (ASPNET) aims at promoting international co-operation and peace through Education*” also “*Greek schools and teachers participate in the South Eastern Mediterranean sea Project, which is a Greek initiative, and combines interdisciplinary teaching and holistic learning*” (Report 2005: p.17)

<sup>16</sup> The law was ratified on July 6th 2005. Available at:

<http://www.espa.gr/el/Pages/eLibraryFS.aspx?item=300>

<sup>17</sup> Higher Education Institutions

extensive centralization within the regulated educational programme. The provided knowledge in Greek schools has been a general encyclopedic knowledge putting emphasis on the intellectual power (Persianis: 1998). The state by itself has traditionally made all the choices on curricula, textbooks and context (Persianis: 1998). Persianis (1998) argues that in a state like Greece which was characterized by lack of transparency and trust (look example of clientelism in political frame section), people were persuaded easily that this strategy is for the best. Greece faces lack of flexibility, as Kazamias and Starida (1992) support, any kind of educational reform cannot be implemented without the involvement of the Greek political and economic system. Its strong bureaucratic role makes the development of vocational training complex and there are great difficulties for the combination of both types of knowledge (Kazamias and Starida: 1992). Thus, it is also remarkable that Greek industries have not shown interest in investing on trainees as the academic system has not provided any financial incentives (Zarifis: 2000).

Furthermore, Greece is defined by the frequent recourse of reforming educational proposals without success (Persianis: 1998). Persianis by using the arguments of Demara<sup>18</sup>, he explains that even though there has been a number of reforming proposals which managed to become draft laws and announced as educational reforms, none of them was implemented enough; they were all short-lived reforms following desires of new ruling parties reestablishing the traditional status quo. Strikes by the unions of teachers kept asking for reforms for the shortcomings of the system and for better salaries and training. However, the accession of Greece to the European Union (1981) offered economic development, free materials in the field of education for the university students and raise on teachers' salaries (Persianis: 1998).

Furthermore, one may argue that the use of expertise (a scientific body) for the education field came significantly late in Greece (only in 1975); the laws 1304/1982 and 1566/1985 integrated "*provisions for democratization of education on three axes: administration, popular participation and scientific pedagogical guidance*" (Persianis: 1998: p.81). At this point, there have been established a variety of

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<sup>18</sup> Demaras A. 1978 The movement for reform: a historical perspective, Comparative Education Review, 22, pp. 11-20

representative bodies of democratic planning at a national, regional and local level (decisions are still centrally taken).

Greece in a certain context was characterised as one of the most traditional European models (Paleocrassas: 1992). Starting with its principal characteristic, one may support that institutions such as academic and vocational schools coexist and they follow a parallel way with the main difference that each type of institution has its own reputation in society and they are considered as institutions which attract students with different level of social background. Paleocrassas (1992) and Winterton (2006) also want the Greek and the French educational systems to be similar in the sense that both can be classified under the education led, school based model. Moreover, Verdier (1996) explains in his work, that France gives prestige on the academic education and graduates are trained to be generalists.

As Gouvias (1998) emphasizing (Gouvias: 1998: p: 305) “*Greece has one of the most restricted higher education systems in Europe*”. This can be explained because of the lack of alternatives: the university entrance examination system during the late of 80s has been highly selective and demanding, and the exams last only one day once per year for each examined subject without any opportunity for a second chance. Gouvias (1998) highlight that, the structure of the university entrance examination system led many candidates to entrance the labour market or go abroad to study after their failure to pass the exams.

Kazamias and Starida (1992) also argue that the Greek system is a bureaucratic state model of highly centralized control, noting that (Kazamias and Starida: 1992: p.104): “*Article 16 of the Greek constitution of 1975 stipulates, inter alia, that “Education shall be a fundamental concern of the State”*. Also laws 1268/ 1982 and 1404/1983 about tertiary education (AEIs and TEIs) stipulate that they are both “*legal public entities*” and “*totally self- governing*”, but “*under the supervision of the State*” (Ministry of National Education and Religious Affairs), which is also responsible “*for the planning and financing the tertiary institutions*” (Kazamias and Starida: 1992: p.104). In short, the institutional responsibilities of self- governance rely on the selection of the teaching staff, the study programmes, the decision making plan and the control of financial sources and contributions. In other words, even though tertiary

institutions are supposed to have a degree of autonomy, all decisions have to be approved by the Central Ministry (Kazamias and Starida: 1992, Rychener in Aventur, Vergne and Möbus: 1998).

In short, the education Greek system has been identified by a strong inflexibility for a stable educational reform, needs of educational modernization, no great use of expert commissions and political involvement in national orientation (Persianis: 1998); also tertiary system of education is characterized by centralization, politicization and strict state control (Kazamias and Starida: 1992).

### **Poor educational effect on the labour's market productivity**

In this section an overview of the Greek existed situation is presented between the education and the labour market as the earned knowledge of the first affects the productivity of the second. Zarifis (2000) supports that even though there have been tries for development of competitiveness and encouragement of the economic growth within the European Union, however there has not noted a great improvement in investment of public expenditure for the training of young employees. Over the years various researchers highlighted the significance of integrating the labour needs with the teaching class-room; in that way current students and future employees can be more familiar to the working environment, adopting faster the requirements of it and becoming productive for the economy. However, the issue of training has not been examined broadly in Greece. The reason of that has been the late development of formal training (no much attention was given) (Kaminioti and Patiniotis in Brown, Grollmann, Tutschner and PARTICIPA Project Consortium: 2004).

The providers of education were ignoring the structure of functioning of the labour market and their target has not been the creation of educational- labour relations (Patinioti and Spiliopoulou in Stenström & Lasonen 2000). Many tries have been made later on, for the improvement of the employment support (Nagopoulos in Nova-Kaltsouni and Kassotakis: 2004). The Greek education is characterised by a top-down administrative system and the traditional structure of the education and training is highly centralised. In Greece the competence- based approach is quite complicated as the national curriculum is expressed in traditional content- based terms. The

recognition of the informal learning has not been successful despite the undertaken efforts; simultaneously participation in the lifelong learning has been also been low (Αμίτσης: 2000). Lastly, an additional characteristic of the Greek system is the non clear distinction among the continuing vocational training and the technical vocational training (Μπαλούρδος and Χρυσάκης in Μαράτου- Αλιπράντη and Χατζηγιάννη: 1998, Λινάρδος- Ρυλμόν in Μαράτου- Αλιπράντη and Χατζηγιάννη: 1998, Μπαλώτη: 1996, Αμίτσης: 2000). Even though Law 1836/ 89 and Law 2640/98 explained the differences among the above, Αμίτσης (2000) mentions that cases of technical vocational training are placed as continuing vocational training in the Operational Programme of Continuing Training and Employment Protection, to give an example, the courses given by the nursery schools are defined as continuing vocational training even the specific schools are part of the usual technical and vocational training. The development of a competence- based curriculum seems a long term change mainly because the narrow job- specific skills have to be replaced by the flexible- broad competences.

When Continuous Vocational Training became recognisable at the Greek foreground, the professional development of the employees and the necessity of the national economic growth were considered elements for possible development only if they were linked with training programmes. Tsekouras, Stamboulis and Litsardakis (2003) by presenting the steps which have been taken for the support of the vocational training in their research work, they have identified the foundation of a special organisation of training for farmers. Greece is characterised by its agricultural sector and training in this field can be proved very effective. Thus, according to Act 2520/97, (Tsekouras, Stamboulis and Litsardakis: 2003: p.46) *“a percentage of the insurance contribution of farmers to the Agricultural Insurance Organisation (OGA) is withheld to support training”*.

At this point, let us present the detailed designing plan of the Greek Initial Education and Training structure.

### 2.1.2 The design of the Initial Education and Training structure in Greece

In what follows, what is outlined is the process which is followed through education and training for the development of knowledge over the years, from the very beginning steps until the entrance to the Greek labour market. Before the description of the Greek Educational System it is important to highlight its main characteristic; its strong centralised role (exam centred), and to mention that the responsible bodies for the formal education and the implementation of the national educational policy is the Ministry of Education & Religious Affairs (YPEPTH) and the Ministry of Employment and Social Protection (YPAKP). The management and provision of education are under regional control.

I firstly present the design of the educational Greek system until 1998 (ReferNet Greece: 2007 and Paleocrassas: 1992).

- ISCED<sup>19</sup> level 1 and 2: The Compulsory education lasts ten years in total, until the age of fifteen.
- ISCED level 3: The post-compulsory secondary education was defined by:
  1. The Unified Lyceum which used to include:
    - i. the General Lyceum, which offered general education and graduates could continue to tertiary education (both AEIs and TEIs) or to the post secondary education (IEKs) ;
    - ii. the Technical Vocational Lyceum (TEL) which was a combination of general, technical and vocational education giving also the possibility of access to the tertiary (only to TEIs) and post secondary education after graduation;
    - iii. the Integrated Lyceum (under experimentation and non-existing nowadays) which looked at the converge of all types of lyceum into one comprehensive school, possibility of entrance to TEIs and IEKs;
  2. The Technical and Vocational School (TES) which includes apprenticeship and vocational- technical education and training was offered. This direction was mainly attractive to persons who seek

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<sup>19</sup> ISCED: International Standard Classification of Education

employment as technicians. In this case, trainees had practical experience in private or public enterprises. Technical- vocational schools operated by the Manpower Employment Organization (OAED) and the Ministry of Labour and Social Protection (YPAKP);

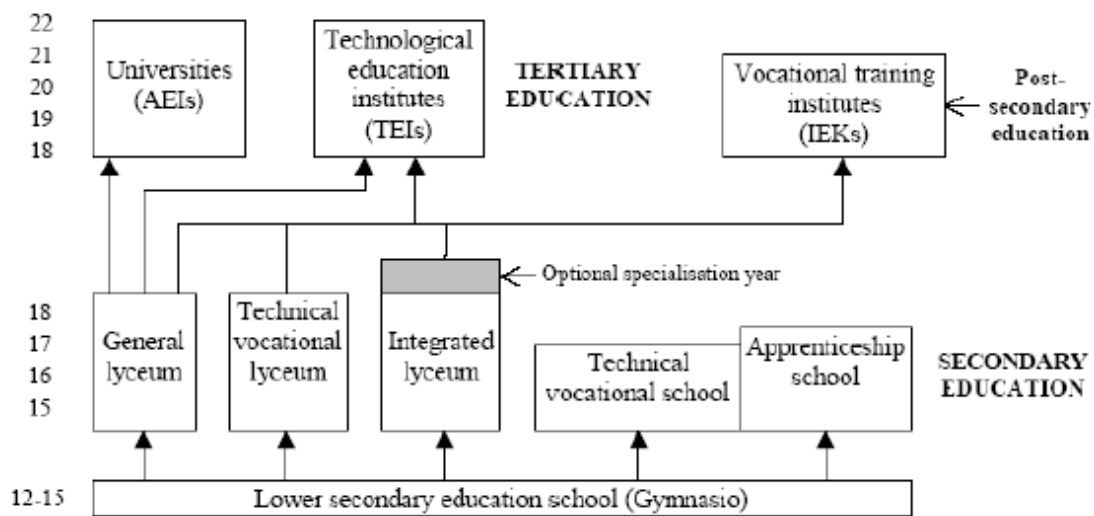
➤ Post secondary education

- i. The Vocational Training Institutes (IEK), private or public where every type of vocational training is offered.

➤ The Tertiary Education consist of

- i. the Universities (AEIs);
- ii. the Technological Education Institutes (TEIs);
- iii. the Hellenic Open University (EAP) where the academic programmes are based on distance learning (result of the lifelong learning programme)

**Figure 10: The design of the Greek Initial Education and Training structure until 1998:**



Source: Tsekouras, Stamboulis and Litsardakis: 2003: p.29

However, an important reform in the education system which concentrated the four school types, - general education lyceum (GEL), technical vocational lyceum (TEL), integrated lyceum (EPL) and technical vocational school (TES)-, into two types, the unified lyceum (ELs) and the technical vocational institutes (TEEs), introduced by the Act 2525/97 (Tsekouras, Stamboulis and Litsardakis: 2003). The principal reason of this change has been the clear separation of general and vocational education by only two types of schools (ELs and TEEs) (Tsekouras, Stamboulis and Litsardakis: 2003).

TEEs replaced TES, TEL and a part of EPL, on the contrary GELs and parts of EPL have been merged to the ELs.

Additional change of the reform considered the Technical vocational and apprentice schools which were renamed to TEEs having two cycles of studies with the second leading to the access to IEKs and TEIs. More specifically, the first cycle (two years for school-based training and one year plus for industry- based training) leads to the vocational certificate, however students who want to participate in the national exams to obtain the higher level of vocational certificate should continue to the second cycle. Only students who obtain the higher level of vocational certificate could apply for post secondary education. At this stage, it should be highlighted that the 1998 reform established a great change in educational system as for the first time technical schools could lead to tertiary education which was not the case before. The technical vocational education was empowered by giving chances for further development in case students desire it.

Moreover, the education reform of 1998 had as a result the easier access to the tertiary education and the number of entrants in 1999-2000 was almost the double (interview: Zahilas: 2010<sup>20</sup>). Nevertheless participants do not always reach the score which represents their top choices of orientation but they enter University departments which they are not their first choice. The successful results of the students depend on the score of the government's exams; they can apply to various departments of different orientation, but only the outcome of their final score defines the university department they can enter. The new system is created to enrol as many people as possible no matter their initial desires. Thus, the structure of the system leads to their registration to the department they succeed without having any attention to follow the courses (tertiary Greek education is free of charge and there was no deadline concerning timing for the complete of the studies). They usually register for the benefits of being a student, such as postponing their military duty (for men), or having discounts by using the student card. Furthermore, a number of students enrolled in tertiary education decide to quite in order to study abroad the subject they like the most. There are no entrance exams in many countries such as Britain.

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<sup>20</sup> Zahilas L.: Senior Expert of qualifications' outcomes in Cedefop



Regarding the role of social partners and enterprises in the Technical Vocational Schools (TEEs), it can be said that their participation in the development of curricula is indirect and not substantial; enterprises have a part in apprenticeship by providing practical training. However, concerning IEK social partners contribute in the committee for the selection of examination subjects (participate in the Management Board of the OEEK, in the Tripartite Advisory Committees (TSE) and in the examinations of certification in the IEKs) (ReferNet: 2008).

### **2.1.3 The Continuing Vocational Education Training (CVET) in Greece: The three chronological phases of the Continuing Vocational Education and Training over time**

Αμίτσης (2000) explains in his book that there are three phases which describe the progress of the continuing training system in Greece during the time.

The first phase is the period of 1989-1993 (support of the Community Structural Fund I) when, based on the constitutional framework, two main problems were identified. The first problem, according to the author, seemed to be the inability of function of the instruments for the design of continuing training policies as was foreseen by the 1836/89 law causing complaints on the part of the social partners; and secondly, one may talk about the absence of a formal system of certification of the awarding bodies which are chosen for the rendering of services (Αμίτσης: 2000).

In the second phase of the 1994- 1996 period (support of the Community Structural Fund II), the main problem had been the weakness of the realization of the running programmes which finally led to the finalization of the certifications by the Vocational Training Centres (KEKs) in 1996; the European Committee made a checking control to the Centres and it decided to suspend the finance of the Community Structural Fund II for two years (Αμίτσης: 2000). It is not surprising therefore that this had caused doubts, on the one hand about the KEKs ability to function properly and on the other hand about their stabilization. One may say that this was a period of a small crisis. The government was forced to realize all the measures which have not been taken by the start of the Community Structural Fund II. Even though the issue was very sensitive and not much related to it can be found,

according to the European Court of Auditors it was found out that during the checking control, 13 out of the 332 Vocational Training Centres of the private sector did not respond to the basic terms of the certification (Αμίτσης: 2000). At this point, one may hypothesise that even the Community Structural Fund aiming at the encouragement of the European programmes, however there has been a lack of a tense monitoring at a European level, having as a result the malfunction of the national vocational and training centres. Addison and Siebert (1994) during their work refer to the better monitoring which the Commission has to realize for its subsidies (look chapter III). Furthermore, monitoring is an important element which has to be added to the model of policy change by Trubek D. M. and Trubek L. G. (in Zeitlin and Pochet with Magnusson: 2005) as it is missed out; the proposed model presents the mechanism of policy change which is used in the third part.

The third phase, which is realized between 1997 and 1999, is the period of the completion of the application of the programme of the Community Structural Fund II. At this stage, in contrast to the second period which was just mentioned, all the proposals for funds which were addressed to the Community Structural Fund and to the Community's Initiative programme were evaluated by a mechanism for the permission and implementation of a plan.

## **2.2 The impact of the Lisbon Strategy 2000 on the institutional Greek frame: Level 3- Discursive Diffusion and Level 4- Shaming**

In this section what will be analysed is the discursive diffusion and the shaming EU mechanisms for possible policy change which are included in my theoretical approach. The first one relies on the national way by which the chosen strategic vision, which is analysed at level 2, will be implemented for the avoidance of a low EU- ranking leading to shaming. The reach of the EU benchmarking by the member states can be approached by the copy of the best policies used within EU-27 for the best function of the institutional and organizational framework; this is the EU idea. However, as it has already been explained in chapter II, the above hides great complexity because a successful policy method cannot be applied with the same success in a dissimilar system based on a totally different structure. In this section the

initiatives concerning education and training are presented aiming at the identification of the reforms coming out by the implementation of the Lisbon Strategy 2000.

### **2.2.1 Reforms indicated by the European Community**

The Lisbon's Strategy objectives focus on the restoring of full employment and on the enhancement of social cohesion. A main instrument of success is the accessibility to knowledge via educational and training activities. Strong emphasis is given to the reduction of unemployment and to the participation of adults and women to the labour market. Various initiatives related to education and training policies have been started. Greek government had to realize EU commitments within the domestic policy process (Featherstone and Papadimitriou: 2008)

One may think that the strong support of the educational Greek system to the general knowledge would have been reduced in any case as unemployment seems to be a great concern of the country, thus the EU demands offered an added resource to those actors who were looking for reform. Lack of employment (high number of generalists and a certain number of vacancies on the theoretical field) could have led to the preference of the vocational education by overcoming the created social prestige of the general knowledge and placing the more practical choices as a priority. Also, the global competitiveness could not have less effect to the rhythm of the national framework; Greece should have tried to change its educational system as it was based solely on the theoretical knowledge without any consideration of the Greek market's needs.

The question relies on the problematic adaptation of the European guidelines. Why the implementation of the European reforms takes place within a slow process in comparison to the other Member States? Featherstone and Papadimitriou (2008) after posing a similar question they highlight that a part of the literature "*identified adaptation pressure arising from a 'misfit' between EU-level commitments and domestic practice*" (Featherstone and Papadimitriou: 2008: p. 29). Thus, the time-span of the adaptation of the European guidelines is related to the type of the required European commitments; requirements can be close to the structures of the domestic practices of some Member States, but also they can be proved very dissimilar causing

high pressure of adaptation. The manipulation of the policy-making differs in each European country.

The serious delays and shortcomings of the Member States regarding the Lisbon objectives, was led to the relaunching of the Lisbon Strategy by the European Council in 2005 placing significance to knowledge, innovation and human capital (European Council: 2005). As a result of the relaunching of the Lisbon Strategy the Greek Government submitted the “National Reform Programme for growth and jobs 2005-2008” where new goals of improvement of flexibility, quality and effectiveness and also the increase of public expenses for education to 5% of the GDP by 2008 were set (the last goal never achieved) (Hellenic Republic Ministry of Economy: 2005). Sakellaropoulos (in Kvist and Saari: 2007) explains that both strategies, the Lisbon 2000 and the renewed Lisbon Strategy 2005 had positive reactions within the national Greek context; technology and innovation was planned for the establishment of growth and development. The expected growth was a promise for reducing the wealth gap between the European regions by increasing the Gross domestic product (GDP) profits. He also claims that given the fact that Greece joined the EMU, improvements in employment and redistribution were expected; a promise for the creation of a more welfare state has been given (Sakellaropoulos in Kvist and Saari: 2007).

### **2.2.2 Field of education: preference of general education**

Even though Greek families put great importance to education by spending tuitions for extra classes or sending their children abroad to study, the level of public spending on the education field has been low (Hellas- National report: 2009) facing problems of failure such as very low participation in continuing education and low spending for research and innovation. The higher-education meets problems of reform as University organization is also highly politicized (Featherstone and Papadimitriou: 2008).

In short, the concluding remarks of the official statistics presented in the survey of Kaminioti and Patinioti (in Brown, Grollmann, Tutschner and PARTICIPA Project Consortium: 2004) observe that while the proportion of young people attending Greek general training is very high, the proportion of the vocational training participation is

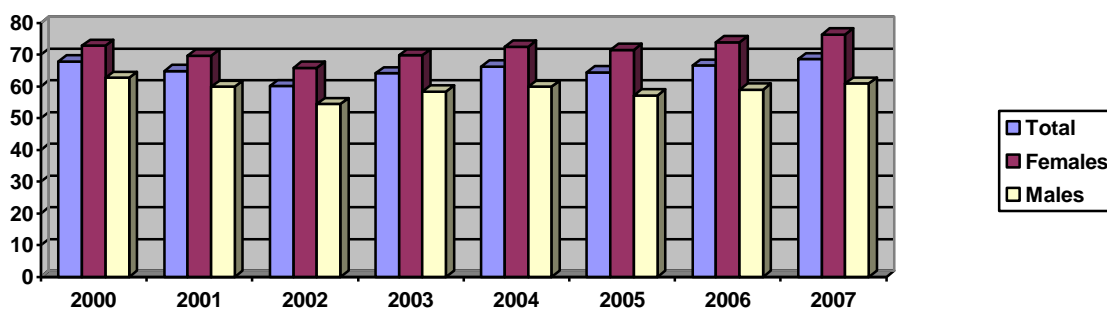
low. Even though vocational training is supposed to be given for better employability and also the increase of competitiveness, vocational activities are usually taken by the most fragile group of people which wants to increase its qualifications in order to find a job position (usually unemployed, part- time employees, young or women). They also note that demographic characteristics play a great role on the extent of training participation and employees belonging in large private or public sector usually participate in training activities.

At this point, it can be hypothesized that the general knowledge which has always been covered with a higher social prestige than the technical knowledge and the strong interest of parents in the formal proof of studies (the certificate itself) and not on the quality of education, degrade vocational knowledge and cause suspicious feelings for the level of its quality.

An important element of examining the level of influence of the Lisbon Strategy in the Greek society can come by the following hypothesis: if general education is increased after the implementation of the Lisbon Strategy and no improvement has met on the vocational enrolment, then the EU policy has failed regarding the Greek case; therefore, two charts totally related to my hypothesis are presented. The first presents the enrolment of students at ISCED 3 at general education and the second the enrolment of students at ISCED 3 at vocational education; both charts are fluctuated in 2000-07 period.

**Chart 2: General education students at ISCED 3: trends in enrolment in 2000-07 (%)**

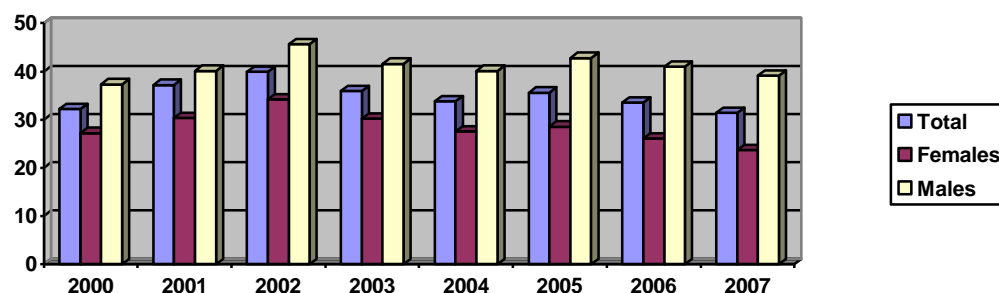
**Greece**



Source: Eurostat

**Chart 3: Vocational education students at ISCED 3: trends in enrolment in 2000-07 (%)**

**Greece**



Source: Eurostat

As far as it can be seen according to the charts, general preference has started to be reduced after the implementation of the Lisbon 2000 (look 2000-2001 period), however, after a three years period (2002-2003) this preference seems to recur. It can be said that the 2002 year is the year of the highest preference of the vocational education as the 40% percent of enrolments is relying on it, a great achievement within the Greek society as it is characterised by a highly generalist educational system. In that case we conclude that no serious change in the type of educational preference happened after the implementation of the Lisbon Strategy 2000.

### **2.2.3 Taken measures for the five EU benchmarks achievement**

In this section, I firstly present the taken measures for the decrease of the early school leaving, the increase of rates of the completion of upper secondary education, the diminution of the proportion of the low-achieving 15 years old in literacy, and the raise of the attendance of mathematics, science and technology subjects:

The main initiative which has been taken in order for school failure to be prevented was the support teaching for primary and lower secondary school pupils, in both courses of language and mathematics, while there has been a stipulation for supplementary teaching support (PDS) for pupils attending Lyceums and Technical Vocational Schools (TEE). The following table presents the supplementary teaching support at lower secondary schools during the 2004-2006 period; the participation rate of teachers was almost 2000 each year with almost 40 % per cent of schools taking

part in support teaching (ED). Also, each grade of the lower secondary (three levels in total, A, B and C) had almost 20% of pupils' participation each year. In general the educational programmes operate in all-day schools were looking at minimising the drop-outs and providing help to the working mothers.

**Table 8:**

SUPPORT TEACHING (PDS) IN LOWER SECONDARY SCHOOLS (GYMNASIA) DURING THE 2004-05 AND 2005-06 SCHOOL YEARS –STUDENTS SEEKING OUT OF THE TIMETABLE TUITION HELP									
				A' Grade		B' Grade		C' Grade	
School Year	Participation rate	Gymnasiums with support teaching (ED)	%	Total number of pupils attending support teaching	%	Total	%	Total	%
2004-05	1.915	786	41%	11.529	22%	9.232	21%	8.670	20%
2005-06	1.714	620	36%	9.369	19%	8.399	18%	7.128	18%

Source: National Report- Hellas: 2007: p.40

Furthermore, except Learning Support Classes, Special Classes for Roma children and Second Chance Schools have been established in order to encourage learning and the prevention of school dropers. Moving on to the area of New Technologies, Centres of Information Technology and New Technologies (KE.PL.I.NE.T.) and the Pan-Hellenic School Network are created. In 2006, computers of the latest technology were offered to Lower Secondary School pupils with excellent marks. Furthermore, Scientific Unions of Science teachers have been arranging contests and day events for pupils in order to attract their interest in Sciences. Lastly, for the support of the attendance of the primary education, a family allowance of 300 euros per child attending compulsory education has been given concerning only the problematic financed families.

Concerning the above three indicators the Commission of the European Communities (2010) presents the results of the implementation of the Lisbon Strategy 2000 programme as follows:

**Table: 9**

Indicator	Greece		EU average		EU benchmark
Low achieving pupils in reading	2000	2009	2000	2009	2010
	24.4 %	21.3%	21.3%	20%	17%

Source: Commission of the European Communities: 2010: p. 182

**Table: 10**

Indicator	Greece		EU average		EU benchmark
	2000	2009	2000	2009	2010
Early leavers from education and training (age 18-24)	18.2 %	14.5%	17.6%	14.4%	10%

Source: Commission of the European Communities: 2010: p. 182

**Table: 11**

Indicator	Greece		EU average		EU benchmark
	2000	2009	2000	2009	2010
Upper secondary attainment (age 20-24)	79.2%	82.2%	76.6%	78.6%	85%

Source: Commission of the European Communities: 2010: p. 182

Both proportions of low performers in reading and of the early school leavers are minimized and they have been approaching the EU average. Additionally, the proportion of the completion of upper secondary education in 2009 seems very positive; it overcame the EU average and almost reached the EU benchmark target (Commission of the European Communities: 2010)

Furthermore, regarding the taken measures for the development of the number of MST graduates: The National Report- Hellas (2007) argues that there was “*no scope for a more active pro-MST policy at the level of admissions*” (National Report- Hellas: 2007: p.26) as according to Eurostat (2004) the Greek MST graduates’ number is very satisfying in comparison to the EU-25. Taking into consideration the most recent proportions of the MST graduates in Higher Education indicator, according to the Commission of the European Communities (2010), the last data presented in 2008.

**Table: 12**

Indicator: MST graduates (HE)	Greece		EU average		EU benchmark
	2000	2008	2000	2008	2010
Increase since 2000	-	26.5%	-	37.2%	+15%
Share of females	-	41.9%	30.7%	32.6%	Improve gender balance

Source: Commission of the European Communities: 2010 p: 182

At this point, one may notice the fact of no data concerning females’ participation in maths and sciences in 2000, which creates a very bad impression of technical



performance for the support of the Lisbon Strategy programme and leads me to no conclusions about the level of change. However, one may notice that the share of females of MST graduates is above the EU average in 2008.

Lastly, the implementation of the Lisbon Agenda 2000 brought changes in the education and training structure of Greece; new initiatives are noted. Starting with, the Law 2909/2001 (art.3) had established the initial changes regarding the EU objectives; the “General Secretariat of People’s Education” (GGLE) was renamed into the “General Secretariat of Adult Education” (GGEE), a practical reform for emphasizing the crucial role of the adults participation. The responsibility of this body was particularly related to the formal and non-formal adult education and training, by supervising the function of the Second Chance Schools (SDE), the Adult Education Centers (KEE) and the Parents’ Schools and Regional Committees for People’s Education (NELE) (Panitsidou and Papastamatis: 2009). Also, the National System for Linking Vocational Education and Training with Employment (ESSEEKA) was established by the law 3191/2003; the function of this body is essential as it coordinates the recording needs of the labour market and the structure of vocational frameworks (ReferNet Greece: 2007 and Panitsidou and Papastamatis: 2009, European Commission: 2005a). Moreover, the Adult Education Centres (KEE) which have been operating at the country’s regional level, have been created.

Coming to an end, the 3369/2005 “Lifelong Learning” law was created in order to present a coherent framework of lifelong learning where the role of the Ministry of Education & Religious Affairs (YPEPTH) and the Ministry of Employment and Social Protection (YPAKP) was described and focused on the cooperation among the two ministries (ReferNet Greece: 2007).

Thus, at this point I am going to present the Greek structure concerning lifelong learning issues as it is given by the National Report- Hellas (2007) (law 3369/2005 places lifelong learning in a framework for first time).

**Table 13: Trained Persons during Training periods 2003-2004, 2004-2005 and 2005-2006**

Structures		Training Period			Percentage Change	
		2003-2004	2004-2005	2005-2006	(2004-2005) compared to (2003-2004)	(2005-2006) compared to (2004-2005)
		Trained persons	Trained persons	Trained Persons		
Lifelong Learning	1. Second Chance Schools (S.D.E)	1.102	1.989	3.005	80.5%	51.1%
	2. Adults Education Centers (K.E.E.)	10.507	24.798	69.531	136.0%	180.4%
	3. Schools for Parents	4.514	5.647	16.323	25.1%	189.1%
	4. Prefectural Committees of Adult Education (NELE)	20.135	20.867	24.281	3.6%	16.4%
	<b>Total</b>	<b>36.258</b>	<b>53.301</b>	<b>113.140</b>	<b>47.0%</b>	<b>112.3%</b>
Lifelong Training	1. Vocational Education Centers (K.E.K.)	15		305		
<b>Grand Total</b>		<b>36.273</b>	<b>53.301</b>	<b>113.445</b>	<b>46,9%</b>	<b>112.8%</b>

Source: National Report- Hellas: 2007: p.44

According to it, there have been 56 Adult Training Centers (KEE). In 2007 KEE offered services to 71.745 citizens within the country, whereas the percentage of the trained citizens has been raised 180.4%, during the compared period of 2004-05 and 2005-06. Additionally, there have been 54 schools for parents, including 15.100 citizens in 2007 while there has been an increase of a rate of 189.1% between the period of 2004-05 and 2005-06.

Furthermore, a series of education programmes drafted and functioned in peak sectors, such as:

- Adult education in new technologies (“*Heron*” programme) for the basic knowledge of computers use. According to the National Report- Hellas (2007) the fee was free of charge for the period 2004- 2008 for 240.000 citizens. However, as it can be noticed within the National Report- Hellas (2007) (table 14) information about trained people is only given for the 2005-2006 period without mentioning the trained period of 2004-2005. Again we are led to the hypothesis that Greece is suffering by lack of monitoring and evaluation even though the present issue was identified as the principal goal of the Ministry of

Education within the basic reform priorities of the “Education and Training 2010” work programme.

- Training of 13.470 citizens; 2005-2008 period, for farmers’ education in secondary and tertiary economy sectors (“*Hesiod*” programme).
- Training concerning crisis management addressed to volunteers and
- Health education.

**Table 14: Trained Persons in Autonomous Programmes during Training periods 2003-2004, 2004-2005, and 2005-2006**

Autonomous Education and Training Programmes	Training Period			Percentage Change	
	2003-2004	2004-2005	2005-2006	(2004-2005)	(2005-2006)
	Trained Persons	Trained Persons	Trained Persons	compared to (2003-2004)	compared to (2004-2005)
1. Programme on Adults Training in the Acquisition of Basic Skills in New Technologies-“ <i>Heron</i> ” (coordinated by IDEKE)			45.167		
2. Farmers education for taking action in the Secondary and Tertiary Fields of the Economy “ <i>Hesiod</i> ”			6.540		
3. Risk, crisis management and Emergencies and Disasters management “ <i>I protect myself and Others</i> ”(Volunteers)	240	750	783	212.5%	4.4%
4. Greek language learning as Second language for Employed Immigrants		1.437	1.998		39.0%
5. Health Education – Sexually Transmitted Diseases - AIDS		10.000	40.875		308.8%
<b>Grand Total</b>	<b>240</b>	<b>12.187</b>	<b>95.363</b>	<b>4977.9%</b>	<b>682.5%</b>

Source: National Report- Hellas: 2007: p.45

The above tables prove that some efforts to establish a period of change based on Lisbon’s requirements have been made; new funds offered the opportunity of training to a number of Greek citizens. Firstly, pupils in schools had the opportunity of attending the learning support classes and also to become familiar with the use of technology by placing computers in schools. Secondly, via the life long learning programme a high number of adults, even though senior participation in labour market has been limited in Greece, had the chance to attend training courses either on technologies or on language learning and health issues; also a percentage of training addressed to farmers.

However the great gap of life long learning activities among Greece and EU-27 is extremely high and those proportions have not been strong enough to come closer to the Lisbon's target. The above leads to the hypothesis which is related to timing; since the change needed for the achievement of this benchmark looks extreme for the Greek society, no one could expect the reach of it within a decade. Totally new policies, even if great efforts are made, require long term development in order to reach the performance of societies which have been constructed over decades on that kind of policies. It can be also argued that the selection of the life long learning (adults training) indicator has been inconvenient to the Greek structure. The enormous number of the micro sized and family owned Greek businesses (see organizational frame) did not approve continuing training because skills and qualified employees had not been in a need; on the contrary continuing training used to be seen as a waste of time and money.

Thus, as it is noted in the country's performance progress in 2003-2009 (adult participation in lifelong learning) Greece is falling under the EU expectations (table 15). In contrast to the proportion of the participation of the life long learning programme which had been improved, the proportion of benchmark still remained extremely low in comparison to the EU objective for 2010, making the EU benchmark goal unrealistic. The current benchmark proves that adult participation in training activities seems exceptionally problematic in Greece.

**Table: 15**

Indicator	Greece		EU average		EU benchmark
	2003	2009	2003	2009	2010
Adult participation in LLL (age 25-64; 4 weeks training)	2.6%	3.3%	8.5%	9.3%	12.5%

**Source: Commission of the European Communities: 2010 p: 182**

**Age 25-64; 4 weeks training:** The percentage of the population aged 25-64 participating in education and training during the 4 weeks prior to the survey (Eurostat/Labour Force Survey).

At this stage, one may hypothesize that the extremely low benchmark of adult participation in LLL relies on the lack of proper and similar data. The indicator of adult participation in life long learning is multilateral because every country interprets it differently; it is a matter of definitions. After an interview with the Senior Expert of

qualifications' outcomes in Cedefop, Mr Zahila (2010), I came to the conclusion that adult training in Greece is related mostly to continuous training such as seminars (school education training), and not on the job training.

### **3. Organizational Frame: labour market**

#### **3.1 The organizational frame before the introduction of the Lisbon Strategy 2000**

At this point, after presenting the changes which took place in the educational field by the implementation of the Lisbon Strategy 2000, I move on to the field of the labour market for reasons applying to my theoretical framework. The goal of the section is not to present the general characteristics of the Greek labour market, but only the key characteristics related to education.

##### **3.1.1 Gender inequality and no interest of qualifications in the labour market**

###### **Micro firms' against qualified competences**

Regarding the main academic literature, (Patiniotis and Stavroulakis: 1997, Kaminioti and Patiniotis in Brown, Grollmann, Tutschner and PARTICIPA Project Consortium: 2004, Patiniotis and Spiliopoulou in Stenström and Lasonen: 2000, Katou and Budhwar: 2007) one may assume that the Greek industrial activity is limited without meeting any significant development; very high level of micro-sized, family-owned enterprises (private sector) in contrast to the big sized one, leading to the lack of competitiveness which affects globally the state's position.

Small and some times medium- sized firms do not intend to expand their business activities abroad as they feel threatened by international competition (Karasiotou: 2004). That leads to the hypothesis that micro companies are not really interested in the recruitment of experienced staff and do not give serious attention to training and communication or negotiation skills. It is very interesting to see the outcome of the Cedefop's synthesis report by Karasiotou (2004), which poses the unwillingness of the small- sized firms to offer training programmes to their employees as they find them a waste of resources and time. They may choose mechanisms such as on-the-job training but no modern mechanisms such as distance learning etc. Regarding the

Greek reality, Karasiotou comments that (2004: p.29): “*the problems of mismatches in Greece are mainly due to a deficit in demand for high skilled labour and new specialisations rather than to a deficit in supply of skills*”. There is no need for the creation of new positions for highly skilled employees according to the small family firms; owners are usually the persons who perform the skill demanding tasks of any activity in the business (Karasiotou: 2004). In that case young people cannot find any use of further training in their initial steps as the labour’s market conditions do not appreciate it. The Greek labour market does not require any knowledge development so one may hypothesize that early leavers of education are encouraged.

Regarding the public sector, not only there has not been any strategy of development of the economy, but also no growth was met concerning vocational training; this lack of progress had as a result the strengthening of the private’s sector image which tried to attract employees (Παπακωνσταντίνου in Μαράτου- Αλιπράντη, Χατζηγιάννη: 1998). Of course, the offer of vocational training programmes in private sector depends on the size of the company (Méhaut and Géhin 1993) as it is has already been mentioned. Small businesses do not always have the power to examine the needs of their dynamic, or estimate the cost and the utility of such investment (Cedefop: 1997 and Μπαλούρδος and Χρυσάκης in Μαράτου- Αλιπράντη and Χατζηγιάννη: 1998). Furthermore, Patiniotis and Stavroulakis (1997) support that the Greek market (Patiniotis and Stavroulakis: 1997: p.194): “*seems to bear both gemeinschaft and gesellschaft features*”, in the sense that firms run based on emotional criteria, taking decisions by instinct and not by market investigations.

Also, the type of the Greek business profile affects the level of influence which the trade unions can have within the society; the voice of the large manufacturing industries does not exist (Featherstone and Papadimitriou: 2008), and there is no power of unions representing the temporary workers and the fragile working groups. Only the public sector seems to have strong unions (Featherstone: 2008). The issue of the unions’ power will be analysed later on as the combination of the lack of strong trade unions in private sector and the public’s union monopoly will lead to difficulties in the implementation of the European guidelines. Inflexibility on reforms regarding labour market is translated as stability in low job requirements and no need for educational, training skills development.

### **No great financial earnings according to the level of qualifications**

Furthermore, two other characteristics of the country rely, firstly, on the phenomenon of the deindustrialization (Patiniotis and Spiliopoulou in Stenström and Lasonen: 2000), where industrial competition leads a number of enterprises to shut down, and secondly, on the phenomenon of dualism where on the one hand, some traditional companies try to survive against the big sized firms of the market but on the other they offer low salaries and bad working conditions by making the future of their employees in the company uncertain.

The need of the Greek companies to survive into the market competition leads to low wages. It is very common a high skilled employee (University graduated) to have great difficulties in finding a stable job position as his/ her qualifications demand a high salary, a fact which is not pleasant to Greek companies which try to reduce salaries for their profit (Patiniotis and Spiliopoulou in Stenström and Lasonen: 2000). Karasiotou (2004) in her report presents an idea about the average Greek salaries according to educational level in comparison to 14 other European countries. I have chosen to present only my area of interest related to the Southern olive belt. Results concern the year of 1995.

**Table 16: Average gross monthly earnings (in euros) by educational level, 1995**

Educational attainment	<b>Greece</b>	Italy	Portugal	Spain
ISCED 0-2	<b>933</b>	1291	564	1012
ISCED 3	<b>968</b>	1627	812	1295
ISCED 5-7	<b>1386</b>	2526	1660	1705

Source: Karasiotou: 2004: p.10

**Table 17: Proportions of augmentation of average gross monthly earnings (%) by educational level ISCED in 1995**

Augmentation of monthly earnings by educational level	<b>Greece</b>	Italy	Portugal	Spain
ISCED 0-2 to ISCED 3	<b>3.62%</b>	20.6%	30.5%	21.8%
ISCED 3 to ISCED 5-7	<b>30.1%</b>	35.5%	51%	24%

It can be marked that Greece is the country with the lowest monthly salary for holders of diplomas of tertiary education (ISCED 5-7). Additionally, the 0-2 and 3 ISCED

levels receive almost the lowest monthly salaries, after Portugal, without any serious earning difference between the 2 and 3 levels (slight augmentation of 3.62%). Great interest causes the fact that the earning gap between 0-2 and 5-7 level is the lowest in comparison to the rest of the olive zone, a fact which leads to the conclusion that qualifications in Greece do not provide major earnings. At this point one may hypothesize that the slight difference among incomes of dissimilar educational levels deters students from continuing their studies to a higher level because years of knowledge investment do not lead to any financial recompensation.

### **The dominant traditional bread winner model**

At the same time, Katou and Budhwar (2007) after a research sample of 178 Greek firms maintain that the Greek businesses are mainly “*traditional*” as the principal production comes from the agricultural sector. Their outcome agrees with the article of Patinioti and Spiliopoulou (in Stenström and Lasonen: 2000) where it is argued that there has not been a Greek secondary- level sector (such as services), a fact which did not encourage youth to follow the direction of school knowledge but their involvement with farming.

Moving on to the gender inequality through employment activities, during the decades of 70s-80s the females used to be characterized by a lower occupational status than the one which the males used to have, and they have mostly been employed in the education field as teachers in primary or secondary schools and in the tourist industry (Gouvias: 1998). Nevertheless, it should be noted that Greek tradition always wanted the male to have the role of the breadwinner and the female to be responsible for the raise of the family’s children, a fact which explains the low rates of females’ employment (García and Karakatsanis in Gunther, Diamandouros and Sotiropoulos: 2006). Thus, the low interest in a possible working activity and the main involvement with householding after a marriage at a very early age could not aim at a further educational pathway. Also female’s career has not been encouraged on the contrary, very often, female employees used to be replaced easily after pregnancy as government and private sector did not support any child carrying services; usually the male had the opportunity of a successful career.



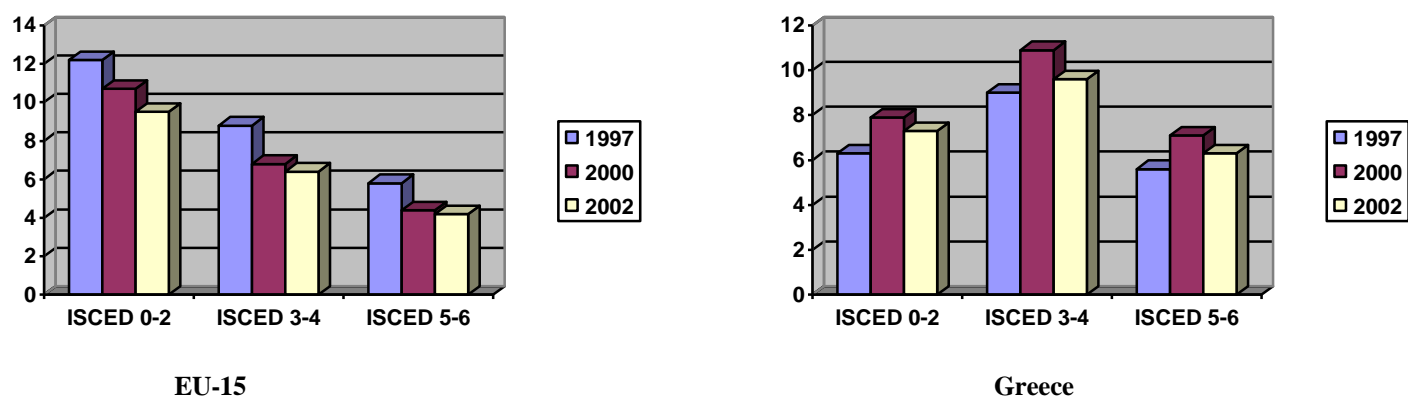
### **3.1.2 Skilled people and youth unemployment, weak searching mechanisms for market's needs**

#### **Unemployment rates: ISCED 3-4 level is threatened the most**

First of all, Greece has been a country which expressed great distinction among the theoretical and the vocational education. There is a gap of “*social prestige*” among the general and the vocational education, as the latter concerns only the group of students who fail at school which provides general knowledge. The Greek society promotes the idea that only university graduates have a brilliant future as they are considered people with prestige in society (Patiniotis and Spiliopoulou and Stavroulakis: 1997). However, very often, these graduates are unemployed in comparison with those who are characterized by vocational skills and are more in demand within the market (Paleocrassas: 1992). Traditionally, on the one hand, the Greek educational system provides general education and on the other hand, it isolates the vocational education according to the labour market needs. The family interest relies mostly on the formal proof of studies (the certificate itself) and not on the quality of education (Patiniotis, Spiliopoulou and Stavroulakis: 1997) or on the easier access to the labour market (via technical knowledge earning).

The following graph 1 attests that even in the EU- 15 less skilled people are more threaten by unemployment, on the contrary the Greek proportions of unemployment show that both categories of skilled and non skilled people (ISCED 0-2 and ISCED 5-6) are threaten almost the same. It can be claimed that in Greece qualifications are not appreciated much and skills do not define the security of a job position; there is no encouragement of development of educational pathway.

**Graph 1: Unemployment rates in the 25-64 age group by the highest level of education attained in EU- 15 and Greece, in 1997, 2000 and 2002 (%)**



Source: Karasiotou: 2004: p.9

Furthermore, Looking at the graph 1 it can be seen that the level of ISCED 3-4 in Greece meets great unemployment in comparison to the proportions of unemployment concerning the same level of education in the EU-15; also the unemployment rates of the ISCED 0-2 level in EU-15 is much higher than the one in the Greek figure. The last leads again to the above conclusion that qualifications are appreciated more in the EU-15 than in Greece as less qualified employees have greater difficulties in finding a job. Therefore one may hypothesize that the majority of the Greek employees for the 1997- 2002 period belong to the 3-4 level with qualifications applied to the generalists. As it has been presented, the Greek educational system used to create generalists without giving any importance to the vocational education; only people who chose the general direction of knowledge met the social prestige of the society. Thus, it is possible because of the great number of generalists, maybe the demand to be much higher than the offer and people with ISCED 3-4 level meet more difficulties to find a vacancy.

### **Demand of working experience and youth unemployment no matter the level of qualifications**

The issue of unemployment seems to be the most urgent in the European Union; Zarifis (2000) identifies three different groups of youth unemployment which need “*vocational guidance*”: the school leavers without any diplomas of compulsory education, the young people with low vocational training qualifications and the youth

who are defined by qualifications not applying to the labour's requirements. The same author argues that there are also the young people who continue studying at great levels of education not because they desire it, but for the social prestige; may be this group does not need vocational guidance, however, it is also threaten by unemployment.

At this point, it should be noted that the role of the formal vocational education is not a priority as the job's activities and process are learned during the working experience in case there is an equivalent diploma (Patiniotis and Spiliopoulou in Stenström and Lasonen: 2000). However, the main preference of the employers is the already experienced workers who can be familiar with the demands of the position straight away. In general view, employers do not appreciate the idea of spending time on employees who need to be trained on the job, thus long- term experience is highly appreciated (Παπακωνσταντίνου in Μαράτου- Αλιπράντη and Χατζηγιάννη: 1998). Lastly, the research work of Turner (1999), based on questionnaires and interviews, proves that non- formal training is not recognised in Greece and employers do not take it into consideration; non- formal training is the non-formal learning which is not provided by an education or training institution. Based on data (table 18) related to the unemployment rates by age and highest level of education attained in EU- 12 and Greece, in 1998 period, one can assume the following; noting that the unemployment rates of 35-39 aged group of the ISCED 5-6 level in Greece are not reliable I will take them into consideration:

**Table 18: Unemployment rates by age and highest level of education attained in EU- 12 and Greece, in 1998 (%)**

EU-12			
1998			
Ages	ISCED 0-2	ISCED 3-4	ISCED 5-6
25-29	19.6	14.9	14.7
30-34	15.5	9.6	8.8
35-39	13.7	7.6	5.5
40-59	9.7	5.9	3.4

### Greece

1998			
Ages	ISCED 0-2	ISCED 3-4	ISCED 5-6
25-29	13.7	16.9	18.3
30-34	11.2	10.4	7.8
35-39	8.6	9.2	2.4 u
40-59	6.3	6.5	2.2

u= unreliable  
Source: Eurostat

Trying to explain the Greek situation, the rates of unemployment regarding the 25-29 age and ISCED 0-2 level are less than any other educational attainment, a fact totally against the EU-12 statistics. However, while we move on to older ages this phenomenon changes to the opposite direction and ISCED 5-6 level meets less unemployment rates. According to the above proportions I can be led to the hypothesis that the Greek labour market places working experience as a top priority. University graduates, age group of 25-29, no matter their higher qualifications by not having any job activity yet is the group threatened by unemployment the most in comparison to the ISCED 0-2 level group of the same age group. However after gaining some experience they are preferred (30-34 ages). This phenomenon also explains the fact that all educational levels meet decline of unemployment as the age group becomes older. Higher knowledge is appreciated only after job experience is earned.

The above lead to the well known situation of hetero and multi employment where graduates no matter the type of their educational background, try to get involved with any possible occupation (Patiniotis and Spiliopoulou in Stenström and Lasonen: 2000). In Greece, it is common over-qualified degree holders to accept low standard job vacancies because there is lack of working opportunities (Gouvias: 1998).

Lastly, one may highlight the similarity which the two countries of Greece and France meet on the third model of Couppié and Mansuy (2000- three different models in total) where the young entrants are in less privileged position as in equivalent diploma level, the older and more experienced have more chances for a job opportunity. However, Zarifis (2000) is skeptical about the economic role of the VET framework by arguing that the problem is socioeconomic (because of the difficulties of social

integration) and not only economic. More precisely, he argues that (Zarifis: 2000: p: 110): *“their life course has been determined by the demands of the labour market and not of education and training. VET was just the medium that could enable them to satisfy these demands”*.

### **Lack of official mechanisms for a job search**

On the other hand, the requirements of the Greek labour market, frequently, are not be taken seriously by candidates because of the creation of the idea that jobs can be found only through public relations; friends or relatives. Additionally, another characteristic which may lead to the malfunction of the Greek activity in the market is the lack of official mechanisms which aim at the search and finding of jobs; in some cases possible employees ignore the existence of open job positions. Citizens are not well informed about the providers of career advices and supporting offices for the found of a job, as a consequence they try to get a working position through their relatives, friends and people they already know or through political parties which have mainly influence on the public sector. Thus, a vital characteristic of the Greek society is the strong mentality of having good public relations in order to find a job as offices responsible for the information, orientation and search of a job based on the qualifications and the requirements of the applicant have not really existed (Παπακωνσταντίνου in Μαράτου- Αλιπράντη and Χατζηγιάννη: 1998).

The access of a job position through the use of good public relations and not through the qualifications of the candidate leads to two strong hypotheses. Firstly, what can be formed is a wrong perception of the labour needs and secondly, the problem seems to be socio-economic and not only economic (European goal to become more productive and economically stronger), thus the EU approach maybe is elliptic. The creation of wrong motivations can be catastrophic to any kind of improvement, especially for young people who are supposed to be more enthusiastic and creative. If the idea of socialization covers the issue of unemployment then probably people would not will to gain training opportunities for specialized knowledge, but on the contrary would only focus on their socialized skills. Wrong perception of employment values can be hardly awaken without social dialogue and detailed information about EU goals.

### **Lack of follow up regarding professional skills needed and recognition of qualifications in the market**

Karasiotou (2004) in her synthesis report about the skill needs in the European small firms, highlights that the major problem of unemployment does not rely solely on the State's and the EU's activities, but it has to be seen as a problematic issue concerning the activation of the enterprises, the local authorities and the individuals. Research studies should be available for comparisons, evaluation and analysis a fact which does not apply to reality, especially in Greece (Karasiotou: 2004). Progress cannot take place if resources are not given in public for further development; running projects should base their further development on statistics and earlier surveys, necessary material for progress and innovation by the scientific community.

Thus, in Greece there was no mechanism or institution responsible for the follow up of the professional skills which are needed in the market and for the recognition of the qualifications of the workers. Furthermore, there was no certification concerning "on the job- training" qualifications as knowledge can be proved only by the time- based of education and not by the competence- based of working experience. The time-based proof is the years spent in an educational institution offering knowledge about market without having any real job- training aim at satisfaction of the real needs of the market and the economy (Μπαλούρδος and Χρυσάκης in Μαράτου- Αλιπράντη and Χατζηγιάννη: 1998, Αμίτσης: 2000). The lack of a legislated system for the evaluation and the follow- up of the outcome of the vocational training actions has been a problem of development (Μπαλώτη: 1996).

On the other hand, the actors who provide the vocational training have been facing some problems on the creation of programmes related to the needs of the labour market. Maybe there are some mechanisms for the research of these needs at national and regional level but, there is not any trust as there are no statistics and data (Μπαλούρδος and Χρυσάκης in Μαράτου- Αλιπράντη and Χατζηγιάννη: 1998).

### **3.2 The impact of the Lisbon Strategy 2000 on the organizational Greek frame: Level 3- Discursive Diffusion**

Maurice (1989) and Nieuwenhuis and Shapiro (in Descy and Tessaring: 2004) have proved that change cannot happen only to the one field of the society, such as education, without influencing the other sectors within it, such as the labour market. The Vocational Educational and Training system of a country is influenced by the structure of its own society and the principal actors which consist it. Therefore, it can be hypothesized that it is obligatory to link education and labour market as it has been explained in chapter I. The key elements which are examined in this section rely on the inflexibility for reforms, the level of skill needs in the labour market, the unemployment rates by age and highest level of education and the gender equality. At this point I would like to remind that the examined period which I am interested in deals with the one before the economic crisis, 2000-2007.

#### **3.2.1 Field of business: improvement on gender inequality stability of low qualifications demands**

##### **Inflexibility for reforms: lack of strong trade unions in private sector and strong public monopoly**

Featherstone and Papadimitriou (2008) support that unions which represent the public sector's interests oppose market flexibility and pension reform for anxiety of losing their privileges. The authors note that the privatization of the state's enterprises would threaten the public's sector job security and its welfare provisions causing its opposition to any broader competition (Featherstone and Papadimitriou: 2008).

Both governments of Simiti and Karamanli tried to reach the liberal and social reforms according to the EU's Lisbon Programme. More specifically, the Karamanlis Government via the 2005 package aimed at making reforms on public sector contracts based on privatization (e.g. OTE telecoms), however, the Annual Report of the Bank of Greece in 2007 identified that structural reforms must continue (Featherstone and Papadimitriou: 2008). In reality, governance failed to deliver prioritized changes as sectional interests worked against the wider societal concern (interests of personal

privileges and corruption); one may say that Greece has become difficult to govern (Featherstone and Papadimitriou: 2008).

The principal actors shaping reforms are composed by the government and the unions who used to prevent their rights and privileges (Featherstone: 2003). Big businesses have strong union representation, while small and medium sized firms have not, as a consequence the strong defence of collective privileges and dissimilarities to work contrary to reforms (Featherstone: 2003). It seems that the self-interests of some actors go beyond the serious reforms.

Thus, two main reasons of resistance to the EU changes are the fear of losing the state's market monopoly and the privileges offered by some public job positions and pensions; strong union voices were organized on behalf of the interests of the employees of the public sector defending their pension benefits (Featherstone and Papadimitriou: 2008). One may say that Europeanization deals with the relationship among government and the major social partners involving economic and political interests (Featherstone and Papadimitriou: 2008).

On the other hand, Seferiades (2003) argues that these kind of European directives (supporting flexibility) failed to meet the needs of the Greek labour market as the high informality and flexibility via temporary and part-time jobs lead to very short compensation rates for unemployment. The Greek labour market, as it has been seen, is famous about its complexity and it is characterised by low privileges for young people, high unemployment for the first-time job seekers and females and the absence of safety net after the end of insurance benefit; this social benefit system can be hardly activated despite the European recommendations (Papadopoulos: 2011).

### **Micro businesses against the open competence- based EU model**

Lisbon reforms on market liberalizing come against the domestic culture of the society which favours the interests of the public sector in contrast to the few large private businesses. However, as it has been presented, the Greek market is mainly characterised by family-led micro enterprises; the needs for training and the increase of skills are not required in the Greek labour market as the firms' owners seem to



handle everything by themselves even though they are not specialists of all the parts of the job. The same situation goes for the after Lisbon period where more than 97% of all Greek enterprises are micro (look table 19: 2004-2005 data). The total number of the Greek SMEs represents the central share of the economy.

**Table 19: Number of enterprises in Greece (2004 and 2005 data)**

<b>GR</b>	<b>Value</b>	<b>%</b>
Micro	796.454	97,1%
Small	21.235	2,6%
Medium	2.496	0,3%
<b>SMEs</b>	<b>820.185</b>	<b>99,9%</b>
Large	462	0,1%

**Source: European Commission, Enterprise and Industry: 2008**

The equivalence between the firm's size and the number of employees is presented in the following table:

**Table 20:**

<b>Company category</b>	<b>Employees</b>
Medium-sized	< 250
Small	< 50
Micro	< 10

**Source: European Commission- Enterprise and Industry website**

Consequently, training does not lead to employment in the Greek sector; on the contrary one may think that it is a waste of time and money. The bureaucratic French model creating generalists (analysed in the first part), fits totally to the Greek case; the labour market by itself defines the type of education which is needed to be provided within the society. A crucial hypothesis to the above is that the chosen educational system is totally related to the structure of the labour market; the bureaucratic educational model can only change if the conditions of the market change. At this point, by thinking the competence- based and flexible role of the EU proposed model it can be hypothesized that since there are no similarities among the EU policy and the composition of the Greek labour market, the implementation of the Lisbon Strategy could not really affect positively the Greek market economy. The EU model is created for countries characterised by open markets composed by big firms which can support that kind of vision. Maybe the EU policy does not apply to Greece and to the southern

needs in general. Additionally, flexibility in the case of Greece is translated as the creation of uncertain jobs, lower entry wages and temporary contracts leading to an uncertain future especially for young people who mainly face the problem of unemployment.

The review of this section's remarks create more conclusions relying on the level of the necessity of qualifications and skills in Greek industry and not on the frequency of the training opportunities offered within the Greek labour market which is demanded by the EU level for the reach the European's guidelines. One would assume that if there is not any creation of new big-size enterprises in Greece, the young people, because of the high rate of unemployment, would only have the opportunity to accept working positions in family-size firms which are not interested in training investment and simultaneously, they do not desire high qualified employees because of their low wages. In this case, the Greek staff can never be a part of the high skilled European labour force and more seriously there will not be any wish for the opposite.

One may maintain that the type of the European model approaches the Nordic and the liberal model as it focus on "*employability via training and active labour market policies*" (Smismans: 2004: p.15). That can also be proved by the number of recommendations which apply to Scandinavia and the UK which seem to be the half of the number addressed to the Southern area. The demand for modifications is higher in the South and bigger political problems are created by the implementation of the recommendations (Smismans: 2004).

### **A fragile market economy with less training opportunities**

Ending with the variable which determinates the level of development of a country, the table 21 presents the gross fixed capital formation (total investment) as a share of GDP of the 2000, 2005 and 2010 periods. It can be seen that there is a variation of the overall investment intensity (public and private) between the EU-27 and it is clear that the majority of investment comes by the private sector. In both Greece and EU-27 has noted a decline of the total investment within the 2000-2010 period. Greece used to have higher proportions than the EU- 27 in 2000- 2005 period, ending up with one of the lowest proportions of total investment in 2010 (14.7% to 18.5 % EU- 27). The

interesting issue is that even though the Lisbon Strategy aimed at the empowerment of the EU countries and the creation of one competitive and strong economy, the table related to investment during the 2000-2010 period proves that both EU27 and Greece met a decline of investment after its implementation. Consequently, decrease of investment is translated as decrease of motivations for development. A fragile market economy affects also education and training as when there are issues of development less training opportunities are offered. However, the 2005-2010 period, once again includes the EU economic crisis, the proportions should have been expected weaker.

**Table 21: Investment, 2000, 2005 and 2010 (% share of GDP)**

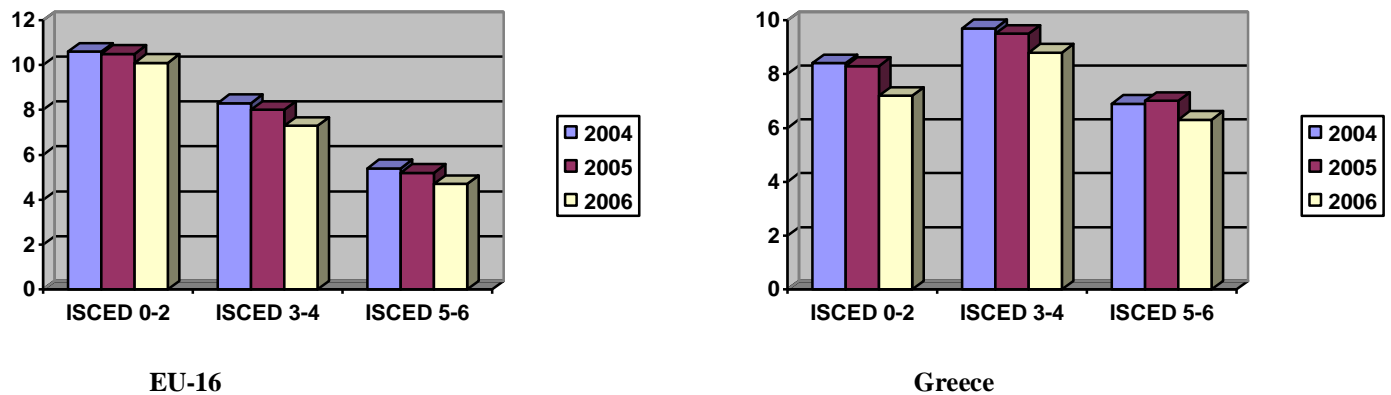
	<b>Total investment</b> <b>2000 2005 2010</b>			<b>Public investment</b> <b>2000 2005 2010</b>			<b>Business investment</b> <b>2000 2005 2010</b>		
<b>EU- 27</b>	<b>20.6</b>	<b>19.9</b>	<b>18.5</b>	<b>2.3</b>	<b>2.2</b>	<b>2.7</b>	<b>18.4</b>	<b>17.8</b>	<b>15.9</b>
<b>Greece</b>	<b>21.6</b>	<b>20.0</b>	<b>14.7</b>	<b>3.6</b>	<b>2.8</b>	<b>2.8</b>	<b>17.9</b>	<b>17.1</b>	<b>11.9</b>

Source: Eurostat

### **Required qualifications in the labour market after Lisbon Strategy 2000**

The increase of employment had been on the top of the Union's priorities however, the problem seems not to be solved. One may easily realise the gravity of the issue even nowadays where according to the Eurobarometer of the European elections in 2009, the 57 per cent of the citizens placed unemployment at the top of the priorities which the European campaign must have, having Ireland, Greece and Portugal as the top countries presenting a percentage of a more that 80 per cent of the votes go for it (Erhel: 2011). In the section of the organizational frame before the introduction of the Lisbon Strategy 2000 argued that in Greece qualifications have not been appreciated much and the educational ISCED 3-4 level is threatened the most by unemployment. Moving on to the period after 2000 the same statistics relying on the unemployment rates of the population aged 25-64 by level of education with the only difference of the examined period, 2004-2006, are presented ( graph 2).

**Graph 2: Unemployment rates of the population aged 25-64 by level of education for the 2004-2006 period (%)**

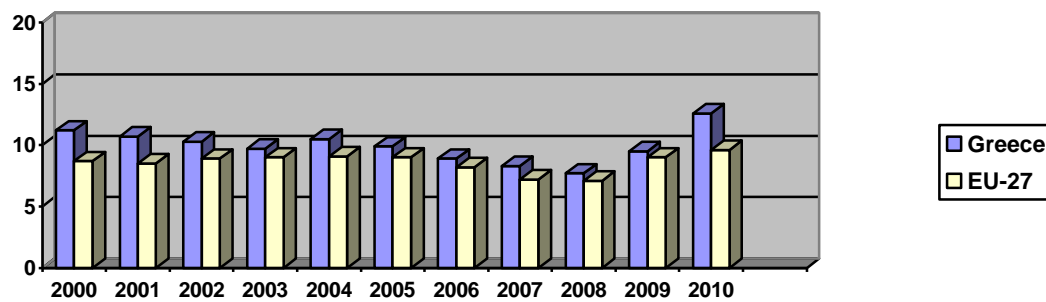


Source: Eurostat

One may claim that graph 2 for the 2004-2006 period repeats the hypotheses and conclusions of the previous graph 1 for the 1996-1998 period. Taking firstly the results of the EU-16 the conclusion is the same as previously: more education, less possibility of unemployment; time spent for increase of knowledge and skills is appreciated as the labour market prefers qualified employees. On the other hand, looking at the Greek case no qualified (0-2 level) and highly qualified (5-6) group meet almost the same unemployment rates in the market. Even more noticeable is ISCED 3-4 level which touches the higher proportions of unemployment. In that case, it can be concluded that the implementation of the Lisbon Strategy 2000 has not changed the conception of the Greek labour market regarding the importance of qualifications. As we have seen in the previous section, the monopoly of the micro sized enterprises remained the same even after Lisbon, a fact which keeps the needs of the labour market stable as before. Qualifications and high skills cannot meet appreciation if the needs of the businesses do not change.

On the other hand, the Lisbon Strategy was mainly created for the boost of competitiveness and the growth of jobs. Thus, let us see if general unemployment rates met decline in Greece after its implementation.

**Graph 3: unemployment rates**



Source: Eurostat

As it can be seen in graph 3 a decline of unemployment rates until the 2008 year (starting with 11.2 per cent and ending up to 7.7 per cent) is met; I do not consider the period after 2008 as the economic crisis had already started. However, Greece is stigmatised by high proportions of unemployment in comparison to the EU average. Employees in many cases get a temporary occupation, a short-run one without any future expectations and receive a low salary as we have already seen<sup>21</sup>. Thus, one may say that the Greek society is suffering by significant unemployment or underemployment issues with strong levels of self-employment by micro-sized firms and labour investments lower at the periphery (Rangone and Solari: 2010b). The finance-industry structure has been fragile and problematic regarding the demanding reforms of the European Community (Rangone and Solari: 2010a). All these variables contributed to the recent southern economic crisis (with main protagonist Greece), and based on the serious financial instability and the great loss of GDP (Rangone and Solari: 2010a).

Moving on to the unemployment rates by age and highest level of education attained in EU- 12 and Greece for the period 2004- 2006, I want to examine any change happened concerning youth unemployment after the implementation of the Lisbon 2000. The following table 22 is consisted of the same indicators as before (table 14) having as only dissimilarity the period (2006).

<sup>21</sup> Data of Greek monthly earnings after 2000 are missing (Eurostat)

**Table 22: Unemployment rates by age and highest level of education attained in EU- 12 and Greece, in 2006 (%)**

**EU-12**

<b>2006</b>			
<b>Ages</b>	<b>ISCED 0-2</b>	<b>ISCED 3-4</b>	<b>ISCED 5-6</b>
<b>25-29</b>	15.4	8.8	7.1
<b>30-34</b>	12.2	7.1	4.6
<b>35-39</b>	10.3	6.3	3.7
<b>40-59</b>	8	6.3	3.4

**Greece**

<b>2006</b>			
<b>Ages</b>	<b>ISCED 0-2</b>	<b>ISCED 3-4</b>	<b>ISCED 5-6</b>
<b>25-29</b>	11.4	13.9	16.2
<b>30-34</b>	9.8	9.9	9.5
<b>35-39</b>	9.2	9	4.2
<b>40-59</b>	6.3	5.9	2.6

**Source: Eurostat**

So, if I compare the two Greek tables before and after the introduction of the Lisbon Strategy 2000 I can assume, talking about ISCED 5-6 level and young groups of 25-34 ages, that unemployment rates have been increased. A hypothesis following the above is related to the query if the Greek market can stand the increased number of University graduates as we have seen before. The question is if the Greek economy can absorb a higher number of employees. The Lisbon 2000 may aim at the creation of more scientific staff, but the Greek market is characterised by family sized businesses which do not have any interest to employ them. Thus, one may wonder if the implementation and adoption of the Lisbon's guidelines led to an improvement for Greece or to the raise of youth unemployment. Of course, the development of youth education can be seen as a positive achievement, but also other elements of the society have to be taken into consideration as they are totally connected to each other; factual improvement is the result of both sides improvement (in educational and labour market), otherwise problems will be caused (youth unemployment).

Moreover, Greek proportions of unemployment for the ISCED 5-6 level are much higher than the EU-12 and still the ISCED 0-2 and 3-4 levels do not meet any serious

difference. The after Lisbon period does not seem to have any serious change in this section.

### **3.2.2 Improvement of gender inequality and difficulties of females' participation in the labour market**

Greece has been characterised by the lowest proportions of gender equality in the EU (Rubery, Bosch and Lehnendorff: 2008) before and after the Lisbon's implementation. Greece is the first country with the greater difference between genders, the unemployment rates of females is almost the double of the unemployment rates of males (Eurostat: Unemployment rates 2009). It seems that the olive belt area (Greece, Italy, Spain and Portugal) is identified by higher proportions of females' unemployment in contrast to the EU- 27 average (Eurostat: Unemployment rates 2009). As it has been examined the olive belt is characterized by the inability of governments to provide kindergartens services for the support of the working mother. The Greek employers prefer not hiring female workers. It can be assumed that this is a result of the Greek traditional breadwinner model which was explained before. Also, very often women used to choose general education instead of vocational and as it has already been said, there are high proportions of generalists in Greece and probably a certain number of vacancies.

Therefore, Greece needed harder effort to reach the EU guidelines as major changes of its structure are demanded. Women and senior women cannot easily be involved in the labour market as they only used to take care of the householding without having any working activity in the labour market. The working conditions differ to a great extent to the rest of the EU, with the only exception of the olive zone.

However, the Rubery's (2002) research, by analyzing the implementation of the equal opportunities and gender policies within the employment structures of the Member States, found that European influence was significant within Greece (development of policies for childcare) and it overcame the commitment to gender equality prior to European Employment Strategy by the "*setting-up of inter-ministerial committees for equality issues*", "*drawing up of national strategies for equality*" and "*development*

*of methodologies or guidelines for gender mainstreaming of government policies or employment policies”* (Rubery: 2002: p: 504). Also the survey of Kaminioti and Patiniotis (in Brown, Grollmann, Tutschner and PARTICIPA Project Consortium: 2004) argues that young women nowadays seem to participate in education more than the young men.

## **Conclusion**

Greece is a country of the weaker performers in the European Union’s foreground and it faces various problems. Its spending on education is below the average of the EU performance without serious links among universities and the labour market. The strong bureaucratic structure of the Greek model seems to be highly fragmented in incomes and pensions, to limit flexibility and inhibit quality services, to encourage benefits and privileges via clientelism, to be costly as a percentage of GDP, to reflect late economic development and lastly, to be defined by a stable poor performance relative to the EU averages. The internal structure based on the rational economic self-interests and their collective representations constitutes the blocking power of the reform agenda. Furthermore, the Greek vocational education and training system meets difficulties relying on the non recognition of informal training, the limited national investment on educational activities (programmes run mostly in favour of EU funds), the lack of the encouragement of partnerships among industry, social partners and education institutions, insufficient control mechanisms, lack of data bases, inexperience domestic authorities on issues connected to the education and training field, lack of social prestige as regards technical knowledge involvement and limited interest of the private sector to finance training activities (Patiniotis and Stavroulakis in Lauterbach and Sellin: 2000). Moreover, no National Qualifications Framework was developed, but only the Common European Framework which is based on learning outcomes (interview: Zahilas: 2010<sup>22</sup>). Additionally, there is legal inflexibility for educational reforms, the legal administrative actions have led to the overproduction of laws and decrees; a division of regulations and formalism which in reality does not apply on what the law stipulates. It is to say that it is a system with

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<sup>22</sup> Zahilas L.: Senior Expert of qualifications’ outcomes in Cedefop



various difficulties and enough complexities blocking its development. But let us see in details the main variables which place the educational and training Greek system to the poor performers of the Lisbon Strategy and the level of change after its implementation in 2000.

One of the key characteristics of Greece which kept Europeanization far away was the strong central and bureaucratic role of the state. There was no space for improvement as every European try for reform at a national level was utilized according to the personal interests of the elite and not for the society's profit. As concerns the educational proposals there was a frequent recourse of reforming without success. The state's profile is highly bureaucratic and requests for reforms have been examining very slowly. However, when a number of reforming proposals managed to become draft laws and be announced as educational reforms, they were short-lived as they just followed the requests of the new political elections.

Moving on to the structure of the labour market the continuing training policies were unfamiliar in Greece as the structure of its labour market did not encourage the qualifications' development. Before 2000 there was a high number of self-employed in agriculture and in the service sector and workers did not care about training activities. The number of micro sized businesses, mostly family owned, did not require much as the expectations for development of the business were not high. By looking at the labour's market situation before and after the implementation of the Lisbon Strategy 2000, which mainly aimed at a socio-economic model based on flexibility and competitiveness, no serious progress was noticed. The micro sized businesses still have the monopoly in its economy. The above led to the hypotheses that high levels of knowledge is not needed and continuing training is faced as a waste of money and time. Both end up to the conclusion that the structure of the Greek labour market encourages drop outs of education and discourages life long learning, two of the five benchmarks of the Lisbon Strategy 2000.

Nevertheless, concerning the lifelong learning activities initiatives have been taken such as, the creation of 56 Adult Training Centers (KEE) and 54 schools for parents and adults' education in new technologies. It can be argued that those initiatives have taken place because of the Lisbon's Strategy programme. The European Union

supported financially Greece and tried to establish a new direction of further training for adults. However, life long learning includes various types of activities. The Lisbon's ranks placed Greece at the lowest position as life long learning participation seems to be a long term process for a change.

Furthermore, the labour's market conditions are totally related to the type of orientation of the students. In Greece the public sector used to be preferred than the private one and a part of students was prepared as generalists in order to find a place in it. The above preference was based on the working conditions; a permanent job with a stable salary and a possibility of career development. The theoretical general knowledge used to be favored in contrast to the vocational education which was faced as a second class knowledge. By having examined the enrolments proportions of the ISCED 3 level in general and vocational education after the Lisbon's implementation I came to the conclusion that the orientation of the students remained more or less at the same levels.

Another element which concerns the labour market is its top requirement for getting a job. In Greece the most important requirement is the previous job experience mentioned in the curriculum vitae of a candidate. This priority, as it is seen in the organizational framework of my country has not changed. Youth is the group with the higher unemployment rates as it is characterized by the most inexperienced employees. Once again students are encouraged to drop school in order to gain working experience the soonest. Even Lisbon's requirements come against the above, the priority has remained in the labour market. Greece was and is a country of youth unemployment and the transition from school to work is a long term process. Referring to unemployment rates outcomes, a serious issue is also the gender inequality in the Greek context. Even though some tries have been made, the difference of the Greek genders' unemployment rates are among the highest of the EU-27 even recently (2009).

Lastly, taking into consideration the conditions of the Greek labour market I would argue that the educational reform of 1998, which aimed at the increase of the number of entrants into the tertiary education (the number of entrants increased in the 1999-2000 period), has not faced the base of the problem of dropping further education

related to the low labour market's requirements. As it has already been mentioned in my theoretical approach the organizational and institutional frames interact within the society and a possible change cannot happen in one field without reforming the other as well.

To sum up, the country's organization seems to get no serious influence by the implementation of the Lisbon Strategy 2000. The Lisbon's socio-economic model seems that it did not apply to the nation's needs. Change cannot come if the structure of the society has not been taken into account. The progress of the Greek educational and training system has been ineffectual.

**Chapter V:**  
**THE ITALIAN REGIONALISED EDUCATIONAL AND  
TRAINING SYSTEM AND ITS PROGRESS**

## **Introduction**

The Italian case just like the Greek one, seems problematic at a European level, however, even though the Members States of the olive belt are characterized by similar particularities that does not mean that national approaches for the reach of the EU benchmarks are common. On the contrary each country uses its own methods and strategic plan in order to follow the European guidelines.

The initial issue of Italy, and not only (also a Greek issue), was the way by which it could become more European. In the beginning the tries of adjustment for improvement met the traditional blocks to any structural modification; however, the considerable dilemmas of change were actually faced after the 1991 (with the Maastricht criteria) (Ferrera and Gualmini: 2004). Italy's priority has been the secure of a good relationship with the Europe Union for future improvement of its instability; this is the given explanation for a paradoxical attitude of attractiveness of the European arena regardless the stable failure to fulfill the European norms at a national level. Contrary to the state's difficulties the integration process has been used as a politically promising strategy for stabilization and the groups which supported it were mainly the integrationist elite (Ferrera and Gualmini: 2004).

Ferrera and Gualmini (2004) argue that after the treaty of Rome there has been a domestic impression (especially from elite- groups) that European integration would obviously modernized the Italian political and economic system. According to their beliefs, the European Community could re-orient the economic and political philosophy of the country (e.g. subsidies, opportunities for workers and firms, higher growth etc) and provide an "integrationist elite" for the legitimization of complicated policy measures (e.g. sanctions of inefficiencies, forcing the government to the direction of liberalization).

Nevertheless, privatization (European requirement) was a major reform challenge for Italy which is realized followed by very promising results in the beginning and negativism in the end. One may say that the Italian case is different from the Greek one in the sense that European reforming demands influenced at a greater extent the structure of the society because some of them were applied at a national level.

However, some literature debates about the reason of modifications by wanting changes to be happened regarding to the global pressure and not strictly by Europeanization influence (Della Sala: 2004).

Italy's relationship with the European Union can be characterized as fragile. Schmidt (1996) is referred to the Italian complexity at a European level by arguing that (Schmidt: 1996: p.232- 233): *"Italy has been unable to carry out the reforms required by European integration because of its weak executive and parliamentary paralysis. Its current economic and political crises also result from corruption scandals and internal institutional collapse."*

In the current chapter, the added value of the international policy (Lisbon Strategy) in the domestic education and training policy (Italian context) and the variables which placed the country to the poor performers of the benchmarks of the Lisbon's ranking, are examined. The principal aim is to present the level of influence of the Lisbon Strategy 2000 within the educational training system of Italy.

The organization of the chapter follows the structure of the Greek one; the logic and the categorization of the sections are exactly the same. There are three main fields trying to fulfill the levels of the policy change mechanism of my theoretical framework; the political, the institutional and the organizational which are divided into two periods, the before and after Lisbon Strategy 2000. Within the chapter we meet mainly the four levels of my theoretical framework (table 3), level 2- deliberation, level 3- discursive diffusion, level 4- shaming and level 5- monitoring of the EU mechanism for possible policy change at a national level.

## **1. Political Frame: the mechanism of decision making in Italy**

### **1.1 The national political frame before the introduction of the Lisbon Strategy 2000**

The political frame aims at the examination of the society's norms and the particularities of its decision making by presenting four sections related to the state's function, the regionalization of decision making, the role of the social partners and the legislation framework and financial structure of the educational and training activities.

### **1.1.1 The function of the state and its role to the Italian economy: high pension expenditures and great power of political parties**

The mid of 70s had been the start of the Italian public debt; even though there have been tries of improvement, - firstly, by Law no. 468/ 1978 which approved reform of budgetary procedures for better controlling of public expenditures, and secondly, by Law no. 362/ 1988 establishing the use of new instruments budgetary projections-, however, there have been serious delays of implementation (Ferrera and Gualmini: 2004). Thus, the Maastricht Treaty put great pressure on Italy because of its problems regarding public debt and public deficit; based on a climate of financial emergency Italy increased highly the national taxes (early 80s) causing reactions, especially of the self-employed taxpayers (early 90s); however, between the 1992-1998 period, interest on public debt minimized seriously (Ferrera and Gualmini: 2004). Nevertheless, one may say that maybe the taxation saved the situation only at a superficial level as it did not change the “*structural imbalance of national accounts*” (Ferrera and Gualmini: 2004). At the same period international competitiveness met a serious decline because of the raise of the prices of the Italian goods which had as a result the decrease of the competitiveness of the Italian exports (Golden: 2004).

Italy has been characterized by extremely pension expenditures (similarity with Greece) in contrast to the European Community and a fragmented social's insurance system placing the group of young and long-term unemployed in an uncertain future without stable wage; the later improved by the 1975s agreement where “*wages were to grow by a single flat rate amount*” (Ferrera and Gualmini: 2004). Concerning the role of the state on pensions, there have been made three major reforms (in 1992, 1995 and 1997) which were passed on this field (Ferrera and Gualmini: 2004). On the other hand, social insurance relied on the combination of the variety of the state's regulation and the union's power among the large and small firms (large firms have higher protection, stronger unions and better working conditions) which has created a dualism model (Simonazzi, Villa, Lucidi and Naticchioni: 2008). As it has already met in chapter II, the political arrangement between unions is one of the main actors who influence the structure of a Member State. The role of the social partners is examined in details in a later subsection of the political frame.

The Italian reality is characterized by a highly fragmented system with weak internal co-ordination of the state organs and a strong clientelistic role (Ferrera and Gualmini: 2004). As an exchange of electoral support, political parties provided their supporters with individual benefits (Ferrera: 1996, García and Karakatsanis in Gunther, Diamandouros and Sotiropoulos: 2006). Also in the Italian case there has been a high number of recruitment of civil servants because of the clientelistic method (Cassese in Page and Wright: 1999). Sotiropoulos (in Gunther, Diamandouros and Sotiropoulos: 2006) outlines that the above relation among the society and the political parties characterises the bureaucratic southern European model in general. During the periods of increased unemployment or of general elections, a frequent political Italian phenomenon has been the recruitment of citizens to the public sector- same hypothesis as in the Greek chapter; the corruption of the political parties cause inflexibility in democratic processes, creating priorities of self-interest and making Europeanization a difficult case as it depends on the interests of the political parties which seem to have great power to the public through clientelism.

### **1.1.2 Regionalization and institutional division of decision making**

One of the Italian characteristics is the strong fragmentation in the provision of social benefits, even to protected workers, as a result of the geographic imbalances of the country (García and Karakatsanis in Gunther, Diamandouros and Sotiropoulos: 2006). Regional and local authorities have been given the power to implement programmes of minimum income (introduced in 1990s); the result of this authority was the increase of fragmentation as some regions offer better benefits than others. However, Italy also seems very dualistic and fragmented on geographic positions after the speedy industrial development of the North Italy (gaps of development among Northern and Southern Italy).

For the better understanding of the Italian society, Schmidt (1996) uses the research outcomes of Locke (1995). The main characteristic which she notes in the book of Locke is his obsession of demonstrating that industry success depends on the sociopolitical relationships within regions. He mainly emphasized the local power and his work influences Schmidt's (1996) working paper who demonstrates that (Schmidt: 1996: p.234): *"Industrial policy is the product of a host of local factors, including*



*firm and union strategies and actions, political and community organization, and history and institutions”* and also regarding the industrial policy (Schmidt: 1996: p.235): *“reforms consistently fell apart when they sought to centralize the traditionally piecemeal approach to economic decision making”* as, according to the author civil servants have difficulties to operate successfully and subnational policymaking is preferred as demonstrated by Locke.

At this point, Schmidt (1996), commented the work of Locke by noting the gaps of his analysis relying on the lack of information about the local power and the “paralysis” (p.236) which is caused at the center because of the decentralization reforms; and the fact that his study deals only with the north and the central regions of the country, without giving a concrete image of Italy. Local economic actors are defined by different local economies within the same country (Locke: 1995).

In Italy, there is an institutional distinction between the vocational training and the general educational system as the responsible body of the general education is the Italian Ministry of Education in contrast to vocational training where we meet the regional governments. Regions are responsible for planning and performing their tasks; they may delegate or transfer tasks to the Provinces (Cedefop and ISFOL 2003). According to some literature this leads to the lack of a strong coordination between the two systems. Italian institutes providing specific skill formation under regional control are seen as a second- class institutions and expectations are lower than the initial education (Regalia and Regini in Locke, Kochan and Piore: 1995).

Green, Wolf and Leney (1999), discuss about the debate concerning the organization of the educational decision- making. People who are in favor of the decentralized decision- making support that education systems are too complicated to be administrated centrally and that in that way their democratic character, responding to local needs, is kept. Nevertheless, there is the opposite option which finds strong central planning necessary in order for economic development to be realized. Centralized decision- making aims at generalized innovations for stability of standards within education systems.

Of course, there have been tries for the homogeneity among regions and the creation of better quality concerning vocational training sector. To give an example, Seyfried, Kohlmeyer and Furth-Riedesser (1999) mention in their case study that there have been initiatives by regions (e.g Emilia Romagna) for the establishing of a system of quality assurance for the vocational training sector by the year 1999.

The fact that vocational training is under the responsibility of the Regional governments leads to the hypothesis that European reforms and guidelines may meet greater difficulty of implementation as the cooperation of a number of authorities for their adoption is needed. At this point it can be mentioned the first model of Green, Wolf and Leney (1999) which is met in chapter II and it is based on the “*centralized systems with elements of devolution and choice*”, where both Italy and Greece are included, however, the first turned to place more power to regional level. Nevertheless, the division of decision making in educational field will mainly bother us at a later stage after 2000.

### **1.1.3 The active role of social partners in Italy**

#### **An overview of the Italian socio-political groups**

In the 80's we meet five categories of socio-political Italian groups. The first included large-private companies, the second small firms and their employees, the third assisted classes bureaucracy and public firms, the fourth classes linked to rents and the financial sector and the fifth included large firm's employees (Amable, Guillaud and Palombarini: 2011). Furthermore there was a distinction between the dominant social bloc which was a composition of large and small enterprises, depending on transfers and the public sector, or small firms associated with the interests of their employers; and secondly, the excluded from the dominant bloc which are presented by large firms' employees supporters of communism. The above first four groups belonged to the dominant social bloc and they aimed at the macroeconomic policy favourable to competitiveness in contrast to the last one which aimed at the fight of unemployment and the increase of real wages (the last group was a part of the excluded from the dominant bloc) (Amable, Guillaud and Palombarini: 2011).

The industrial relations system of 80s is supposed to have “*a low level of institutionalisation, with only a weak formalisation of the rules which regulate relations among actors*” (Regini and Regalia: 1997: p.227). Regini and Regalia seem to try a comparison between Italian, Anglo- Saxon and German models (voluntarism and high degree of legal regulation), arguing that Italian model tends more to the Anglo- Saxon one because of its informality (this situation was changed, especially after the agreement of 1993, when actors increased their degree of formalization and introduced rules among them). Indeed, one may say that informality had significant returns to the performance of the Italian industrial market during the economic adjustment of the 1980s as it provided flexibility in a phase of intensive change by respecting the structure of the local authorities. However, informality also has its weaknesses, such as “*the scant predictability of industrial relations and their vulnerability to shifts in power relations*” (Regini and Regalia: 1997: p.228).

Regalia and Regini (in Locke, Kochan and Piore: 1995) mention that straight after the Second World War, trade unions got involved with the administration of programmes of social security, such as unemployment insurance and pensions. Regalia, at the end of her article identifies that, Italian unions, within time, came up against the “*dilemma for a representative system between suppressing internal opposition and providing channels for it*” (Regalia: 1995: p.231: in Rogers and Streeck). In any case, the author argues that unions were encouraged and defended by the existence of councils.

“*Union participation was required in the several hundred committees set up to oversee labor regulation in the public sector, where formal collective bargaining was not allowed until the early 1980s. Over time this institutional involvement has become increasingly widespread, and now the trade unions possess a majority of seats on the supervisory board of the INPS (the national institute for social security)*” (Regalia and Regini: in Locke, Kochan and Piore: 1995: p.136). As it can be assumed the Italian unions gather great power able to influence decision making. Their dynamic in contrast to the Greek unions can affect the structure of Italy.

Italian trade unions have given great importance on “*devising job classification systems and on negotiating automatic upgrading in the formal grade structure, than on promoting actual skill development*” (Regalia and Regini in Locke, Kochan and

Piore: 1995: p.142). In 1960s and 1970s, there has been the idea that (Regalia- Regini in Locke, Kochan and Piore: 1995: p.143): *“apprenticeships might be used as low-cost alternative to regular work contracts”* a fact which caused the negativism of the unions. This phenomenon can be considered as a blocking factor to the augmentation of training. The participation of the trade unions for the encouragement of training activities is a necessity in the Italian society as they have an active role.

As Regalia and Regini (in Locke, Kochan and Piore: 1995) maintain, the way by which training was regulated by both trade unions and employers was defined by various factors. Initially, because of the fact that management issues on business were declined in national industry agreements and enterprise- level bargaining during the 1980s and additionally, because of the two national agreements (1989 and 1993); the 1989 agreement which was introduced in some regions for the promotion of the vocational training, controlled and financed by the above partners (no real help to awareness of the significance of training) and the 1993 agreement which was consisted by proposals without requiring companies to spend in training. However, the limitations of *“voluntarism”* and the comparatively *“low institutionalization of the Italian IR”* (Regalia- Regini in Locke, Kochan and Piore: 1995: p.143) have not been able to implement key reforms in vocational training practices.

### **Unions’ strategies and legal provisions: a dynamic role**

Institutional engagements and legal agreements shape economic behaviour (Locke: 1995); however, social partners play a crucial role of influence in the decision-making. The social partners are involved in the content, the co- ordination, and the provision of training; more precisely, they have a significant role in the continuing vocational training *“most adult training provisions have been defined through negotiation between the social partners at the sectoral or enterprise level”* (Elson-Rogers: 1998: p.163). The framework law of 845/78 recognised them as partners of the regional authorities for planning of training, thereafter, the term of partners was replaced by joint deciders (Cedefop and ISFOL: 2003). The law 388/00 which is referred to CVET for workers and sets up the Fondi interprofessionali, where employers pay a contribution of 0.30 per cent, it is managed by the social partners and

supervised by the Ministry of Labour and Social Policies (ReferNet: 2008). The social partners play key role to the planning of continuing training in Italy.

Central changes in the unions' strategies took place after the legislative efforts of the 1990<sup>23</sup> and the 1993<sup>24</sup> law; the first one (1990) was for the regulation of strikes in crucial public services and the second one, (1993) was for the regulation of public-employment relations (Locke and Baccaro in Martin and Ross: 1999). Italian unions are characterized by their dynamic as the proportional electoral system of Italy sometimes provides them with veto powers over policymaking and also because of the weak employers' influence due to division of large and small firms with the latter not having great power (Molina and Rhodes in Hancké, Rhodes and Thatcher: 2007). Thelen (in Hall and Soskice: 2001) characterises the case of Italy as “*ambiguous*” related to varieties of capitalism literature and “*coordinated*” regarding the industrial relations (Thelen in Hall and Soskice: 2001: p.88). On the other hand, she notes that Italy differs from the other CMEs because of “*the fact that Italian unions divide along ideological rather than skill or job lines*” (Thelen in Hall and Soskice: 2001: p.89).

#### **1.1.4 Legislation framework and financial structure of the Italian Educational and Training activities**

##### **1.1.4.1 Initial and vocational education training**

Significant changes to the institutional framework were introduced by the law 59/1997 called “Bassanini” and the legislative Decree 112/1998 on administrative decentralization, additionally, as it will be seen further on, a constitutional reform related to the role and function of the Regions was introduced in 2001.

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<sup>23</sup> Locke and Baccaro in Martin and Ross: 1999: p.241: “*This law (law 146/1990) defined particular criteria that a union had to meet in order to gain access at the bargaining table. The law also introduced a commission of experts which acted as mediator in the definition of the essential public services and was provided with a certain number of disciplinary and legal tools in case of violations.*”

<sup>24</sup> Locke and Baccaro in Martin and Ross: 1999: p.242: “*Law 421 of 1992 and Legislative Decree 29 of 1993. This reform aimed at producing a major overhaul of human resource practices in the public sector. In particular the main goal of the reform was to eliminate a web of clientelistic work practices in the public sector. For this purpose, the reform introduced techniques of human resource management generally adopted in the private sector, and increased the power and autonomy of the public managers vis- a- vis their bargaining counterparts.*”

Moving on to the funding policies, the annual budget which is contributed by the state is defined by the Ministry of Education Universities and Research (MIUR) which takes into account the needs of the system based on the number of the pupils, the overall need for teachers and so on. Provinces finance the operating costs of schools. As concerns the vocational training, the Regional Authorities are responsible to manage the funds allocated to them by the European Social Fund and the Ministry of Labour and Social Policy. It has to be mentioned that the regions which have to ratify the delegation have the power to decide on the finance for each Province (Cedefop and ISFOL: 2003).

On the one hand, the vocationally-oriented education is financed by the MIUR under the general State budget, by the ESF for school activities integrated within the vocational training and the working world. On the other hand, The Regions finance vocational training through the Common Fund, the ESF, and by the State for special activities.

Concerning apprenticeship *“the State grants contribution relief to enterprises entering into apprenticeship contracts and to apprentices by reducing the percentage contributions that they are required to pay”* and *“the Regions, making use of funds allocated by the State and the ESF as well, fund the training courses outside the workplace introduced in 1997”* (Cedefop and ISFOL: 2003: p.36)

#### **1.1.4.2 Continuing vocational education training (CVET)**

##### **The Italian Legislative Framework of the CVET**

A comparative research of Brown and Tomassini (in Brown: 2005) came up to the conclusion that Italian CVET system in trans-national comparative data proves the fragile position of the country. However, according to the country's report (Refernet Italy: 2009) the vocational training is characterised by few legislative steps which played a major role in its implementation within the Italian society. Training and vocational progress in working life is first introduced by the Italian Constitution in 1948. However, it is to say, that the principal characteristic of Italy is the power which is met in Regional and Provincial Authorities concerning continuing training.

Continuing training actions are firstly seen under Law 616/77 by establishing regulations for vocational training in agreement with the social partners. Also, the Law 845/78 provided authority to regional and provincial systems to call for proposals (Tomassini: in Brown and Participa Project consortium: 2004); this law established a Rotation Fund that is managed by the Ministry of Labour (see next section).

The first Italian law aimed at the promotion of continuing training by cooperation among institutions and social partners are the 1993 agreement (Law 236/93) (Tomassini in Brown and Participa Project consortium: 2004) and the 1996 labour agreement “*a real strategy of innovation of the system*” (Refernet Italy: 2009: p.27), where training is chosen for a better standard of working conditions. More precisely, the latest (1996 labour agreement) introduces the criteria of skill’s certification and the recognition of training credits (Richini: 2002). Later on, the Law 53/00 recognized the right of workers to lifelong learning by granting an exact leave for training. The Ministry of Labour has assigned for the first 4 years €60 million and the vouchers are distributed by the Regions. There are two types of training, projects submitted by the workers and training projects on a basis of contract agreements (Refernet Italy: 2009), “*workers are entitled to train throughout their working life by taking advantage of training leave, a period of time when it is possible to undertake training without losing a job*” (Tomassini in Brown and Participa Project consortium: 2004: p.36).

### **Funding contributions for continuing vocational education and training (CVET)**

The public financial contributions for investment in continuing vocational training are given by the Ministry of Labour and Social Policy (MLPS), the European Social Fund and by the *Fondi interprofessionali* which promotes entrepreneurship under Law 236/93.

Furthermore, as it has been mentioned, the law 845/78 established the Rotation Fund, which aims at the support of CVET, mobility and enterprise training activities. It is significant to be said that the Rotation Fund “*established a levy on enterprises of*

0.3% of the total payroll. This levy is given to the INPS<sup>25</sup>. Every year LIT 1 200 billion is contributed. The fund represents one of the financing channels for CVT initiatives and is run by the Ministry of Labour. The law provides that the levy is agreed year-on-year.” (Elson-Rogers: 1998: p.165)

## **1.2 The impact of the Lisbon Strategy 2000 on the political Italian frame: Level 2- Deliberation and Level 5- Monitoring**

As it has already been seen in the Greek chapter, the impact of the policy change concerning the political framework relies on level two- deliberation and level 5- monitoring of my theoretical framework. In this section I mainly examine the Italian strategic development plan and the use of the European coordinative and funding tools for the adoption of the EU policy.

### **1.2.1 Institutional reforms under the EU policy: penalties and the process of comparative learning**

Ferrera and Gualmini (2004) point out that learning process and reforms meet great complexity. More precisely, the restructure of the national norms and the domestic organization practices - by borrowing successful organizational mechanisms or by copying practices of the past- carry instability and it is always a very fragile process. This complexity brings decision makers against the idea of change, supporting the re-enforce of the already existent policy systems. In their book relying on the Italian reforms by the European policy, both authors, Ferrera and Gualmini debate that (Ferrera and Gualmini: 2004: p.22): *“the more these ‘old’ arrangements are institutionalised, the more they detach themselves from the original goals and the more they are taken for granted by the actors, whose strategies and routines end up by preserving exactly those arrangements.”* The actors by themselves have to be approachable to any new information and possible modifications for improvement, even if the perception of improvement comes by exogenous forces (e.g. deadlines of tasks or urgency of crisis); such an example is the Maastricht process where Member States had to fulfill the criteria by a specific date (Ferrera and Gualmini: 2004).

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<sup>25</sup> Istituto Nazionale Previdenza Sociale



However, it should be noted that failure of policy change according to Maastricht criteria, particularly for the weaker economies, meant high penalties of international financial markets and refusal of entry to the Economic and Monetary Union (EMU) which lead to the conclusion that there has not been any space left for any alternative. Thus, in 1995, Italy realized that *“actors (especially the unions) thus learnt that failure to reform could no longer mean maintaining the distributive status quo, but implied instead suffering unexpected and unavoidable new losses.”* (Ferrera and Gualmini: 2004: p.24). High penalties are given especially because of the lack of changes on pensions; the only solution has been the realization of the required reforms according to the EU policy. However, reforms require diagnosis, analysis, and application of a plan; for that reason, as it has already presented, the European Community introduced the Open Method of Coordination for the implementation of policies via common objectives (decision-making).

The process of comparative learning is supposed to lead to productivity making the various national actors learn quicker and effectively, however, even though European ideas and knowledge affected Italy, the process has been turned to a complex game of *attack and defence* in a certain way (Ferrera and Gualmini: 2004). Regarding economic policy grounds Berlusconi government presented the first Document of Economic and Financial Planning (DPEF) for the 2002-2006 period where development should mainly arise by tax reductions, however the followed economic crisis (September 2001) changed the plans of the agenda and the Finance Minister, Mr. Tremonti, enforced the ‘patch up’ measures<sup>26</sup> for the reach of the budgetary objectives for the 2001 and 2002 (Ferrera and Gualmini: 2004). Additionally, in October 2001 a White Book on the Labour Market encouraging a new method of communication with the social partners was published, but this new approach have not been welcomed by the unions. Right afterwards, in March 2003 was approved the ‘Biagi law’ (no. 30/2003) where the Ministry of Labour made proposals about establishing an ‘open method of co-ordination’ linked to the EU ongoing processes (involvement of central, regional and local representatives of the stakeholders) for social policies (Ferrera and Gualmini: 2004); the influence of the European coordination tool (OMC) was strong.

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<sup>26</sup> e.g. the freezing of recruitment in the public sector and one of the largest tax amnesties of Italian history

### **1.2.2 Reforms on regionalization of education and training: encouragement of inequality**

Within the Italian educational system there are two changes involved in regionalization and decentralization. The first relies on the fact that Italy features decentralization processes in the social policy field having as a result the Italian Regions to develop diverse approaches of education by fragmenting policy landscape and increasing inequalities in the welfare (Bifulco, Monteleone, Mozzana and Rolfini: 2010). The second is the Constitution's 2001 reform of Clause V which aimed at resetting new competences among the state and the regions in the field of education by attributing new authorities to regions and localities. A constitutional reform which aimed at the greater participation of institutions and citizens in public policies in accordance with the principle of subsidiarity. According to article 117 of the Law 3/2001, the state establishes the general educational principles, however the regions by themselves are responsible to run and organize the educational system of their territory. Thus, based on the above: *"the regional authorities have "exclusive" legislative jurisdiction over vocational training and education, save for relationships with the European Union, and "joint" legislative jurisdiction over general education, save for the determination of the fundamental principles, reserved to the State. The Provincial Authorities and Municipal Authorities undertake measures for adult education and guidance, also in the context of the management of the Employment Services. Likewise social inclusion measures are responsibility of the Municipal Authorities."* (Forleo, Governatori, Monaldi and Montedoro: 2008: p.1).

However, a part of the literature argues that the above picture is not that rosy. At this stage, I could not highlight the level of autonomy of the Italian regions better than Bifulco, Monteleone, Mozzana and Rolfini (2010: p: 5): *"In spite of the reform and the constitutional law on one hand and the strong territorialization and regionalization of policy systems on the other, the Italian education system still features Regions and local authorities with limited power. At the same time the central level reveals a loss of power and responsibility, so risking leaving local actors without relevant guidelines capable of defining priorities and directions. And yet the system remains centralist over two issues of fundamental importance: personnel management, totally financed by the State (it covers 80% of the total spending on the*

*education system) and the allocation and management of other financial resources. The process of decentralization, as can be seen, is substantially incomplete.*” Consequently, one may think that these various levels of government can easily cause overlapping and conflict over competences because the institutional organisation is very diverse and incoherent; teaching approach and facilities depends on the decision-making of the region. The above in a way could increase inequalities, to take an example the comparison of the two regional systems examined by Bifulco, Monteleone, Mozzana and Rolfini (2010) which proves that diverse strategies, organizational models and objectives have dissimilar outcomes.

Additionally, according to the Refernet Italy (2009), there is no specific national structure in Italy which certifies ability and skills like the one which is settled in the European Qualification framework. In particular, this outcome relies again on the regionalised Italian system where the *“regional autonomy influences the certification of professional qualifications”* (Refernet Italy: 2009: p.83). There is a need for definition of common criteria for transparency and validation of the certification standards, a *“National Standard System” constituting the main structure of the future National Qualification Framework*” (Refernet Italy: 2009: p.84)

### **1.2.3 The Italian strategic development vision for a change**

The Italian priorities of action and development regarding education and training relied on four dimensions. The first dimension is related to the education-training-employment systems where emphasis is given to the quality of education-training provision, the recognition of competences and the support of a mechanism for the supervision of training and occupational needs. Secondly, great importance was given to youth by trying to improve guidance, use of new technologies and the encouragement of early training (National progress report: 2007). The involvement of youth in training activities was one of the Lisbon’s targets. A competitive socio-economic model needs highly motivated staff. However, in countries of the olive belt this group of age is not really encouraged in the labour market as seniors are preferred. Working experience comes before the level of qualifications obtained in education and training activities. More details are given in the Italian organizational framework.

Moving on to the third dimension, Italian government set as a priority the adults participation in training and the creation of a national advanced training system. Finally, great importance was given to the employed adults via the encouragement of the lifelong learning participation, the support of low-skilled workers and immigrants in the workplace, the improvement of life-work accessibility (policies on time schedule, services of child-caring) and lastly, by trying to keep the “*active ageing*” longer to the labour market (National progress report: 2007). To sum up, a strategy of lifelong learning, including both general and vocational training, which extents to the entire educational system has been the main policy of Italy (National Report: 2009).

At this point great interest causes the fact that each priority tries to cover the needs of a different group regarding age; priorities specified for the youth, the adults and the active old aged. On the contrary, the Greek government addressed all levels of action for the adult’s education without separating the special needs of each aged group. However, both countries identified that great need of reform is required regarding the quality insurance of the education and training sector and one of the main priorities relied on the supervision of the training needs. If someone compares the five benchmarks of the Lisbon Strategy with the Italian reforming priorities related to the education and training, he/she may argue that not much importance was given to the diminution of the low achievers in reading (15 years old). Italy seems to direct its youth to a more market-led path than before, trying to overcome the model of the MMEs we met in chapter two; emphasis was given in maths and science.

#### **1.2.4 The level of effectiveness of the main tools of the European Union**

The Open Method of Coordination and the European Social Fund have been the principal European tools for the implementation (coordination and funding) of the EU vision. Their examination is crucial and detailed analysis is given in the third chapter. In this section I try to present the level of their effectiveness according to the Italian case.

#### 1.2.4.1 Soft legislative policy: the Open Method of Coordination procedure

Before the implementation of the Open Method of Coordination, the European Employment Strategy (launched by the Amsterdam Treaty in 1997- article 128) brought employment policies to the light of the scene aiming at the creation of a common competitive labour market without imposing hard regulations. Concerning the case of Italy, the application of the demands of the EES seemed problematic. A main issue of the problem has been the direction of the strategy which tended to approach the Anglo-Saxon model and the northern European policy values in general. The difficulties occurred by the structure of the Italian society mainly relied on the fact that (Ferrera and Gualmini: 2004: p.105-106): *“labour policy was traditionally marked by the dominance of passive policies by a hyper-bureaucratic system of placement and by the lack of evaluation and monitoring capabilities. The organisational structure of the Ministry of Labour, characterised by high internal fragmentation and by the juridical culture of its staff, did not favour any development of problem solving and ex-post evaluation skills.”* Ferrera and Gualmini (2004) explain that the Italian state had not any institutional serious equipment for gathering and studying data in order to be led to some empirical outcomes concerning possible ways for the adoption of the European strategy; the support which has been provided seemed to be weak and slow. However, Zeitlin argues that (in Zeitlin and Pochet, with Magnusson: 2005: p.459): *“the EES led to a marked improvement in vertical as well as horizontal co- ordination capacities through the establishment of new inter-institutional co- ordination committees for employment at regional and provincial levels as well as common indicators for territorial monitoring of decentralized employment policies”*<sup>27</sup>.

Moving on to the Open Method of Coordination procedure, the European legislation poses some difficulties for Italian society as the European regulatory model is likely to empower central control within a country (Schmidt: 1996). As it is already

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<sup>27</sup> “A similar process of coordinated decentralization appeared to have been set in motion for social assistance by the passage of a long- awaited framework law in 2000. But the emergent system of national social plans, data gathering, and guarantee minimum standards which was supposed to guide the decentralization process was almost immediately disemboweled by a constitutional reform in 2001 and the uncontrolled devolution of social welfare competences to the regions permitted by the incoming centre-right coalition” (Zeitlin in Zeitlin and Pochet with Mangusson: 2005: p.459)

mentioned, Italian regions are responsible for the implementation of national policies- also related to vocational education and training (Refernet Italy: 2009) -, accommodated to the needs of their localities. Thus, as it has been noted, the European model undermines the structure of the Italian government which, as Schmidt (1996) mentions, is characterized by its flexibility to adapt national policy to local purposes.

The country's strong regionalization led to conflict regarding the domestic response to the EU soft laws; a regionalized system, based on the regions authorities' decision-making is much harder to be organized according the OMC central process. As Kaiser and Prange (2002) argue in the third chapter, the OMC causes problems in the decentralised systems where regions have both legislative and budgetary authority. Decision making comes by the centre of the Member State and when its policy focuses on decentralization the process of decision becomes highly complex. The central power has to coordinate and cooperate simultaneously with the regional authorities and the localities. Some academics (Syrpis: 2002) support that the involvement of localities and regional authorities is necessary in the decision making because they know their needs better. Concerning the Italian case the big NGOs<sup>28</sup> have used the OMC/ Inclusion to reinforce their personal position in the country, while the politicians rejected it *"as being centralised and inappropriate for the Italian familial- particularistic system"* (Preunkert and Zirra in Heidenreich and Zeitlin: 2009: p.208)

However, if someone thinks of the case of Greece, where the system is highly centralized may come to the hypothesis that regionalization is not necessarily a problem for the EU policies. One may agree that the coordination of the regions is much easier to happen centrally instead of taking into account the various localities and regions of the country (too much time to be done), however, regionalization keeps the social dialogue alive. The existence of the social dialogue is linked with the involvement of the social actors leading to the creation of a more transparent system respecting democracy. The social dialogue follows a policy which respects all aspects of the country, giving importance to the needs of localities, trying to create a concrete

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<sup>28</sup> Non Governmental Organizations

dialogue for bringing real problems to the surface. The high level of communication between the regions and the centre creates a positive image, making actors feel important to the decision making process without having great difficulties of understanding such as in the more distant process of the regionalized systems.

#### **1.2.4.2 The Financial contributions tool of the European Union- ESF**

During the 2000-2006 period, the European Social Fund run projects related to the promotion of people over 45 to the labour market (project duration June 2002 - June 2004), the empowerment of computer literacy (project duration December 2001 - June 2002) and the connection of industry and research (project duration June 2002-December 2003) (Official site of the European Union). More specifically, via EQUAL project 'Over 45', in the region of Friuli Venezia Giulia, north-east Italy, 265 people got involved in training, while 157 re-entered the labour market. Also through the second project, vocational training centres offered training courses in IT and languages to 2000 Italians. Lastly, a Masters in Industrial Research has been launched by offering to the students the chance to combine their research skills in a working environment. Maybe the above number of the people profited training is not great; however they are included in the initiatives aimed at motivating people to become active workers

Additionally, Italy has been undertaking 24 Operational Programmes (OP) in the 2007-2013 period concerning productivity, flexibility, monitoring and evaluation. The European Union via this instrument enriches some priorities which have been set for the Italian government. Starting with the first area which has been given the greatest financial amount of both EU and national contributions, we meet employability, as it has already been seen the Lisbon's socio-economic model leads to a more flexible market, encouraging isolated groups, such as immigrants, low-skilled and females, to enter the labour market (34% of total funding). The second higher financed priority relies on the human capital (33% of total funding) aimed at the better quality of education, training and labour systems by taking measures against early school leaving and encouraging networks between universities, research centres and companies. Third priority, corresponding to the 16% of the ESF 2007-2013 financial

plan is adaptability which aims at the support of the SMEs businesses, mobility, continuous training systems and increase of competitiveness. At this point it should be noted that the national counterpart of the financial contributions is higher than the European, fact which is not applied in the Greek case (see previous chapter).

**Table 23: Financial Plan for the European Social Fund in Italy 2007-2013, in millions of euro**

<b>Priority axis</b>	<b>Community funding</b>	<b>National counterpart</b>	<b>Total funding</b>
<b>Adaptability</b>	1 048	1 362	2 411
<b>Employability</b>	2 374	2 824	5 199
<b>Social inclusion</b>	597	757	1 355
<b>Human capital</b>	2 321	2 705	5 027
<b>Transnational and transregional activities</b>	177	232	410
<b>Capacity- building (convergence regions only)</b>	180	207	387
<b>Technical assistant</b>	237	290	52
<b>Total</b>	6 938	8 382	15 320

Source: Official site of EU: The European Social Fund in Italy, 2007-2013

To sum up, the 2000-2006 ESF gave great emphasis on the training activities, including computer literature, IT and languages courses for the improvement of knowledge and the preparation of the society to create various links between education and labour market. However, the 2007-2013 ESF placed great importance to early leavers, to women's participation in the market, to the encouragement of SMEs to become more competitive and to the support of localities by categorised specific groups for help. The ESF has led the regions to launch activation policies related to the Lisbon vision for a more flexible labour market. Nevertheless, the priority which remained stable, and always placed in a serious position according to the given funds, was the creation of links between universities and labour market. It seems that the European goal for the increase of competitiveness could mainly be created by the stabilization of new networks among the two fields of education and market, thus, in both funding periods priority was given to the research of the needs of the knowledge economy via the cooperation of universities, research centres and businesses. At this point, I will be referred to the query I have previously raised concerning also the Greek case. The question relies on the way of establishing networks between universities and labour market and not on the idea by itself. The



problematic part is the organizational plan for the achievement of the targets. It needs to be examined how this priority can be achieved according to the structure of the Italian labour market and its educational framework. As we have seen in the third chapter, the olive belt is provided with the greater financial support of the European Community, nevertheless this should be considered as the last step of implementation of the national development plan strictly created according to the structure of the Member State. Otherwise finance will not cause any fundamental change. Targets can only be reached after a detailed planning considering all parameters of success or failure. The procedure of European funding is quite confusing as there is no clear image why funds are given without taking into consideration the organizational skills of the Member States.

Additionally, the priorities axis above looks like too general, emphasising with one word the final target. The point is the preparation of the ground for the reach of the final goals at the end. Strong cooperation between the Italian education and business can only happen if the structures of both fields aim at competitiveness and progress. To give an example, one possible reason of lack of communication between the two could be the monopoly of micro sized companies which are not interested in the openness of their business (see organizational frame). Thus one of the priorities should probably focus on that. Priorities should be more specific and not so vague, otherwise there are “plenty” ways to reach the same goal; great importance should be given to a specific strategy followed regarding the Italian structure.

## **2. The institutional frame**

### **2.1 The national institutional frame before the introduction of the Lisbon Strategy 2000: the morphology of the Italian educational school system**

The institutional frame, as it has been seen in the theoretical framework of Nieuwenhuis and Shapiro, involves the country's education line for the assessment of qualification. The section examines the crucial laws before 2000, the responsible bodies for education and the division of authorities for decision making. Also details about the structure of the Italian educational system are given.

### 2.1.1 Initial education and training

#### Legislative characteristics

One may say that basic education is frequently insufficient and most experiences in vocational education are meant to supply a superficial training lacking of the valid working needs (Tomassini in Brown, Grollmann, Tutschner and PARTICIPA Project Consortium: 2004). The main responsible body for programming school regulations, recruitment and funding of the educational system is the Ministry of Education, University and Research; however the Regional School Authorities “*are territorially responsible for implementing national policies through their administrative, supervisory and inspectorate duties*” (Bifulco, Monteleone, Mozzana and Rolfini: 2010: p: 2). Even regions are not seen as mere providers of the central-decisions, however, the state still holds on to a range of general competences. Autonomy of the Regions therefore did not concern personnel recruitment or general education principles; bureaucratic criteria are still followed (Serpieri: 2009).

Nevertheless, a central institutional Italian characteristic is that the state is responsible for vocational education and regional authorities for vocational training, very dissimilar with the case of Greece. One may hypothesize that regionalization of education system can create a better balance of decision-making within a country as localities know and respond better to their needs, however, centralization some times seems necessary for economic development and innovation within educational systems. A common central authority has fewer difficulties to operate successfully its civil servants as subnational policymaking is complicated.

Another characteristic is the Italian law no 9/99 which raised the number of years of compulsory education to ten, (from six to fifteen). By raising the minimum school leaving at the age of fifteen the government aimed at the increase of school population and school attendance (Richini: 2002). Additionally, law no 144 of 17 May 1999 introduced compulsory training for all persons under the age of eighteen (Richini: 2002). This provision led to a reform of initial training; students are obliged to follow one of the three paths: education, vocational training or apprenticeship up to the age

of 18. The above law also introduced the function of the higher technical education and training (IFTS) which we will see later on.

Moreover, the result of the harmonisation process of higher education systems in the European Union, launched by the Sorbonne Declaration of 1998 and the Bologna Declaration of 1999<sup>29</sup>, defined a new structure of university tracks. The reform of the university system by the law 127/1997 and the ministerial decree 509/1999 organised the academic courses into two cycles regarding the “3+2” formula; a first level degree (three years) and a second level specialist degree (two years) in the tertiary education. The main goal has been the three-year degree and after the achievement of a specialist’s degree totally related to professional competences within the labour market. The purpose of this reform was the diminution of the drop-outs, the acceleration of graduates, the possibility of earlier entrance to the labour force and the international recognition of diplomas and qualifications (Forleo, Governatori, Monaldi and Montedoro: 2008, European Commission: 2005b).

### **The Italian education and training system**

The Italian system used to be divided as follows: Starting with the lower secondary education, the Italian educational system is composed by the primary school (age of 6-11) and the lower secondary school (age of 11 to 14). Later on, concerning the upper secondary education, there is a main distinction among *licei*, *istituti tecnici* and *istituti professionali*.

Concerning classical lyceums it takes five years for their completion (ages 14-19) and at the end of it students take the State’s examination for their entrance into the university. There are different types of lyceum, such as, the classical lyceum, the scientific lyceum, the linguistic lyceum, the teacher training institute (*istruzione magistrale*) and the arts lyceum. Only the case of the art lyceum differs from the others as its studies last minimum four years and the fifth one is supplementary (Cedefop and ISFOL: 2003).

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<sup>29</sup> The international reform of higher education based on the Bologna process aimed at the creation of a European Higher Education Area (EHEA) by the establishment of connected links among education and employment and mobility of students, graduates and higher education staff.

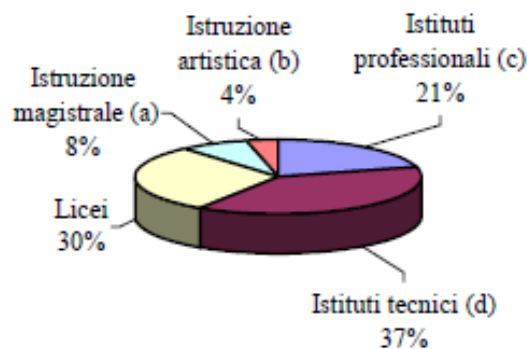
Moving on to the the *istituti tecnici*, their attendance also last for five years .Technical schools provide technical education where courses consist of a two-year and a three-year cycle. The curriculum includes disciplines related to all the various specializations, such as Italian language, foreign language, history, sciences and mathematics (Cedefop and ISFOL: 2003). The diploma (*diploma di maturità tecnica*) leads students to carry on middle-level occupations in sectors of agriculture, commerce, tourism, industry and so on. Lastly they can also enter university or post-secondary education (Cedefop and ISFOL: 2003).

Furthermore, the *istituti professionali* (vocational schools) provide vocational education related to fields such as agriculture, industry and services sectors. After three years of attendance the *diploma di qualifica professionale* is awarded (access to the labour market). The holder of the above diploma can continue for two years more to take the *corsi post-qualifica* (post-certificate courses), or to attend the vocational training courses level II which regions used to run. After the end of the post-certificate courses, the student holds the *diploma di maturità professionale* which either gives access to the university or to the attendance of regional advanced training courses.

Regarding the *corsi post-qualifica*: “the common general and sector- and option-specific subjects are supplemented by a vocationally oriented module run by the Regions (300/450 hours per year) which leads to the *qualifica professionale* paving the way for entry into the working world or further advanced courses. A proportion of these hours is set aside for work experience in enterprise.” (Cedefop and ISFOL: 2003: p.19).

At the end of the upper secondary education, students take the state’s examination in order to continue to the tertiary education which is divided as follows: first bachelor degree of three years; right after bachelor, specialised degree, taking 2 years; master post-degree of one year’s duration; schools of applied postgraduate studies, minimum of three years; PhD, completion of three to four years (ReferNet Italy: 2009). The following figure presents the distribution of students in upper secondary schools, by type of school for the academic year 2000/01. Classical lyceums and technical schools hold the top choices of the Italian students.

**Figure 11: Distribution of students in upper secondary schools, by type of school (academic year 2000/01, in %)**



- (a) Pre-primary and primary teacher training
- (b) Schools of applied arts and arts lycées
- (c) Technical school
- (d) Vocational schools

**Source: Cedefop and ISFOL: 2003: p.18**

Additionally, students who do not aim at continuing education after the lower secondary education, they could obtain a vocational qualification in initial vocational training (Cedefop and ISFOL: 2003). The above can happen by attending the *level I training*, run by the regions. Students should be above fifteen and courses used to last minimum of two and maximum of three years. After the Italian educational reform of 2003 (analysed later on) the above choice was included in the vocational and education training path (three years obligatory). Furthermore, there is the *level II training* which the regions run as well and it lasts six to twelve months. The *level II training* includes theoretical, technical and practical training by work experience.

Moreover, apprenticeship is an important part of the Italian educational framework. Students who are up to fifteen can follow apprendistato (apprenticeship) in order to enter the labour market. Apprenticeship is provided on the job training and it is a combination of occupational and training experience. Participants should not be older than 24 years old and contracts last 18 months to 4 years. Also, “*apprentices must attend training courses outside the workplace, which are free of charge, for a minimum of 120 paid hours per year*” (Cedefop and ISFOL: 2003: p.21). Lastly, young graduates, 18-25 years old, could participate in contratto di formazione e lavoro (work/training contracts).

**Table 24: Number of apprenticeship and work/training contracts**

	<b>1991</b>	<b>1996</b>	<b>2001</b>
Number of Apprenticeship	523 767	413 892	482 134
Contratti di formazione e lavoro	316 343	269 220	259 211

Source: Dedefop and ISFOL: 2003: p.22

### **2.1.2 Integrated higher technical education and training**

The approval of the article 69 of the law no 144/99, ratified by the state-regions conference in 2000, authorized the implementation of the Higher Technical Education and Training (IFTS) (Richini: 2002). *“The system aims to train technicians and professionals who are skilled enough to work in firms, public administration and highly specialized production sectors, characterized by high technological innovation and the internationalisation of markets”* (European Commission: 2005b: p. 10). The activities involved in the IFTS are related to vocational and technical training focus on research and technologies by lasting from two to four semesters. An important element which has to be noted is the no need of an upper level secondary school diploma as a strict requirement; certifiable skills acquired by work or training courses also approved. Courses used to last from 1200 to 2400 hours including work experience minimum of the 30% of the above hours. The *certificato di specializzazione tecnica superiore* is issued by the regional authorities (Cedefop and ISFOL: 2003).

To give an example of the number of projects implemented and their sectors, the table 25 provides the IFTS courses by economic sector for the 1998-1999 period. The total number of the proposed projects by the regions reached the 229 and involved mainly sectors of industry and commerce (29.6%), environment, territory and cultural heritage (19%). The participants for the 1998/999 period were 3 819 (Cedefop and ISFOL: 2003).

**Table 25: IFTS courses 1998-99 by economic sector**

Sector	Absolute value	%
Industry and commerce	68	29.6
Environment, territory, cultural heritage and restoration	43	19
Transport and logistics	22	10
Quality and safety	22	10
Construction, rehabilitation of historic centres, public works	20	8.8
Agriculture and zootechnics	16	7
ICT, multi-media, telecommunications	16	7
Tourism and farm holidays	12	5.2
Arts	5	2.2
Social services	5	2.2
<b>Total</b>	<b>229</b>	<b>100</b>

Source: Richini: 2002: p.28

In 1998 a national designed committee was created, -Ministry of Education ministerial decree on the 7<sup>th</sup> October 1998-, composed by social partners and representatives institutions for the set of standards, the monitoring of pilot projects and the creation of forums of discussion (Richini: 2002). Richini notes that (2002: p. 29): *“Integration experience within the IFTS strengthened the experimentation conducted in particularly active and change-sensitive contexts. The 1998 social agreement had the undeniable merit of raising all the problems which needed to be solved, not only in the regulation field”*.

The implementation of the above needs a decentralised government to combine political expectations of the central with the regional programming outlines, to emphasize training themes needed in local areas, to be flexible in curriculum and to share credits among schools, universities and company systems. An important element of Italy is the authority given to regions which approves actions of cooperation between the centre and localities; fact impossible in Greece as there is no fundamental dialogue between the three levels of society (central, regional and local).

## **2.2 The impact of the Lisbon Strategy 2000 on the institutional Italian frame:**

### **Level 3- Discursive Diffusion and Level 4- Shaming**

This section is mainly related to level 3 and 4 of my theoretical framework. The discursive diffusion involves the actions which have been taken for the

implementation of the Lisbon Strategy, and the benchmarking ranking leads to the naming and shaming procedure which was analysed in chapter III.

### **2.2.1 Field of education: legislative reforms and involvement of private sector in research**

#### **The Italian education and training system after the Law 53/03**

After the presentation of the Italian educational and training system until 2003 I move on to the reform of the 53/03 law. Even though the years of attendance remained the same for each level, law 53/03 introduced *the right/duty to participate in education and vocational training (diritto-dovere all'istruzione e alla formazione professionale)* in Italy for at least 12 years, subject to legal consequences. “*This goes beyond the distinction, between the obligation to stay in the school system up to the age of 15 and the obligation to attend training up to the age of 18*” (Cedefop ISFOL: 2003: p.13). Lyceums keep lasting for five years of studies and vocational education and training leading to the vocational qualification certificate (certificato di qualifica professionale) after 3 years of attendance (recognised in Italy and Europe). The qualification obtained gives either access to the labour market either leads to post qualification courses for an upper secondary diploma leading to the Higher Education and Technical Training (IFTTS). Lastly if someone wants, he/she can attend a supplementary year to enter the university world (Cedefop and ISFOL: 2003).

After the 2003 reform, importance was given to apprenticeship which according to the new system is separated to: apprenticeship based on broad education for students aged 15 to 18, apprenticeship based on occupational form for young people aged 18 to 29 and apprenticeship leading to a diploma based on secondary or university qualification (Cedefop and ISFOL: 2003). Also the duration of contracts increased to six years. The *contratto di formazione e lavoro* was replaced by the *contratto d'inserimento* “*under which an individual plan is drawn up to bring the worker's skills into line with the working context*” (Cedefop and ISFOL: 2003: p.16).

However, involvement of the young in the Italian labour market has not been encouraged; on the contrary, a multiplication of degree programmes was created. The



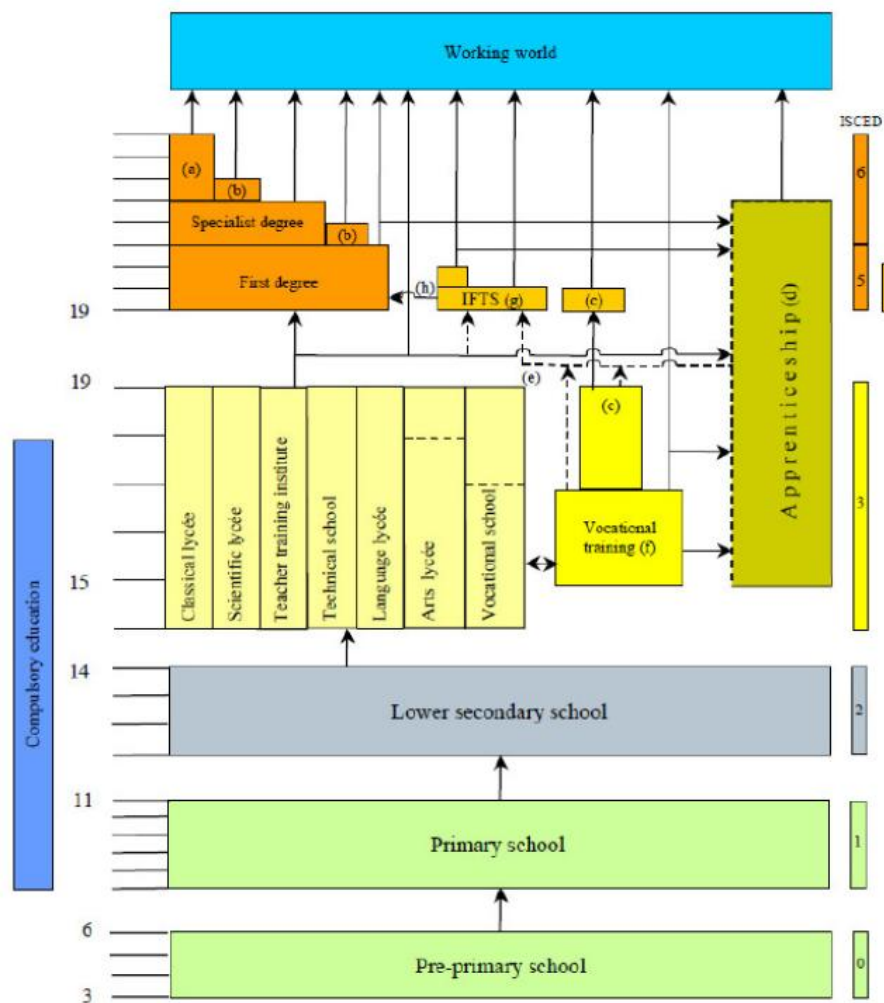
IFTS courses have not been developed: “*the development of IFTS has not managed to assert itself as an alternative to tertiary academic education, partly because of the centrality and hypertrophy of the university in spite of the legal innovations*” (Bifulco, Monteleone, Mozzana and Rolfini: 2010: p.14). Concerning the monitoring of the training activities, the Italian regions have database related to the number of apprentices, their location and financial information. However according to the ReferNet (2008) only in a few cases training activity is monitored. In any case Isfol<sup>30</sup> carries out research studies aiming at the examination of the quality of the system from various perspectives at a national level.

In what follows, the two figures of the Italian education and training system until and after the 53/03 reform are presented.

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<sup>30</sup> Istituto per lo sviluppo della formazione professionale dei lavoratori

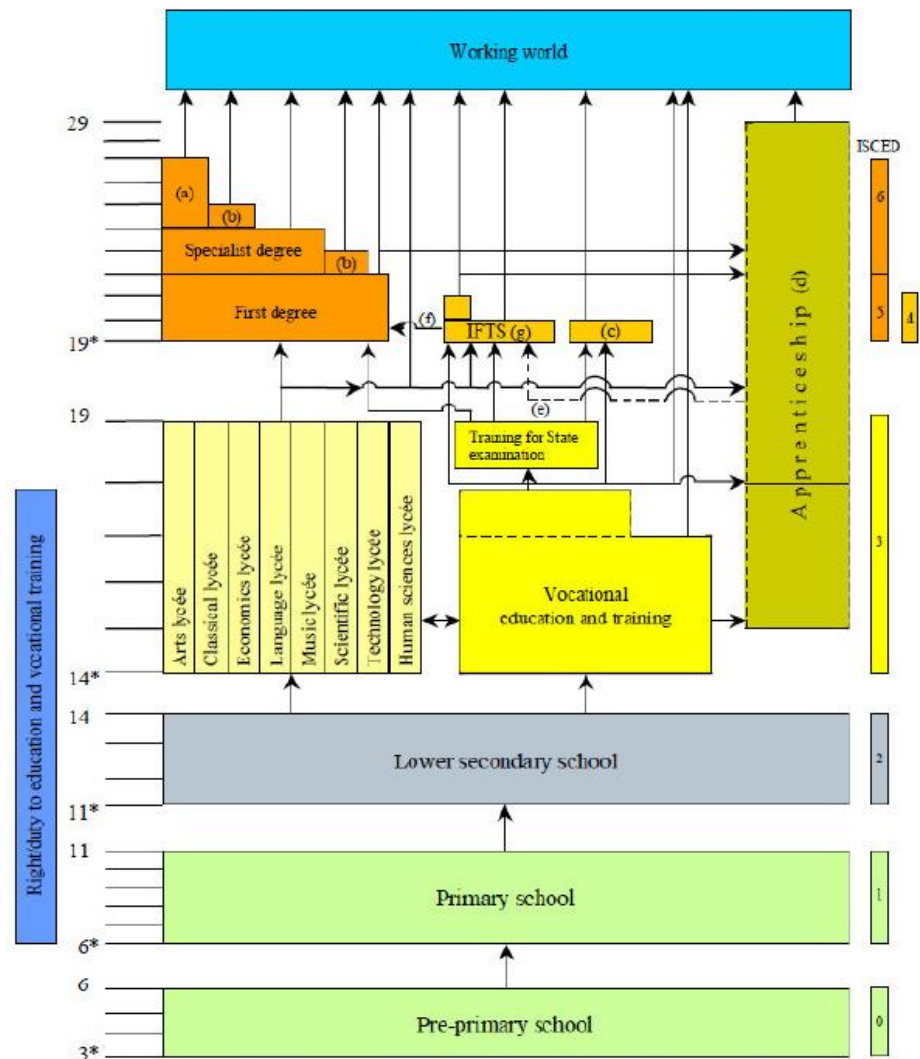
**Figure 12: The Italian education and training system until 2003**



- (a) Postgraduate school / research doctorate
- (b) Masters
- (c) Regional post-qualification courses
- (d) The length of apprenticeship is set by the employment contract; apprentices may be between 15 and 24 age
- (e) Entrance possible after accreditation of prior learning
- (f) Students obtaining the qualification are able to complete compulsory education prior to the age of 18
- (g) IFTS . Higher technical education and training
- (h) Entrance possible by recognition of credits

**Source: Cedefop and ISFOL: 2003: p.14**

**Figure 13: The Italian education and training system after Law 53/03**



- \* Children may enter up to 8 months before reaching the age
- (a) Postgraduate school / research doctorate
- (b) Masters
- (c) Regional post-qualification courses
- (d) Length is set by the employment contract; apprentices may be aged from 15 to 18 for apprenticeship to complete compulsory education and training and from 18 to 29 for occupationally-based apprenticeship
- (e) Entrance possible following accreditation of prior learning
- (f) Entrance possible by recognition of credits
- (g) IFTS . Higher technical education and training

**Source: Cedefop and ISFOL: 2003: p.15**

## Level of change in enrolments of general education after the Lisbon Strategy, and contributions of social partners in research

Trying to give an overview of results concerning the ISCED 3 level, after the implementation of the Lisbon Strategy 2000, I provide data concerning the number of students in general and in vocational education during the 2000-2007 period.

**Table 26: Students by ISCED level- Upper secondary education (level 3)**

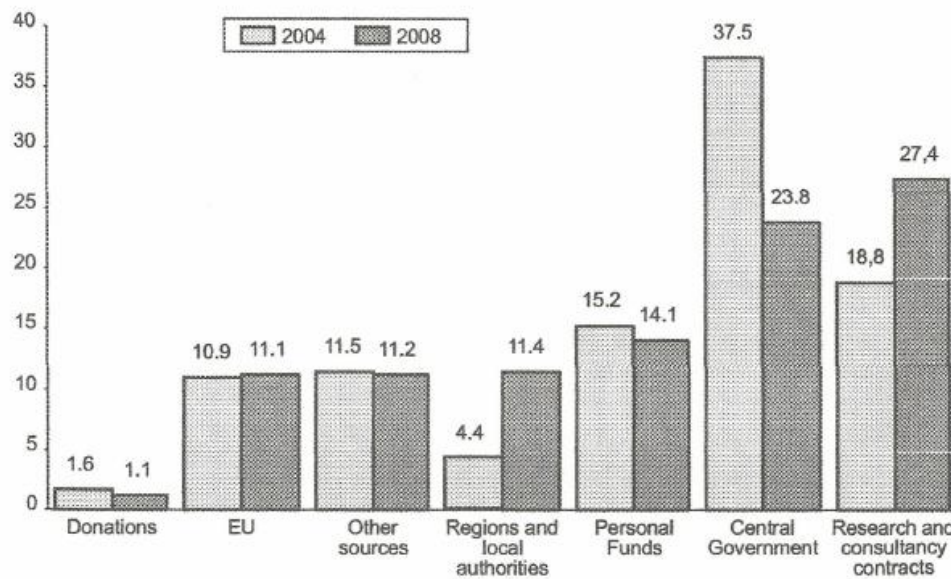
Upper secondary education- level 3	2000	2001	2002	2003	2004	2005	2006	2007
General	924.111	947.906	944.605	974.041	1.005.049	1.045.755	1.091.782	1.135.713
Vocational	1.666.504	1.709.097	1.740.987	1.716.428	1.695.649	1.669.409	1.675.559	1.687.419

Source: Eurostat

The above table shows that there are no great differences in the orientation of the students between the 2000-2007 period. The proportions of general and vocational education remain almost at the same levels without meeting any real change because of the implementation of the Lisbon Strategy 2000. Also, the number of the vocational upper secondary education is higher than the general in the above statistics. However, a large part of the Italian vocational education sector is in fact quite general. Students graduating from the istituti tecnici receive an upper secondary education qualification which is equivalent to that received from the general education stream (licei, classici scientifici e linguistici) as it grants access to all types of higher education, without restrictions; it also permits access to the public sector .

On the other hand, in contrast to Greece, Italian Universities do not receive the main financial support for research activities by the state, but from the private sector. The figure 14 analyzes the origins of the amounts corresponding to the university research funding in 2004 and 2008 year, in order for an overview of the main contributors in research within Italian Universities to be given.

**Figure 14: Origin of research funds in Italian Universities (%)**



**Source: Angeli: 2011: p.131**

Examining firstly the year of 2004, it can be seen that the central government followed by the research and consultancy contracts offered to the Italian Universities the largest amount for research (37.5 % of the total budget); the same goes for the 2008 period where both origins are on the top of contribution with the only difference of having changed positions and level of funding proportions (research and consultancy contracts come first to central government). The present change which places private contracts as the main contributors for research in Italian universities lead to the hypothesis that the field of research is depended mainly on the consultancies requirements. The high private involvement within research programmes means involvement of the private sector in decision-making at a tertiary level and strength of the dynamic of the social partners in education.

Additionally, interesting is the 11% of contributions by the European Union during the 2004-8 period. One would have expected that the European Community encouraged research innovation for the strength of the priority related to the creation of links between universities and the labour market, met in ESF.

### 2.2.2 Taken measures for the five EU benchmarks achievement

In this section the taken initiatives and the level of enhancement of the Italian education and training activities for the approach of the five European benchmarks of the Lisbon Strategy 2000 are examined. The information based on the initiatives which have been presented in the National progress report (2007) for the accomplishment of the Lisbon benchmarks and lastly, in the working document of the Commission of the European Communities (2010), the percentages of success of all the Italian activities in comparison to the EU average were provided.

I start with the taken measures for the decrease of early school leaving, the raise of rates of completion of upper secondary education and the diminution of the proportion of the low-achieving 15 year olds in literacy.

As a major measure, according to the Italian National Report (2007), there has been the Finance Law for 2007 which aimed at *“raising of compulsory schooling, with effect from school year 2007-08, until the second year of secondary school, the aim being for pupils to obtain a secondary school or vocational qualification of at least three years duration by the age of 18; consequent raising of minimum working age from 15 to 16”* (National progress report: 2007: p.21). The Finance Law for 2007 was the government’s start to implement measures for the development and up-grading of the education system.

Italian initiatives which aim at the reduction of the early school leaving focus on a series of different activities. Firstly, the creation of a guidance of pathways, as in a number of regions, both schools and Employment Centres worked together in order to provide information of choices to young people and help them to find the most suitable pathway for them. Secondly, regions have promoted guidance seminars about parents and pupils in order to inform them about local training opportunities. Moving on further, the creation of *“listening workshops”*, *“advisory help-desks”*, *“individual counselling”* and *“self- and mutual-help groups”* for parents who wish to understand better their children have been organised. Additionally, advisory interviews both in schools and in Employment Centres have been taken for guidance on training choices and lastly training courses for teachers were given (National progress report: 2007).

Moreover, as it has been seen, the national education system is characterised by the diversification of the regions, however, this risks inequality. Regions with most poverty are in a great danger of being characterised by high level of drop-outs. A school system with very little chance of personalization and training according to the pupils' needs and his/her social background affects negatively the most disadvantaged pupils. Thus, as concerns the drop outs, failure cannot be seen as the individual's failure, but should be measured as an institutional stalemate. Commonly programmes and subjects lack of personalization of curricula. Also the fact that failure is not given to the fundamental problems of the school system but mainly to the individual's disability shows an important issue of the Welfare State (Bifulco, Monteleone, Mozzana and Rolfini: 2010).

Starting with the objective of the decrease of the low achievers in reading the results are negative as the number presenting them have increased over the 2000-2009 period.

**Table: 27**

Indicator	Italy		EU average		EU benchmark
	2000	2009	2000	2009	2010
Low achieving pupils in reading	18.9%	21.0%	21.3%	20%	17%

**Source: Commission of the European Communities: 2010 p: 182**

On the other hand, the two benchmarks related to the early leavers from education and training and to the upper secondary attainment are both below the EU average achievements, but they have both met improvement during the 2000-09 performance period. Their proportions of success do not comply with the EU expectations for 2010 year.

**Table: 28**

Indicator	Italy		EU average		EU benchmark
	2000	2009	2000	2009	2010
Early leavers from education and training (age 18-24)	25.1 %	19.2%	17.6%	14.4%	10%

**Source: Commission of the European Communities: 2010 p: 182**

**Table: 29**

Indicator	Italy		EU average		EU benchmark
Upper secondary attainment (age 20-24)	2000	2009	2000	2009	2010
	69.4%	76.3%	76.6%	78.6%	85%

Source: Commission of the European Communities: 2010 p: 182

One may hypothesise that the high proportions of early leavers from education and training is a result of the skills needed in the Italian labour market. The high number of micro businesses does not require qualifications' obtained and people do not find it that necessary to continue training. Practical knowledge of the labour market is appreciated the most; thus young people start very early to gain working experience.

Additionally, the increase of the tertiary education enrolment after 2000 is almost 9% per 100 000 persons in the population.

**Table 30: Tertiary education enrolment per 100 000 persons in the population**

	1999	2007	Percent increase
Italy	3 180	3 476	9.3 %

Source: OECD 2011; p. 65

Furthermore, concerning the taken measures for the raise in the number of graduates in mathematics, science and technology, Italian government created a Scientific Degree Project (PLS) for the period 2004-06 which aimed at the increase of students who participate in chemistry, physics, mathematics and materials science; for the project's implementation 8.5 million euro were provided and nearly 2 million euro added by individual universities. For the encouragement of participation to the above sciences the Italian government put in force a communication plan which provided a *"pre-university guidance for students in upper middle schools"*; a *"three-year degree courses in relation to actual labour market requirements"*; internships in companies and *"the provision of post-graduate training"* (National progress report: 2007: p.27). For the composition of the PLS there has been a cooperation between the Ministry for Universities and Research (MIUR), the Education Ministry (MPI), the National Conference for Heads of Science and Technology Faculties and Confindustria (the Italian employers' association). With the implementation of the programme one may say that two main advantages are created. Firstly, postgraduate work experience and internships offer the understanding of what is demanded in the labour market and



secondly, there is great involvement of scientific learning at the last three years in upper middle-school level via workshops and guidance. The Italian proportions of the MST graduates in Higher Education are much higher than the EU average, same goes for the share of females. However the augmentation of them cannot be calculated as there are no proportions of participations in 2000.

**Table: 31**

Indicator: MST graduates (HE)	Italy		EU average		EU benchmark
	2000	2008	2000	2008	2010
Increase since 2000	-	62.9%	-	37.2%	+15%
Share of females	36.6%	38.4%	30.7%	32.6%	Improve gender balance

**Source: Commission of the European Communities: 2010 p: 182**

Lastly, let us examine the taken measures for the development of the rate of adult participation in lifelong learning and the support of the key competences among adult learners and older people:

Initially, in 2006, the Ministry of Labour distributed to the Regions the resources referred to the 236/1996 Law; via it, all workers aged more than 45 in private companies composed the priority target group for training activities (National progress report: 2007). These training initiatives intended to combine *“basic and transversal knowledge and skills through initiatives delivered on a project, training structure or voucher basis”* (National progress report: 2007: p.32). Furthermore, general provisions on LLL look to classify measures supporting learning of adult participation by the following actions. *“The continuation, in 2005, of the work of the Permanent Local Centres which, according to the latest data published by the Ministry of Education, have 404,212 users and provide 19,375 courses in 540 centres”* (National progress report: 2007: p.32). According to the Finance Law for 2007, these Centres turn into “Provincial Centres for Adult Learning” where they act as autonomous with their own structure. Also, in three regions of central-northern Italy, the *“inter-regional project”* on *“Individual Learning Accounts – Prepaid cards for individual training credits”* was introduced (National progress report: 2007: p.33).

It was a kind of local experiment in order to find the training needs of a *pre-determined number of citizens*.

However, the performance of the specific indicator seems extremely poor and far below the EU average. Italy, just like Greece, has difficulties in approaching the specific target. One hypothesis deals with the bread winner model which characterizes Italy and it has been responsible for the low participation of females in the labour market. Another hypothesis which is already mentioned in the Greek chapter is that the indicator of adult participation in life long learning consists of a complexity related to the definition which each country gives to it.

**Table: 32**

Indicator	Italy		EU average		EU benchmark
Adult participation in LLL (age 25-64; 4 weeks training)	2004	2009	2003	2009	2010
	6.3%	6.0%	8.5%	9.3%	12.5%

**Source: Commission of the European Communities: 2010 p: 182**

**Age 25-64; 4 weeks training:** The percentage of the population aged 25-64 participating in education and training during the 4 weeks prior to the survey (Eurostat/Labour Force Survey).

Furthermore, the difficulties in establishing a lifelong learning system rely also on the country's institutional architecture where a number of actors<sup>31</sup> are included. Actions can happen only after the coordination of all the stakeholders and compromises have to be made in case of different viewpoints. The characteristic of regionalization in Italy requires a stronger effort for a common outcome (National progress report: 2007). Thus, it can be hypothesized that regionalized systems are systems which need longer period to implement the EU policies; one may argue that more time- span and better flexibility in deadlines should be given by the EU for the implementation of decision making in regionalized countries.

At this point, I can be referred to Barbier's (in Bredgaard and Larsen: 2005c) examples about confusion based on indicators and words (see chapter III). Adults' training is hard to be measured as the term of life long learning includes different

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<sup>31</sup> Ministries of Labor and Social Security, Education, Universities and Research, Social Partners, Regions and Autonomous Provinces

activities. The country by itself focuses on its own political agenda making the exchange of learning not that easy.

Additionally, by trying to examine the improvement of adults' participation in lifelong learning according to gender, it can be seen that the proportions of women are higher than those of men. The table 33 concerning the 2000-2009 period presents the percentage of the population aged 25 to 64 which participates in education and training. One may say that proportions are rather below EU-27, however there is an improvement.

**Table 33: Lifelong learning, 2000-2009 (% of the population aged 25 to 64 participating in education and training)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>EU- 27</b>	7.1	7.1	7.2	8.5	9.2	9.6	9.5	9.3	9.4	9.3
<b>Italy</b>	4.8	4.5	4.4	4.5	6.3	5.8	6.1	6.2	6.3	6
<b>Males</b>	4.8	4.4	4.2	4.2	5.9	5.4	5.7	5.9	6.1	5.6
<b>Females</b>	4.8	4.6	4.6	4.8	6.7	6.2	6.5	6.6	6.6	6.4

Source: Eurostat

One may note that, both countries, Greece and Italy belong to the olive belt and both are identified by low participation in LLL, however Italian proportions of participation are much higher in comparison to the Greek rates. The fact that they belong to the same traditional working model (male bread winner) does not mean that they are totally similar; they share some general and principal similarities, but their structure and national policy lead to different levels of improvement. The interesting fact in this table is the proportions of females which are higher than the proportions of the opposite gender. One may be surprised as Italy belongs to the male bread winner model meaning that females are not involved in educational and training activities to a great extent and there is gender inequality. Nevertheless, females over period, became less economically dependent on men, improving the level of their education and aiming at reaching career opportunities. Also the European standards encouraged the creation of kindergartens, an essential element for the participation of women in the market.

### 2.2.3 Imbalance of benchmark ranking between Centre- North and South

According to the National progress report (2007) the proportions presenting the Italian achievements of the Lisbon's Strategy benchmarks divided to the Centre-North and South, lead to the main conclusion that the latest part (Southern area) meets great difficulties in reaching the European targets for 2010 (proportions are given only for the year of 2004).

**Table 34: Italy's position with respect to the five "Education and Training" benchmarks- Lisbon 2010**

<b>Indicator</b>	<b>2004</b>		
	<b>Italy</b>	<b>Centre- North</b>	<b>South</b>
<b>Early school leavers (age 18-24)</b>	<b>22.4</b>	<b>18.8</b>	<b>27.2</b>
<b>Low achievers (15 year old)</b>	<b>23.9</b>	<b>14.7</b>	<b>34.7</b>
<b>Upper secondary attainment (age 20-24)</b>	<b>72.3</b>	<b>75.9</b>	<b>67.7</b>
<b>MST graduates</b>	<b>+9.0 augmentation</b>	<b>+11.3 augmentation</b>	<b>+5.8 augmentation</b>
<b>Adult lifelong learning (25-64)</b>	<b>6.2</b>	<b>6.5</b>	<b>5.8</b>

**Source: National progress report: 2007: p.33**

It is remarkable that the differences between the two areas is very high, especially, if someone considers that are both regions of the same country. As it has already seen, the South Italy is blamed for the low Italian international ranking in various fields; training and education policy is one of them. According to the research which has been done in the second part of the thesis, these results seem logical as Southern Italian regions lack of investment and development in contrast to the rest of Italy. Great business increase met especially in Milan area; the business situation of South reminds more the old traditional Italy, based on micro and family-owner firms which do not give serious attention on training activities and increase of capabilities. In this part of Italy, also there is more inequality in gender opportunities and the majority of females prefer getting involved with householding.

The territorial imbalance of the Northern and the Southern Italian regions reveals inequalities in the educational and training system. The re- organization of authorities among the State and the Regions leads progressively to the creation of a regional education system characterised by different strategies, organizational models and objectives.

### **3. Organizational Frame: labour market**

#### **3.1 The organizational frame before the introduction of the Lisbon Strategy 2000**

Moving on to the third and last frame of my theoretical analysis I examine the connection of the Italian's education and the labour's market productivity. As it has been mention these two fields are totally related to each other and the type of their function interact. However, I do not aim at analysing the structure of the Italian labour market in general, but solely the variables which influence the education and training system.

##### **3.1.1 Gender inequality, increase of uncertain job and priority of working experience**

##### **Poor dynamic of labour force- no support of motherhood, early retirements and breadwinner model**

In Italy, and in all four countries of the olive zone, the family's role seems to be very crucial for the society. The phenomenon of "*the absence of a formal, well- developed and universal welfare state*" replaced by an "*informal family- based strategies of welfare*" (García and Karakatsanis in Gunther, Diamandouros and Sotiropoulos: 2006: p.103). Initially in the Southern European zone there has been the cultural belief that children remain home until they get married and after marriage the family provides services, such as childcare, which is supposed to be offered by the state. Also, the male had the role of the breadwinner and the female was responsible for the raise of the family's children. This given gender- specific role put societal pressure on working mothers; if no elderly people existed to look after their grandchildren, as usual in southern countries, mother faced serious problems with her employment as

there are only few childcare facilities (García and Karakatsanis in Gunther, Diamandouros and Sotiropoulos: 2006). The following tables examine the unemployment rates by gender during the 1995-2000 periods.

**Table 35: Unemployment rates by gender: females**

	1995	1996	1997	1998	1999	2000
EU-15	11.8	11.7	11.6	11.1	10.2	9.3
Italy	15.4	15.3	15.4	15.4	14.8	13.6

**Table 36: Unemployment rates by gender: males**

	1995	1996	1997	1998	1999	2000
EU-15	9.0	9.1	8.9	8.3	7.6	6.8
Italy	8.6	8.6	8.6	8.6	8.3	7.7

Source: Eurostat

**Table: 37: Gap between gender unemployment rates based on the above statistics:**

1995	1996	1997	1998	1999	2000
6.8	6.7	6.8	6.8	6.5	5.9

According to the statistics, even though unemployment rates concerning males are underneath the EU-15 average for the 1995-97 periods and almost at the same average with EU-15 during the 1998-2000, proportions representing females are almost 4% above the EU- 15 average each year. Also comparing the Italian unemployment rates of both genders, one may notice that the proportions of females are almost the double than the proportions of males. In that case it can be hypothesized that as there is an appreciable inequality between the two sexes, the dynamic of the labour force is not as strong as it could be. Finally, the gap of unemployment rates between genders does not meet any improvement. Only in 1999 a slight diminution starts to be seen moving to a greater one in 2000.

Another element which affected the labour force of the Italian market is the phenomenon of early retirements and the removal of senior employees from the market quite early. However, an important reform, the Amato reform 1992 on

pensions elevated the retirement age. Moreover, international agencies (IMF<sup>32</sup>, the OECD<sup>33</sup>) and the European Union institutions persuaded the Italian government (1994 Berlusconi government) for a reform plan related to the diminution of pension expenditure. Lastly, in 1995 we meet the Dini reform which aimed at the promotion of the internal re-equilibration (Ferrera and Gualmini: 2004).

### **Youth unemployment and low wages**

Pérez and Ortega (2003), argue that the Italian educational system is designed for the demands of the traditional industry and not for a flexible one. As it is supported, a lot of firms lack staff who could guide to the operation of a more flexible system and there are difficulties to find qualified employees (Pérez and Ortega: 2003). Italian flexibility was introduced by law no. 863/1984 which achieved the “*introduction of work-sharing agreements (the so-called solidarity contracts)*”, the “*training-on-the-job contracts*”<sup>34</sup> and the “*part-time work*” (Ferrera and Gualmini: 2004: p.90); one may say that a new challenge of working conditions appeared. However, even though during 80s new labour policies of higher flexibility are introduced, the structural factors of unemployment have not been affected, and clientelistic exchange seemed to be the same. Additionally, by the increase of temporary short contracts there has been the decrease of wages. The low paying keeps the family’s support as a necessity and there are difficulties of youth dependency.

However, even though labour market reforms intended to encourage young entrants, unemployment of youth rates is higher in comparison to the unemployment rates of seniors (Simonazzi, Villa, Lucidi and Naticchioni: 2008). Italy relies on the second model of Couppié and Mansuy (2000: they created three models of labour market) where working experience has the major role in the labour market. The transition from school to work is a long term process as young entrants are considered the last group of future employees that may be hired by a company, giving them as an only solution, mainly, low paid jobs in no interesting sectors; young people are stigmatized

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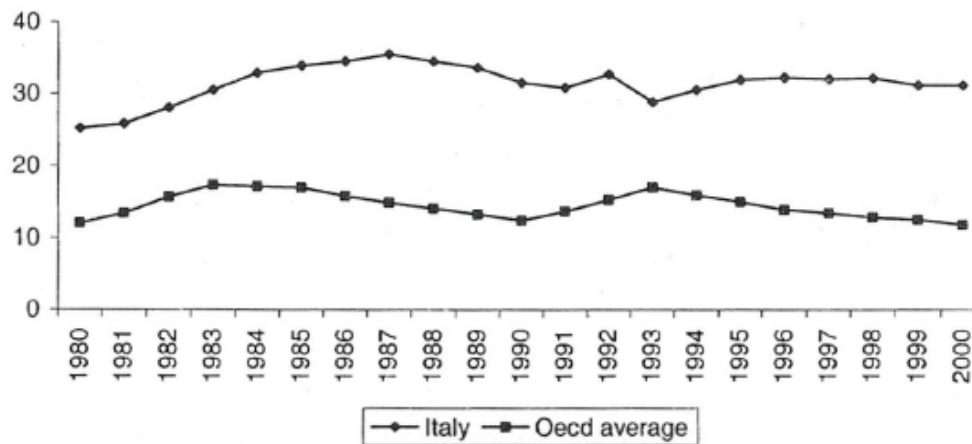
<sup>32</sup> International Monetary Fund (IMF)

<sup>33</sup> Organisation for Economic Co-operation and Development (OECD)

<sup>34</sup> They are intended to promote the hiring and training of individuals aged between 16 and 32, and they can elapse up to 32 months

in unemployment conditions. Looking at figure 15, what can be verified is the high number of the youth unemployment Italian rates in comparison to the OECD average.

**Figure 15: Youth unemployment rates in Italy compared to the OECD average, 1980-2000:**



Source: Ferrera and Gualmini: 2004: p. 81

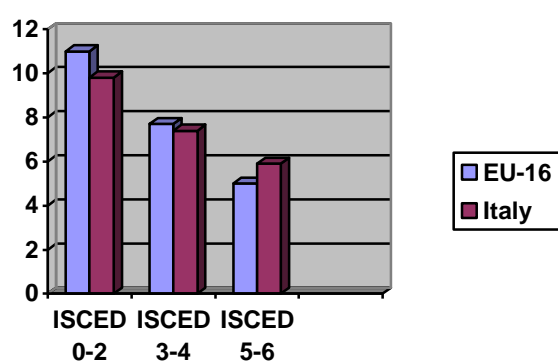
Thus, in traditional societies, such as Italy and Greece (the Southern European countries in general), where experience on the working field is required, -commonly senior experts preferred-, the problem of youth unemployment is increased. Training on the job is a long term process and needs a certain time span to be completed; in that way employers prefer to hire the already experienced employees to save time especially in cases of temporary vacancies. This situation, as Kirpal (2006) notes, limits career development and brings instability of professional direction; young choose a job position not according to their preference but regarding what is available for them no matter the field. However, Hage (in Maurice and Sorge: 2000) supports that the Italian business framework has a British similarity which has to do with the appreciation of the vocational knowledge. In his research, he has found that in Italy, a high number of managers and workers come from institutions which provide technical training. At this point one may note that this constitutes an important difference with the Greek labour market where graduates of technical institutions have minor chances to reach the top level of a company as managers.

Furthermore, if someone examines the unemployment rates of the population aged 25-64 by level of education, he/she will notice that less educated people have greater possibilities of unemployment, a fact which proves that knowledge is appreciated in



the Italian context. However, the unemployment rates of ISCED 5-6 are higher than the unemployment rates of the EU-16 which seems to agree with the above conclusion that working experience is appreciated as much as the high level of education in Italy and youth face greater problems of unemployment. If employees have to choose between young graduates and seniors for a vacancy, they will favour the second, as the working experience is highly required in the Italian labour market. Thus, maybe the higher level of qualifications gives better access to employment, nevertheless, inexperienced graduates are not recommended.

**Graph 4: Unemployment rates of the population aged 25-64 by level of education in 2000**



Source: Eurostat

A way to prove that high qualifications are appreciated in Italy more than Greece is the presentation of the augmentation of the average gross monthly earnings (%) by educational level. I firstly use the table of Karasiotou (2004) based on the average gross monthly earnings (in euros) by educational level in 1995 for the calculation of the monthly wage difference based on the educational level ISCED.

**Table 38: Average gross monthly earnings (in euros) by educational level, 1995**

Educational attainment	Greece	Italy	Portugal	Spain
ISCED 0-2	933	<b>1291</b>	564	1012
ISCED 3	968	<b>1627</b>	812	1295
ISCED 5-7	1386	<b>2526</b>	1660	1705

Source: Karasiotou: 2004: p.10

**Table 39: Proportions of augmentation of average gross monthly earnings (%) by educational level ISCED in 1995**

Augmentation of monthly earnings by educational level	Greece	<b>Italy</b>	Portugal	Spain
ISCED 0-2 to ISCED 3	3.62%	<b>20.6%</b>	30.5%	21.8%
ISCED 3 to ISCED 5-7	30.1%	<b>35.5%</b>	51%	24%

As it can be seen the increase of the monthly salary of the ISCED 0-2 to 3 level is 20.6% per cent and the increase of the ISCED 3 to 4 level is 35.5% per cent in Italy. One may say that the percentages of augmentation are satisfying, especially if someone sees the case of Greece where only a 3.62% of increase is met in the ISCED 0-2 to 3 level. In comparison to the rest of the olive zone (Greece, Portugal and Spain), Italy is the second country, after Portugal, which places financial gravity according to the educational level.

Additionally, by trying to analyze the hypothesis of the high youth unemployment I present statistics based on the unemployment rates by age and the highest level of education attained (%) in EU-12 and Italy.

**Table 40: Unemployment rates by age and highest level of education attained (%) in EU-12 and Italy**

**EU-12**

<b>1998</b>			
<b>Ages</b>	<b>ISCED 0-2</b>	<b>ISCED 3-4</b>	<b>ISCED 5-6</b>
<b>25-29</b>	19.6	14.9	14.7
<b>30-34</b>	15.5	9.6	8.8
<b>35-39</b>	13.7	7.6	5.5
<b>40-59</b>	9.7	5.9	3.4

**Italy**

<b>1998</b>			
<b>Ages</b>	<b>ISCED 0-2</b>	<b>ISCED 3-4</b>	<b>ISCED 5-6</b>
<b>25-29</b>	18.6	18.7	28
<b>30-34</b>	13.4	9.6	10.9
<b>35-39</b>	11.6	6.1	4.5
<b>40-59</b>	7.4	3.4	1.4

Source: Eurostat

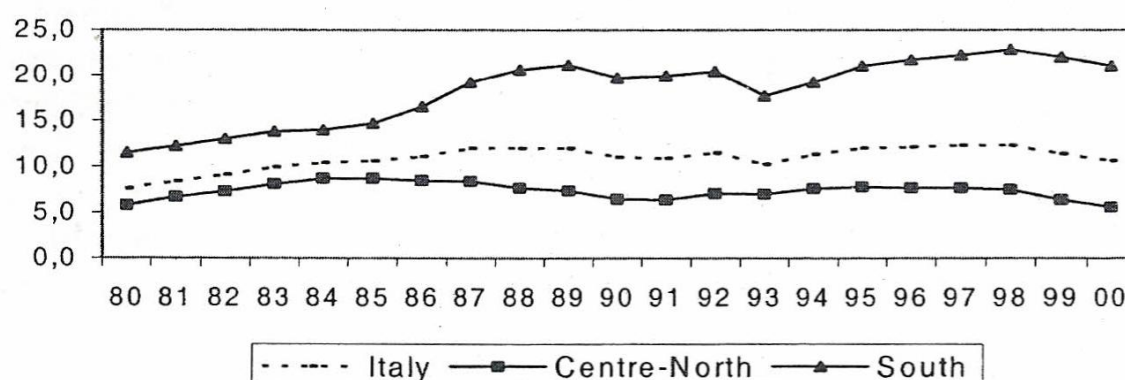
At this point, it can be clearly assumed that young graduates aged 25-29 of the highest level of education ISCED 5-6 are the ones who highly face the problem of unemployment than any other level of education related to this age group. However, the situation seems to change to the opposite direction as the age group becomes older, ending with the lowest proportions of unemployment. It is remarkable that young graduates of the highest level of education in Italy (1998) meet the double proportions than the proportions characterising the same examined group of EU-12.

### **3.1.2 Regional Division, strong Central-North and fragile South**

After the Second World War the Italian economy met remarkable growth within Europe, especially in 1955-1969 where a great increase of the domestic product is met, - Shonfield highlights that Italy had “*one of the highest rates of growth*” (1969: p.176) - ; even though Italy has been a country based on agrarian sector (only in 1970 Northern Italian industries are modernized and started being more competitive) (Ferrera and Gualmini: 2004). Moving on to the 70s the first endogenous crisis made its appearance, one of the major difficulties of Italy has been the creation of jobs for the decrease of unemployment (Shonfield: 1969). The main national issues relied on the country’s historical divisions among the North- South industries and the Catholic-Communist political groups (Ferrera and Gualmini: 2004).

Before starting any kind of analysis, it has to be noted that the high regional and sectoral diversity make the study of welfare regimes complicated in Italy; the north is the part of the best international industrial challenges and the south is mainly composed by family-led small enterprises (not homogeneous province: varied productive profile of large and small companies) (Ferrera and Gualmini: 2004, Dunford and Perrons: 1994, Boldrin, Canova, Pischke, and Puga: 2001). The following figure (16) briefly presents the total, centre- northern and southern unemployment rates for the 1980-2000 period, proving that the regions of the South meet greater difficulties of employability.

**Figure 16: Total, centre- northern and southern unemployment rates, 1980-2000:**



Source: Ferrera and Gualmini: 2004: p. 81

The worries of the Southern area do not end with the low employability, but there are also problems of lack of challenges in comparison to the Central-Northern area. In short, working conditions qualities vary according to the geographical position of the business. Ginsborg (1990), after a detailed analysis of the Italian history, also demonstrates that Italian labour market not only meets great differences depending on the area (south- north) but also on the region of the Southern zone. The following table 41 proves the precise unemployment rates by geographical area (Central-North and South) in the decade of 80s and the unemployment by gender within these areas.

**Table 41: Changes in the unemployment rate, by geographical area (1980/89):**

Year	Total		Men		Women	
	Central/ Northern Italy	Southern Italy	Central/ Northern Italy	Southern Italy	Central/ Northern Italy	Southern Italy
1980	5.78	11.45	3.47	7.53	10.18	20.17
1981	6.70	12.19	4.05	8.07	11.57	21.55
1982	7.27	12.97	4.64	9.02	12.06	21.94
1983	8.07	13.77	5.21	9.41	13.18	23.39
1984	8.68	13.96	5.34	9.51	14.42	23.87
1985	8.67	14.73	5.43	10.02	14.19	24.98
1986	8.50	16.48	5.26	11.40	13.88	27.22
1987	8.38	19.23	5.22	13.63	13.53	30.69
1988	7.75	20.61	4.71	14.55	12.69	32.73
1989	7.39	21.13	4.34	14.99	12.26	33.16

Source: Meghnagi: 1993: p.114

At this point, it should be mentioned that the rates of unemployment of the Southern Italy concerning females is extremely high, especially in 1989 as the proportion kept increasing its level. In contrast to the past, young females have been started investing

in education looking for satisfied employment prospects. However, in general, the Italian employment rate of females is low as they still face difficulties of entering employment because of the creation of family (they are usually responsible for the raise of the children) and the commonly demonstration of atypical employment with lower payment (Simonazzi, Villa, Lucidi and Naticchioni: 2008).

The geographical allocation of the trained employees is characterised as "explicit" because of the fact that the majority of enterprises offering training, is situated in the North. In general, Italy is characterized by small and medium sized companies which do not seem to spend much for training (Richini: 2002). Also, the Southern market's conditions are more flexible than these of the Centre and North (low job quality often illegal with poor working conditions); the economic frustration of the South has been always the "black spot" of Italy blamed for its disappointing position in European rankings (Simonazzi, Villa, Lucidi and Naticchioni: 2008).

### **3.1.3 Initiatives for the boost of the Italian economy: decentralization of employment services and privatization**

The domination of the micro businesses within the Italian labour market is one of the reasons why qualifications are not in a great need. In this section the initiatives for the boost of the Italian economy are presented. A serious step of the Italian labour market has been the legislative decree no. 469 following article I of Law no. 59/1997; the first fundamental try for decentralization. The reform relies on the transformation of the central power to the regions and to the localities, and for first time privatization of employment services against government's monopoly is aimed (Ferrera and Gualmini: 2004). The new regional bodies have been involved in the preparation and implementation of labour policies and temporary employment and flexibility have been encouraged for both highly and not highly skilled vacancies (Ferrera and Gualmini: 2004). Furthermore, another decree law for part-time working was designed in 1999 (modified in 2000 by decree no. 61) providing tax benefits for employers who hire new part-time employees (the measure was introduced for married working women and young workers) (Ferrera and Gualmini: 2004). All the major employment policies of the 1981- 2001 period are presented in annex 2.

The family micro- businesses put barriers to the domestic and foreign extension of the Italian labour market. However, the impact of privatization has been positive as: *“the amount of capital raised on the Milan bourse; by liberalizing the market for financial intermediaries; and by prompting the adoption of new legislative measures to better safeguard the interests of shareholders and increase transparency.”* (Molina and Rhodes in Hancké, Rhodes and Thatcher: 2007: p.244). Nevertheless, large companies worried about institutional and political reforms and they felt the cross-pressure by the demands of the EMU (lost of monopoly). To take an example, Golden (2004) uses the case of Fiat’s leadership where, according to her sayings, the company *“warned Italy’s Parliament of the dangers of failing to meet the Maastricht convergence criteria”*, but on the other hand, *“company managers were secretly paying bribes to government authorities for public contracts”* (Golden: 2004: p.1248).

One may say that the construction of new market forms of coordination has been a serious reform in Italian’s market philosophy; the new set of political and legal restraints on the market’s suppleness led enterprises to become more flexible towards other directions (Molina and Rhodes in Hancké, Rhodes and Thatcher: 2007). Maybe the new forms of coordination created some conflict at industrial level, however, the creation of a more bargaining environment without political limitations has been encouraged. Additionally, there has been a more autonomous coordination at a regional and local level under the mechanisms of *programmazione negoziata* (Molina and Rhodes in Hancké, Rhodes and Thatcher: 2007). On the other hand , there has not been any strong change of liberalization of the market in order to undertake the state’s control, even though some tries for the minimization of the central power have been made (Molina and Rhodes in Hancké, Rhodes and Thatcher: 2007).

The same remark was made by Della Sala (2004), who argues that the Italian model has been started following both market and coordinated capitalism attitudes even though the state- bureaucratic characteristic still exists. More precisely, in the post war period, the Italian model of capitalism was approaching the patient capitalism: a lot of small family-own firms and state’s banks having the central role of finances, controlling industrial sector (Della Sala: 2004). Additionally, on the absence of corporate governance rules, banking activities were influenced by political powers. It

has been a picture of large industry belonging to the power of few investors (large enterprises) and the public sector's power; the public sector has reached over 50 per cent of the gross domestic product in the period of 80s (Della Sala: 2004). The picture was clearly different at the end of 90s after the privatization reform mentioned (chance for extension to overseas markets). Privatization brought numerous new investors to the Italian market, especially in Milan area and the state- holding was seriously minimized (Della Sala: 2004).

One may argue that privatization reform has been crucial for the encouragement of training activities and the modernization of the Italian market. Creation of competitiveness and training opportunities cannot happen in small family owned enterprises which do not have any interest to extent their business, however, the idea of privatization could encourage medium and large private companies to prepare their working dynamic via training in order to receive new investments in their business. Nevertheless, business development can only happen with the use of qualified staff who have the knowledge to manage under highly demanded circumstances; this seemed a chance for the Italian market to invest in continuing vocational training.

At this point, the hypothesis that all this change of the Italian capitalism would have led to a successful performance at an EU level is created, however, some literature argues that its main structure remained the same: boost of economy by international investments, but enterprises keep remaining in few owners. More precisely, Della Sala (2004) emphasized that: *"According to the Organization of Economic Co-operation and Development (OECD), half listed companies are controlled by a single owner and the five biggest shareholders in the largest firms control 87 per cent of shares."* (Della Sala: 2004: p.1049: taken by the Financial Times, 'Italian capital- Lex column': 10 June 2002: p.24). Della Sala (2004) mentions also the case of some private companies which after facing problems *"came under the control of large holding"*. Thus, the result of privatization seems that it made government's financial instruments less attractive and Italian finance remained the same (Della Sala: 2004).

Simonazzi, Villa, Lucidi and Naticchioni mention the argument of Costi and Messori referred to the way by which privatisation has caused negative outcomes (Simonazzi, Villa, Lucidi and Naticchioni: 2008: p.8): *"it created a tight web of interests in favour*

*of rent-seeking positions, thus reinforcing opposition to further liberalisation of public utilities; it diverted financial and organisational resources from the core businesses of the buying firms, thus reinforcing the negative trend in competitiveness in sectors open to international competition; the acquisitions were financed by resorting to debt, which was shifted to the balance sheets of the newly privatised firms” and it “had the result of destroying positive externalities for the Italian productive system and represented a missed opportunity really to innovate the Italian productive structure” (Simonazzi, Villa, Lucidi and Naticchioni: 2008: p.9)*

However, it is interesting to note that Ferrera and Gualmini (2004), underline the perception of the positive contribution of the international trade in Italy (increase of international trade and demand of workers) and explaining that the cause of weakness is relying on the Italian model of specialization in international trade (productions of traditional sectors and specialized suppliers industries) (Ferrera and Gualmini: 2004).

### **3.2 The impact of the Lisbon Strategy 2000 on the organizational Italian frame: Level 3- Discursive Diffusion**

The organizational frame, after the implementation of the Lisbon Strategy, analyzes the characteristics of the labour market related to my case based on the level of changes occurred.

#### **3.2.1 Field of labour market: micro businesses, augmentation of qualified unemployed people, youth unemployment and confused perception of continuing training**

##### **Micro businesses against the philosophy of an open competence- based EU model**

Some legislative reforms related to the structure of the Italian labour market tried to encourage the Lisbon's targets. Firstly, the Law 383/01 (Tremonti bis) which introduced the tax relief for enterprises investing in training for their employees, and secondly, the adopted Law 30/03 which launched new and flexible employment contracts based on reforms related to employment services, apprenticeship contracts, part-time work and the introduction of new types of contract such as work on call contracts (Cedefop and ISFOL: 2003).



Even though the above are the base for the Lisbon's vision, however, great role for the creation of difficulties in the adoption of the directives of the Lisbon Strategy played the highly fragmented structure of the Italian labour market. There are numerous self-employed workers acting individually or within small companies. The Italian major economic strength has traditionally relied on family-owned or small and medium size companies specializing in low added value sectors (tertiary or traditional manufacture) (Forleo, Governatori, Monaldi and Montedoro: 2008). Nevertheless, even though the Lisbon Strategy encouraged the development of the market, as it can be seen in the following table, the high number of the micro businesses has not changed.

**Table 42: Number of enterprises in Italy based on 2002-2007 figures**

<b>IT</b>	<b>Number</b>	<b>%</b>
Micro	3.557.818	94.5%
Small	186.027	4.9%
Medium	19.076	0.5%
<b>SMEs</b>	<b>3.762.921</b>	<b>99.9%</b>
Large	2.904	0.1%

**Source: European Commission, Enterprise and Industry: 2010-11**

The SMEs companies constitute the 99.9 per cent of the total number of the Italian enterprises; data based on the 2002-2007 periods. Furthermore, there is lack of innovation and research as Southern regions have been weak in the high-tech knowledge sectors for a globally competitive market (Forleo, Governatori, Monaldi and Montedoro: 2008). Continuing vocational training is not in a great need in the market and high qualifications are not required. This model comes against the extreme competence- based EU model. The phenomenon described above, had as a result the slow process of structural adjustment and the creation of doubts if the Southern part of Italy could follow the Northern part in a long term process; the EU competitive and flexible model seems to misfit in the structure of the Southern market.

Additionally, as qualifications are not that needed, working experience has the major role in the Italian labour market. The transition from school to work is a long term process with young people accepting low paid jobs in no interesting sectors; no matter the level of their training, young graduates is the first group which unemployment

threatens. Therefore, it can be hypothesised that young people are not encouraged to continue their studies as there is no interest of high knowledge qualifications in micro business sector; the only interest is related to the already gained working experience of the candidate. The above requirement of the market is a crucial factor, able to shape and influence the training behaviour and the educational preferences of young people who are called to decide their educational pathway at an early age. The Italian's market priorities and demands come against the goals of the Lisbon Strategy 2000 which aimed at the increase of the level of educational attainment of youth.

### **Continuing training in the Italian labour market: fog perception of its use**

At this point, by having mentioned that young graduates face unemployment, I would like to be addressed to the confusion which exists as concerns the perception of the continuing training use in the labour market. To become more precise, there is a misunderstanding in the identification of the reason why the training is provided for and to which group of people it is addressed to. It is thought that training financed by the public sector is mainly for young people, unemployed and weak groups of employees (Tomassini in Brown and Participa Project consortium: 2004). One may say that this phenomenon relies on the fog picture of the roles which the actors have to deal with.

The responsible actors have to work within a complex system, where sometimes training activities financed by the European Social Fund are perceived as activities for leisure hours. Tomassini identifies that (Tomassini in Brown and Participa Project consortium: 2004: p.37): *“roles and functions belonging to the Ministry of Labour and Social Policies, to regional governments to provincial authorities with delegated powers, to local agencies, to ISFOL, to the social partners, to the EU, to companies and to training agencies and organisations all lack proper identification from the viewpoint of workers.”* The following table presents results of a research questioning workers about their perception of continuing training (look table 43). The answers lead to the conclusion that the role of continuing training is not that clear and it is mostly perceived as a need for the inexperienced and non qualified workers.

**Table 43: Users of continuing training financed by the public sector (multiple reply):**

TARGETS	Percentage
Young people	47
Unemployed workers	31
Workers	19
Workers on redundancy pay	6
Weak categories	5
Disabled workers	3
Women	4
Others	7
Don't know	18

**Source : Tomassini in Brown and Participa Project consortium: 2004: p.38**

On the contrary, a research of ISFOL demonstrates that in reality the most qualified employees benefit from training. In Italy, as concerns the attendance of training programmes, participants are selected carefully by employers; the participants of the training activities usually belong to the top of the hierarchical structure of a business or organization (ISFOL: 2009). At this point, the above report demonstrates that training co-financed by the ESF cannot be seen as a further step for the unskilled staff, but greater practice to the people with already strong qualifications. In other words, people who participate in training are usually executives.

Concerning the continual training, there are the joint inter-professional funds, managed by social parties; even though their setting started in 2001, they only became operative in 2004 (Refernet Italy: 2009). Private companies in agreement with the Ministry and Regional Authorities are contributed by these funds for the creation of a new system in favour of the continuing training of employed (Refernet Italy: 2009). More specifically, the report of ISFOL mentions that (2009: p.19): *“Interprofessional Funds...thereby threatening to further widen the gap between categories of workers who benefit the most from training and those who gain little benefit”*. The above leads also to the conclusion made in chapter III, which is referred to the incapability of the European Social Fund to bring a fundamental structural change, providing solely funds for the development of initiatives taken according to the state's will. Even though training activities are financed, the structure for their best use is not provided.

### **The level of improvement in investment: no remarkable outcomes**

Furthermore, the table 44 can prove the level of investment improvement during the 2000-2010 period as it has been a crucial part of the Lisbon Strategy; investment is interlinked to increase competitiveness. Firstly, as it can be seen the majority of investment comes by the private sector and the total investment of the EU-27 met a decline (20.6% minimized to 18.5%), however the proportions of Italy seem to be higher than the EU average, especially in 2005 and 2010. Both public and business Italian investments had an increase during the 2000-2005 and a decline during the 2005-2010. The last case however, includes the 2008-2010 period which is dominated by the economic crisis of the EU. Thus, the level of investment in Italian labour market is satisfactory in comparison to the EU-27. In comparison to Greece for the 2005 and 2010 periods (table 21 in chapter IV), Italy's position in investment is ahead. Nevertheless, not any remarkable change has been noted. The dynamic of the European model is totally based on flexibility and openness; however in fragile economies, such as in the European olive zone, the above can solely be achieved by investments which would aim at the improvement of the micro business phenomenon. Thus, the following European data concerning national levels prove that the Lisbon Strategy did not bring changes on this area field.

**Table 44: Investment, 2000, 2005 and 2010 (% share of GDP)**

	Total investment 2000 2005 2010			Public investment 2000 2005 2010			Business investment 2000 2005 2010		
EU- 27	20.6	19.9	18.5	2.3	2.2	2.7	18.4	17.8	15.9
Italy	20.3	20.7	19.5	2.3	2.4	2.1	18.0	18.4	17.4

Source: Eurostat

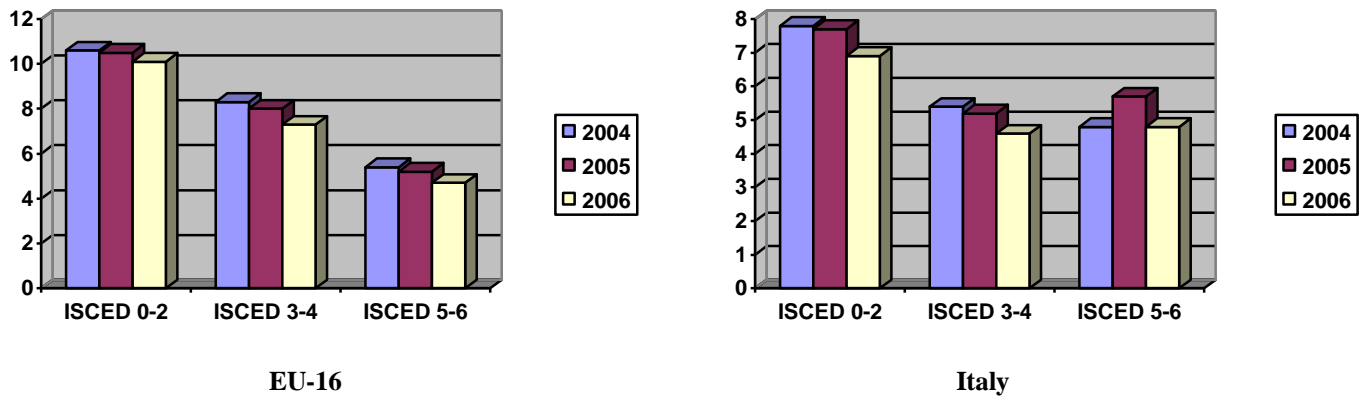
### **3.2.2 Required qualifications in the labour market and unequal opportunities**

#### **Unemployment rates in total, by level of education and age group**

As concerns the unemployment rates of the population aged 25-64 by level of education in 2000, we have concluded that the higher the educational level is, the fewer the rates of unemployment are. In this section I want to examine if there has

been any change regarding the above after the implementation of the Lisbon Strategy; thus, I examine the 2004-06 period.

**Graph 5: Unemployment rates of the population aged 25-64 by level of education for the 2004-2006 period**

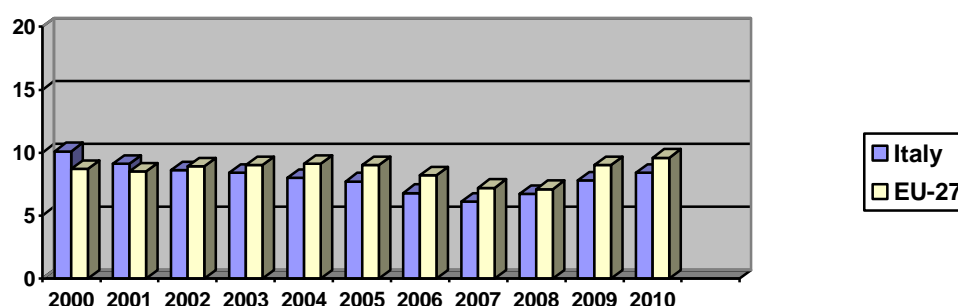


Source: Eurostat

Looking at graph 5 it can be seen that even educational ISCED 0-2 level is always threatened mostly by unemployment, nevertheless, in 2005 and 2006, the proportions of unemployment related to ISCED 5-6 level are higher than ISCED 3-4 level. Based on the above phenomenon, one may hypothesize that the monopoly of the micro sized firms with the combination of the augmentation of the tertiary's education enrolment had as a result, the raise of graduates of ISCED 5-6 levels within a labour market where high qualifications are not required.

Furthermore, the following unemployment statistics are referred to the decade after the introduction of the Lisbon Agenda process, 2000- 2010 presenting all 27- EU Member States and Italy. Italy like Greece stopped meeting a decline of unemployment rates only after 2008 (the year when the phenomenon of the economic crisis appeared). However, Italy has a great difference with Greece; the Greek unemployment rates have been above the EU- average in contrast to the Italian unemployment rates which seem to meet a stable decrease every year for the 2000- 2007 period. It can be said that Italy, before crisis, was one of the Member States of the European Union which was increasing employment opportunities.

**Graph 6: unemployment rates**



Source: Eurostat

However, let us examine which group of age and educational level the unemployment rates reach the most. As it has already been seen in the previous section, where the function of the Italian labour market before the introduction of the Lisbon Strategy 2000 was analysed, the young graduates of the highest level of education used to face the greater problems of unemployment. Thus, by presenting the data of the 2005-06 periods, I aim at examining the above phenomenon after the implementation of the Lisbon Strategy.

**Table 45: Unemployment rates by age and highest level of education attained (%) in EU-12 and Italy**

**EU 12**

2006			
Ages	ISCED 0-2	ISCED 3-4	ISCED 5-6
25-29	15.4	8.8	7.1
30-34	12.2	7.1	4.6
35-39	10.3	6.3	3.7
40-59	8	6.3	3.4

**Italy**

2006			
Ages	ISCED 0-2	ISCED 3-4	ISCED 5-6
25-29	12.7	9.5	16.8
30-34	9.2	6	7.6
35-39	7.8	4.2	3.5
40-59	5.4	2.7	1.2

Source: Eurostat

Consequently, two tables referred to the EU-12 and Italy divided by age groups and ISCED levels are presented. By looking at the proportions in table 45, it can be assumed that, same as the 1998 period, the group meeting the highest unemployment rates is the 25-29 one, with ISCED 5-6. Once again the Italian proportions are extremely deviated by the EU-12 proportions related to the same group category. Also the rates of ISCED 5-6 are minimised as the age group becomes older. One may hypothesize that, same as before, youth is not encouraged to follow an educational path, especially when adolescents come from financially weak families. Youth with ISCED 0-2 and 3-4 have greater chances to find a job until their thirties.

In conclusion, in Italy one of the top requirements for employment in the market is the need of previous working experience; the Italian model does not really encourage youth career development. On the contrary, the entrance of the young people in the market is a long term process creating unemployment. Bifulco, Monteleone, Mozzana and Rolfini by analysing Italy's education system note that (2010: p: 28): *“Given that education, economic development and employment policies have a tradition of separation rather than integration, the widespread use of atypical contracts for the young and the international economic crisis risk transforming in the Italian context the “credit crunch” into a “youth crunch”, or into a real and proper instrument for mincing the young”*.

### **Gender inequality in the labour market: improvement of unemployment's gap between genders**

As we have already seen, Italy is characterised by the traditional male bread winner model placing the rates of females' unemployment, especially regarding the Southern Italy, at a high level. Maybe the area of Milan nowadays meets great business development and there is better equality between sexes, however the slow progress of the South does not allow serious improvement. This inequality is encouraged mainly by the lack of government's care to establish free kindergartens for the children of the female employees.

Regarding the following tables concerning unemployment rates by gender for the 2001- 2007 periods, I would like to examine the level of improvement of the gender

inequality in the labour force as one of the main goals of the Lisbon Strategy 2000 has been the encouragement of women to participate in the labour market.

**Table 46: Unemployment rates by gender: females**

	2001	2002	2003	2004	2005	2006	2007
EU-12	8.5	8.7	9.0	9.2	9.1	8.7	7.9
Italy	12.1	11.4	11.3	10.5	10.1	8.8	7.9

**Table 47: Unemployment rates by gender: males**

	2001	2002	2003	2004	2005	2006	2007
EU-12	6.5	6.9	7.4	7.6	7.7	7.2	6.5
Italy	6.9	6.5	6.5	6.4	6.2	5.4	4.9

Source: Eurostat

**Table 48: Gap between gender unemployment rates based on the above statistics:**

2001	2002	2003	2004	2005	2006	2007
5.2	4.9	4.8	4.1	3.9	3.4	3

Thus, by having the tables 46 and 47, two remarks can be highlighted. First of all, same as the examined period 1995-2000, the proportions of females' unemployment in Italy are above the EU-12, even after the implementation of the Lisbon Strategy. However, the distance between them is minimised each year until the 2006-07 period where both rates of unemployment look the same. The above shows that there has been an improvement in unemployment rates concerning females, nevertheless this improvement does not deal with gender equality, but it is related to the reduction of the Italian unemployment rates in general. The proof of improvement of gender inequality comes as a result of the table 48 where the gaps between female and male unemployment rates for the 2001-07 period are presented. The diminution of the difference between the two is obvious; however the phenomenon of inequality of the two genders in the working field still remains.



## Conclusion

Italy used to be characterized by a weak internal co-ordination of the state organs with a strong clientelistic role and a highly fragmented system. Starting with the idea of Europeanization (came into force by Law no. 59/1997) even though difficulties have been met, Italy has been positive to some European reforms. The reform of privatization of the public sector did not probably bring the results for which it was initially made for, however it came into force for the growth of economy in Italy. The goal of the micro-businesses empowerment has not been reached (mostly Southern regions), but the area of Milan met development because of new investments. The level of strength of the Italian market played a serious role to its ability or incapability to follow the Lisbon's Strategy 2000.

At this stage, it has to be highlighted that Italy is characterized by the strong North and poor South. The Southern area is the problematic part of Italy and meets greater difficulties in following Lisbon's guidelines; its market is composed by micro-sized businesses usually family owned without a serious interest in training investments, often low job quality with poor working conditions. In the above area, the phenomenon of the "*underground*" economy, where a serious number of irregular workers are used, is often met (Forleo, Governatori, Monaldi and Montedoro: 2008). The difference among the two geographical parts made the five benchmarks much more difficult to be achieved. In fact, Italy seems to get a low position in Lisbon's ranking because of its Southern regions; the outcomes of the benchmarks present two dissimilar levels of score achievements. Since the problematic area of the country is the South, it seems that unilateral investments in the North cannot bring progress in the country's economy.

The micro business monopoly in the Italian labour market has not changed even after the implementation of the Lisbon Agenda. The small- sized firms used flexibility for establishing poor quality working condition, such as short-term low paid jobs. Candidates and especially young graduates are usually forced to comprise with a job lower to their skills or diplomas because of the great difficulty in finding a job. *"This model includes countries with an underdeveloped corporative welfare state, which never established a complete system of protection from the risks of a developed*

*industrial economy, above all, the risk of becoming unemployed”* (Rangone and Solari: 2010b: p.4).

Additionally, Italy tends to be characterised by low cost of labour (low wages) in order to benefit from international production opening, even if this leads to low social expenditures; temporary labour, flexible employment and unemployment turn into sources of complexity for growth (Rangone and Solari: 2010a). A problematic mark in Italy’s market is that national product specialisation is focused on traditional goods, even nowadays, meaning that certified skills are not given great importance (Rangone and Solari: 2010b).

Furthermore, in the Italian labour market, such as in the Greek, working experience comes first. Taking into consideration the proportions of unemployment before and after the implementation of the Lisbon 2000, the same conclusions came out. Youth, especially the highly qualified, meet the highest unemployment rates in the labour market. The top priority of the Italian market is the already working experience of the candidate. The above phenomenon comes against the encouragement of students to continue further education as the Lisbon Strategy 2000 aimed.

Another vital element is the fact that in Italy, there is an institutional distinction between the vocational training and the general educational system as the responsible body of the second is the Italian Ministry of Education in contrast to the first where we meet the regional governments. Some times Italian regions meet dissimilarities regarding the education and training policy they use, to take an example, the way they set their priorities. After Lisbon, training programmes for workers and seniors, guidance of pathway for pupils and local centers for adult learning, were created. However, the improvement of the labour’s market economy has been slow, meeting complexities in the adoption of the Lisbon’s guidelines, because of the great inequality of Italian regions and its regionalized system which makes the state’s coordination, under the EU perspectives, a difficult case. One may argue that regional involvement in decision- making causes confusion to the centre and it is too complicate to be administrated. However, regionalization aims at the best service of regions and localities and it encourages social dialogue. Moreover, as it has been seen social partners play a crucial role of influence in the education and training decision-

making in Italy in contrast to Greece; they are involved in the content, the co-ordination and the provision of training.

As concerns the gender inequality which used to exist before the implementation of the Lisbon Strategy 2000 because of the domination of the male bread winner model in the Italian context, change has occurred. By examining the gaps between unemployment for women and men at the same periods of 1995-2007, there has been an improvement. According to the unemployment proportions the gap was decreased almost to the half; however it still remains. One may maintain that the change happened could not rely on the Lisbon's Strategy initiatives concerning gender equality, as the diminution of the gap between genders started in 2000. The effectiveness of the Lisbon's actions could not yet be seen. Progress is not necessarily the result of international policy but also the result of national revolution. The level of the Lisbon's effectiveness cannot be measured at this point.

Moving on to the structure of the educational framework, Italy seems to direct their youth to a more market-led path than Greece. Apprenticeships are important to the function of the educational and training Italian system. Also, based on the Lisbon Agenda emphasis was given to the orientation of disciplines such as maths and science by creating the Scientific Degree Project (PLS).

The Lisbon's requirements were distant to the Italian education and training structure. It seems that the international policy impact did not affect the national education and training policy of the country. The changes occurred mostly look as results of national needs for revolution and not necessarily results of the Lisbon's requirements. The country followed its independent pathway.

## COMPARATIVE CONCLUSIONS OF THE SECOND PART

After having completed the second part of the thesis I aim at comparing the characteristics which influence the function of the Greek and Italian educational and training system and concluding about the differences met within the two countries. I have chosen to divide the key characteristics within the three systemic levels of the theoretical framework of Nieuwenhuis and Shapiro as I do in both chapters of the second part. Thus, I present the major differences or similarities of the two countries at the political, institutional and organizational level in combination to the guidelines of the Lisbon Strategy 2000. At this point I would like to mention that in this section I mainly focus on comparisons between the two countries and not on the differences occurred after the implementation of the Lisbon Strategy or the level of its influence within the domestic contexts as the above are analysed in the general conclusions.

### **Political framework:**

**The type of domestic decision making: decentralization more democratic, centralization quicker**

The use of the coordinative European tool OMC met great criticism by the academics because of its non-binding role and the political complexity caused by its distant recommendations to the olive zone. As Zeitlin (in Heidenreich and Zeitlin: 2009) argues, the influence of the Open Method of Coordination process on national employment and social reforms, is to a degree related to the constitutional structure of the state (centralised/ decentralized), to the country's institutional and political circumstances, to the public's impression about the EU's necessity and importance and to the level of "*fit or misfit*" of the domestic policies with the European guidelines and directives.

The two systems, Greek and Italian, present dissimilarities at this stage; Greece is characterized by a highly centralized system in contrast to Italy where regions authority is involved in the decision making. Taking into consideration that the OMC evaluates the position of the Member States without any systemic involvement of regional and local authorities, serious difficulties caused to the decentralized

structures can be estimated. A decentralized system, based on the regions authorities' decision-making is much harder to be organized regarding the OMC central process. To give an example, Italy does not apply to a particular structure of a National Qualification Framework because "*regional autonomy influences the certification of professional qualifications*" (Refernet Italy: 2009: p.83) and there is no definition of common criteria of the certification standards.

However, Italy has tried to adopt the European guidelines within its system by giving regional authorities the power to implement training programmes (problems met as there is no definition of common criteria of certification standards). At this point one may hypothesize that the European policy can be implemented better in Greece than in Italy because of its highly centralized system. Nevertheless, by analyzing the Greek system I came to the conclusion that decentralization is not necessarily a problem for the EU policies.

None can tell that regional coordination is easier and quicker than centralized decision making; however there is an important element which has to be taken into account, the social dialogue. Collected power to the central authority leads to less transparency and maybe to a greater difficulty in implementing the EU policy (some political parties work against Europeanization). On the contrary, decentralization keeps the social dialogue alive by the creation of a continuous dialogue among the social actors and the centre. The social dialogue is referred to consultations and negotiations among the center and organizations representing the regions; it involves social partners, a fact which is missing in the centralized decision making. Regional authorities are the most suitable bodies which can discuss the fundamental issues and needs of each regional department. In this way the system can be assessed more transparently giving importance to the needs of localities and bargaining for their problems. The strong communication between regions and the centre can empower democracy making actors feel important to the decision making process without having great difficulties of understanding the EU guidelines. Nevertheless, one may conclude that the Italian system functions to that direction because of the great influence and the active participation of the social partners in the content, the co-ordination, and the provision of training; especially of the continuing vocational training on the contrary to Greece where social partners do not play a crucial role.

## **Institutional framework:**

### **Italian market-led and Greek school-led system**

As concerns the field of education both examined Member States are related to the Mixed Market Economies which such as the French state-regulated bureaucratic model meet distinction among the general and the vocational training, placing apprenticeship in a less desirable position than school-based pathway. That type of educational system is characterized by a strong central control and the Central Ministries are responsible for the planning of the educational provision (administrative and budgetary control). However, the Italian system differs, as the responsible body for the general education is the Ministry of Education in contrast to the vocational training which applies to the authority of the regions. Additionally, in France and Greece, the theoretical knowledge contributes to a better status of the individual in the society, encouraging generalists to reach high levels of career; nevertheless, even Italy is a country mainly education-led and centred on school, it is not regulated by the state, but it is market-led. Thus, the Italian education and training system can be characterised more “competence-based” than the Greek one and the type of education (general or vocational) does not play a determinative role for the level of their professional career as Italian managers often come by a background based on technical institutions.

Additionally, Italy aims at the creation of links between the education and the labour market. The involvement of the social partners in training activities (especially in the continuing training) has been always vital however, after the 2003 educational reform their involvement in apprenticeship was increased. On the contrary, apprenticeship does not exist in the Greek educational context and social actors do not have any strength. At this step it is seen that Italy is more flexible to the requirements of the Lisbon 2000 concerning vocational education than Greece as it is appreciated better in the labour market.

### **Stronger encouragement of higher qualifications in Italy than in Greece**

Furthermore, after examining the monthly wages according to the educational level in Greece I have concluded that qualifications do not provide major earnings. The wage difference among the 0-2 and 5-7 educational level is the lowest in comparison to the rest of the olive zone. According to the above I came to the conclusion that in Greece knowledge is not appreciated in practice but it is only used to matter as a prestige (see chapter IV). Quite opposite, Italy presented a profile of a country which appreciates the qualifications increase (see chapter V). The higher level of education met a respectful augmentation of wage. In conclusion, the shorter gap of wage between educational levels brings less encouragement for further knowledge; on the contrary, the bigger gap of wage between educational levels brings higher encouragement for further knowledge. The second case applies better to the Lisbon's targets as the increase of knowledge and qualifications are crucial to its context; once again Italy seems to approach better the profile of the European socio-economic model which encourages further education. Nevertheless, there is a particularity in the Italian case. Italy is characterised by strong difference between the North and South regarding the outcomes of the five benchmarks of the Lisbon Strategy 2000. Further knowledge is not encouraged at the same level in the Southern and Northern regions. The geographical department of the South is rather problematic, the "*black spot*" when it comes to ranking, because it places Italy below the average of the EU. It seems the Southern regions which are defined by the higher number of micro businesses have great issues of early school leavers, low achievers, less lifelong learning participation and generally the outcomes of education and training attendance are poor in comparison to the North.

### **Organizational framework:**

#### **Majority of micro businesses and no training need even after the implementation of the Lisbon 2000**

The Lisbon Strategy presented a flexible competence- based model able to compete worldwide and create better job opportunities. However, the Southern zone of the European Union and more precisely, my case studies (Greece and Italy) are countries

composed by family- owned companies without any experience of great competitiveness and openness in the market. The characteristics of the EU socio-economic model come against the market situation of Greece and Italy as they apply to highly developed businesses. In countries characterised by a highly proportion of micro businesses the EU flexible model has been used for the creation of low paid short-term contracts without giving any importance to training opportunities as small sized companies are not considered competitive and their needs differ. So, it can be concluded that the Lisbon Strategy, may have aimed at the improvement of the economy, but it did not take into serious consideration the great variety of its Member States, having as a result the creation of complexities within the countries which did not fit with the EU policy. The Greek and Italian markets have not been ready to follow the above socio-economic model because of lack of experience and recourses. One may argue that the EU socio-economic model fits better to the Anglo- Saxon model. When a policy is referred to strong enterprises with great authority, it is too ambitious to expect small non competitive firms to follow it. In any case the proposed European model does not approach the Southern model; however, some literature argues that the European model of capitalism supported by the Lisbon process could not cause problems by itself if the Southern model of capitalism did not have stability problems (Amable and Lung: 2008).

Furthermore, the high unemployment rates and the poor working conditions, especially for young graduates, led to the preference of the public sector which offers stability. Thus, regarding the above it can be hypothesised that Greeks and Italians prefer to become generalists in order to get to the public sector as the private one is uncertain and no opportunities of development are given.

Looking at the comparative results of Greece and Italy, it can be argued that they may share some general and principal similarities, but their structure and national policy differs. Perhaps it is not that safe to talk about the common Southern model as there are dissimilarities between them, even though, both educational and training systems face difficulties to follow the EU guidelines. Moreover, a serious fact is the minor effect of the Lisbon Strategy 2000 within the borders of the two countries, but this will be analysed in the following final conclusions. In short, it can be assumed that the level of the European influence possibly varies depending on the structure and attitude



of each Member State. Additionally, changes may occur as a part of the domestic agenda and not necessarily because of the European directives (Rubery, Bosch and Lehndorff: 2008). The European reforms relied on areas which in any case had to be considered by states for the development of their competitiveness.

## GENERAL CONCLUSIONS

Even though Europeanization brought new opportunities to the Member States of the Union, such as transparency of qualifications within it, it also required new conditions in their function. Nowadays, the policy which is followed in the domestic context applies to two different levels, the national and the international one. Although each Member State has to deal individually with the management of the educational and training activities, the principal target should rely on the European Community's requirements. The structure of the proposed socio-economic model very often varies from the structure of the domestic one. The question is if balance can be achieved without causing any domestic political confusion when there is a strong gap between the national and international socio-economic model as it is applied to my case. The European ranking for the reach of the five benchmarks of the Lisbon's Strategy 2000 gave even more emphasis on the categorization of the Member States to strong and poor performers by identifying the olive belt countries, Greece, Italy, Spain and Portugal, to the later case. Their educational and training activities have always been weak and the achievement of the European targets required great modifications in their function. On the one side, the role of the European Union seems extremely complicated and decision-making is difficult to be taken in a European arena composed by different profiles, and on the other side, the profile of the olive zone is very distant with the Lisbon's requirements concerning educational and training policies putting pressure for reforms.

Additionally, the above gap creates queries related to the variables which provoke complexities in Greece and Italy to follow the Lisbon's guidelines. Taking into consideration the ranking and scores of the EU-27 in 2008, Greece was placed in the 23rd position and Italy in the 24<sup>th</sup> in the Lisbon's review table (World Economic Forum: 2010). It is obvious that both countries met difficulties with the Lisbon Agenda and there were or still are some characteristics in their structure which did not let them keep up with the European policy.

As it has been seen in the second chapter, the variables which influence the dynamic of the educational and training systems mainly rely on the types of governance, central or regional authority, on the institutions and the training offered, and on the

qualifications required in the labour market. According to my theoretical framework the above fields interact and great importance in my case plays the relationship of qualifications required in the labour market with the structure of the educational model followed within the country. The examination of the above variables led me to the national characteristics which provoke difficulties in the implementation of the Lisbon Strategy 2000 and to the conclusions about the level of fit or misfit of the European guidelines within the Greek and Italian borders. Thus, after taking into consideration the national characteristics it is questionable in what degree the adoption of the Lisbon's strategy guidelines was permitted.

The main target of my thesis has been the examination of the national- international relationship, the level of influence which the second can have to the first and the reason of a possible change,- if it is the consequence of the external factor of the European Union or the result of the country's progress. I solely examine the above as concerns the educational and training field and I have isolated the geographical parts of Greece and Italy. Results would be different regarding other fields of research or other geographical areas.

A combination of three theoretical approaches has been used as a starting point for the analysis to the above. The "*Inter- national*" analysis by Maurice (1989) focusing on the internal actors which influence the society's structure, enriched by the "*Three Systemic Level*" by Nieuwenhuis and Shapiro (in Descy and Tessaring: 2004) who categorised these actors according to their impact on the national vocational education and training system, -both analyses aim at the specification of the variables which influence the function of the national systems and in my case provoking complexities to the adoption of the Lisbon's guidelines-, and lastly, the approach of Trubek D. M. and Trubek L. G. (in Zeitlin and Pochet with Magnusson: 2005) which focuses on the impact of an external factor - the EU policy- at a national level, by proposing the examination of the EU mechanism of policy change and look at the identification of the European's strategy and its fit or misfit within the Greek and Italian borders.

My combined theoretical framework focuses on the five levels of practices within the national system for possible policy change relying on methods of experimentation of policy networks, deliberation, discursive diffusion, shaming and monitoring. Those

five levels contributed to the examination of the level of change which happened within the Greek and Italian training systems by focusing on the three frameworks of the political, institutional and organizational contexts divided into two periods; the period before and after the implementation of the Lisbon Strategy 2000. However, as my theoretical approaches argue, change cannot occur only in one field without affecting the rest of the society's body; all levels interact and their structure is defined by the structure of the others. The educational reform can be difficult without the fundamental reform of the labour market at the same time. A hypothesis which has been made in the main introduction was related to the above; the olive zone meets difficulties of change because its labour market remains the same, a fact which has an explanation as both countries keep defined by micro businesses, reality against the competitive European model, further analysis will take place later on.

The conclusions on the level of domestic change related to educational and training policies after the implementation of the Lisbon Strategy 2000 are presented below taking as a parameter those characteristics which influence the function of the Greek and Italian educational and training system. I also divide the variables into two levels: the international including the European Union's policy (section 1) and the national including the domestic policy of the two countries (section 2). Moreover, the third section gives an overview of the five level mechanism for possible policy change in relation to the main outcomes rely on the olive belt. Moving on to the fourth section a possible plan for socio-economic growth is presented and lastly, I conclude on the relationship among the international and national policy (fifth section).

### **1. The European Community's policy: Tools which have been used for the implementation of the Lisbon Strategy 2000**

The European Community mainly uses two European instruments; the Open Method of Coordination (coordinative role) and the European Structural fund (financial support) for the implementation of its policies; analysis in chapter III.

## **The malfunction of the best practices approach of the OMC**

Additionally, without taking into consideration the country's system of governance, centralized or decentralized model, I will refer to the theory of the Open Method of Coordination to work as a "*radar*", mentioned in chapter III, aiming at the best practices problem-solving approach. I would maintain that the strategy of the best practices is a top-down approach causing confusion in the olive belt. Adopting of the best practices, -meaning the poor performers to follow the strategic plan used by the best performers of the Lisbon Strategy-, can lead to two different outcomes. The first is the obvious division of the Member States; poor and strong performers translated as poor and strong players in the European arena creating a non harmonized cooperation between them. A unity has to work as one body; otherwise conflicts between Member States will occur. Moving on to the second outcome, as it has been mentioned in my theoretical framework (chapter I), the educational systems are defined by heterogeneous structures and their behaviour interlink with the labour market and the legislation of a country. Thus, copying of the best policy could not work for the olive zone. The Greek and Italian labour markets are defined by micro businesses ignoring qualifications' development (chapter IV and V). Students are not encouraged to continue education as further knowledge is not required in the labour market. A situation like the above cannot be overcome by the adoption of a strategy applied to the competitive and qualifications' needed economies. The theory of the top-bottom strategy was risky and catastrophic for the olive belt economy.

### **Level of EU monitoring: poor national management of financial contributions**

Countries belonging to the olive belt area receive greater financial support than the others via the European Structural Fund (financial European tool analysed in chapter III), thus one can be led to the hypothesis that the Southern countries, Greece and Italy could catch up with the level of performance of the rest of the EU and be prepared to the requirements of the Lisbon Strategy 2000. However, the effectiveness of the ESF tool is doubtful to academics as it seems to lack a tense monitoring. It is well known that the olive belt is characterised by poor domestic organization; as it has been seen the managerial structure of Greece and Italy lack transparency and discipline (chapters IV and V). The financial European tool is not meant to help for a

change to the organizational structure of the country, but it solely provides the funds for development. Thus, each Member State uses its own way to cope with the management of its financial resources; the particularity of the Greek and Italian system relies on the poor organization of the government's mechanism as various interests are served by trying to earn subsidies or favours. Consequently, initiatives taken according to the unchanged state's domestic strategy would also end up to no progress. The European Union should probably have been stricter by running intense monitoring projects for the constant checking of the domestic educational and training activities. The existent gaps between the European Member States cannot be minimised by receiving the greater financial support, but with the identification of the necessary changes within the structure of the system which is needed. If the state's budget cannot be handled in the proper way the use of subsidies would remain ineffective.

## **2. Greek and Italian educational and training policies in comparison to the Lisbon's Strategy 2000 guidelines and the level of change**

The proposed socio-economic model of the Lisbon Strategy 2000 was defined by flexibility and competitiveness for a dynamic global European economy. Nevertheless, the expectations of this model cannot be reached by all the Member States of the European Union, creating a "*black list*" of the countries which kept European ranking far behind the achievement of the Lisbon's benchmarks. Some educational and training systems approach better the EU expectations. So, the misfit or fit of the EU requirements at a domestic level play a crucial role for the level of their performance. In what follows I present the key variables related to the function of the Greek and Italian educational and training system and I conclude on the level of change after the implementation of the international policy- the Lisbon Strategy 2000.

### **Highly proportion of micro sized businesses**

As it has been presented in the chapter V, Italy by implementing the law of privatization (decree no. 469 following article I of Law no. 59/1997) met great development in its northern area, especially in Milan, in comparison to the southern regions which lack competences. The privatization of various public services had as a

result the increase of investment in the private sector. However, the problematic part of the majority of the micro businesses did not seem to be reduced as solely the already big companies and big organizations profit of this reform. In both countries, the high proportion of small sized and family-owned businesses having as a result the no need of highly- qualified employees. It seems that firms' owners handle everything by themselves even though they are not specialists of all the parts of the job; training is considered as a waste of time and money.

The high number of family led businesses installed continuing training almost unknown, especially in the Greek society. There is low level of the necessity of skills in the Greek and in the Italian labour market; the only exception is Milan in the Northern Italy where the privatization law brought investment and development as it was mentioned. The above leads to the conclusion that since semi and low qualified workers were needed the most, without any serious appreciation of high qualifications in the Greek and Italian market, future employees were not interested in getting involved in educational activities, such as higher education attendance, but, on the contrary, there have been high proportions of early school leavers which comes against the aims of the Lisbon Strategy. After examining the organizational framework of both countries (chapters IV and V) I have noticed that the size of micro businesses remained equally high even after the implementation of the Lisbon Strategy. It seems that the needs of the Greek and Italian labour market are the same before and after 2000 as its structure have met no serious change. At this point I would like to highlight that the structure of the labour market is highly connected to the educational level of the country. While the conditions of the labour market, - as concerns the firms' size-, have not be modernized the qualifications which are demanded remain also the same. However, change has to come in both fields; a modernised labour market is connected to the knowledge innovation. These two fields, education-labour market react as one; the level of knowledge is needed for a job determinates the level of educational attendance of youth. In this part the international policy has not influenced the structure of the national policy and the needs of the labour market remained at the same levels for both countries.

### **Lack of opportunities to the young graduates, increase of uncertain jobs and better image of public sector**

In Greece and Italy the young graduates have serious difficulties in finding a long-term employment and being professionally developed. As it has been mentioned, the high number of micro businesses requires semi-skilled and low qualified workers having as a result candidates with educational 5-6 level to be considered over-qualified. The Lisbon Strategy implemented competitiveness and flexibility in the labour market by encouraging the short term contracts, however the olive zone is characterized by a long transition from school to the labour market as the working experience plays the major role in order to get a job; thus employers without having enough time for possible training to the new employees prefer seniors who already have experience on the job. Encouragement of youth career development is not really applied to the olive zone. Even though the Lisbon Strategy 2000 aimed at encouraging the young graduates to get involved in the training market, the flexible conditions of the socio-economic European model did not apply to the labour's market situation of Greece and Italy. Both countries, by having as a priority the requirement of previous working experience, isolated young graduates and forced them to get involved in low paid jobs unrelated to their field of education in order to face unemployment. The Lisbon's socio-economic model by bringing short term contracts, part-time jobs and flexibility in the labour market caused negative results to the career of the youth in Greece and Italy.

After comparing the two periods before and after 2000 in both countries I came to the conclusion, that the group of young graduates with the highest educational attendance (ages of 25-29), was and is the group with the highest proportions of unemployment. The structure of both societies comes against the Lisbon's guidelines which fit better to societies which give opportunities to young qualified people. Thus, the characteristics of the European socio- economic model met great difficulties to be adopted by the inexperienced labour market which was not interested in training activities. Additionally, by considering their dissimilarities one may say that the Lisbon Strategy does not apply at all to the southern economies. However, the British context of the Liberal Market economies (chapter II) seems to be encouraged by the Lisbon's Strategy guidelines. As concerns the two countries Greece and Italy my



concluding remarks argue that they both deal with a situation of transition, meaning that they are characterised by major instabilities in the development of the education and training because of their weak national economies; there is confusion about the orientation of occupations and flexibility is taken as a continuous adjustment. The increase of uncertain jobs entails the raise of the lower entry wages in the labour market causing difficulties of youth dependence. The situation of course has as a result the limitation of career development and no stability or control of professional direction.

The phenomenon of youth unemployment and the uncertain conditions of the working sector having as a result the better image of the public sector which promises permanence and career progression after time. Consequently, it can be hypothesised that Greeks and Italians preferred to become generalists in order to enter the public sector. At last, as it has been mentioned the labour market defines the type of education which is needed to be provided within the society, thus the bureaucratic educational model which both countries used to follow could solely change if the conditions of the labour market change- more analysis about their educational model is followed further on.

### **Gender inequality- the traditional model of the male breadwinner**

Another important element which placed the olive zone in a more disadvantageous position than the rest of the European Union in order for the Lisbon's Strategy guidelines to be reached has been the traditional model of the male breadwinner. It was found that Greece, even today, meets the highest gender inequality concerning the unemployment rates of the two genders in the EU. According to the breadwinner model, males used to support financially the family, providing time and space to females for the raise of the children; education and career development was males' privilege. The Lisbon Strategy 2000 encouraged the role of females in the labour market, however countries as Greece and Italy had to make great efforts for the adoption of the EU requirements as the working conditions for women lack privileges; very often female employees were replaced in case of pregnancy and there was no government's support concerning services for kindergarten or elderly carrying. The above comes against especially the European Employment Strategy

which was focused on the participation of women in the labour market, in the higher education attendance and in the lifelong learning activities. Regarding the field of lifelong learning both countries are characterised by low proportions of participation. At this point it can be argued that the European guidelines serve the Scandinavian model which is female career oriented.

After the introduction of the Lisbon 2000 even though the inequality of gender was minimised and adult training centres were created, both issues of the lifelong learning and the females' participation in the labour market still remain low. If we look at the gap of the unemployment proportions between the male and female Italian population, before and after 2000, improvement is noticed. One may conclude that there has been a change to better results; however, the level of change does not seem strong enough to face gender inequality in the labour market. Coming to an end, the Lisbon's expectations concerning gender inequality and life long learning in both countries is a long term procedure as the domination of the male breadwinner model cannot be reformed within a short time span; it is a tradition followed for decades.

To sum up, concerning the field of labour market both countries have not been familiar with the Lisbon's Strategy proposed socio-economic model. More importantly, the implementation of it did not really respect the consistence of the Greek and Italian labour market and it led to diffusion as they have not been prepared to adopt that kind of approach; the flexible and competitive one. One may note that one of the reasons for which the socio- economic situation of the olive zone is very fragile nowadays is based on its difficulty to follow the requirements of the European Community by causing confusion to its structure. Moving on to the next section, the educational frameworks of the two countries and the level of their reforms after the implementation of the Lisbon Agenda 2000 are presented.

### **Slow progress of the Greek and Italian educational framework**

As concerns the educational reforms which took place in the Greek and Italian systems during the 2000 period, I would argue that not serious changes have happened. However, one thing that it is questionable about its effectiveness according to my theoretical framework,- where education and labour market interact-, is the

Greek educational reform of 1998 which changed the number of entrants in the Universities. The number was doubled after the implementation of the law as the students' enrolment became easier. More students passed the government's exams because the score for the entrance to the Universities became lower. Conversely, the increase number of university students after the 1999 period was tricky for the Greek labour market as its structure,- the micro sized firms-, did not require high qualifications for employment. As it is already mentioned education and labour market are strongly linked to each other. Thus, the above educational change happened without taking into consideration the needs and capabilities of the Greek labour market having as a result, the future increase of unemployment of the young graduates which has been the group suffering by the highest unemployment.

### **3. The theoretical approach of the five level mechanism for possible policy change and the olive belt**

The structure of the second part of my thesis is based on the combination of the three theoretical frameworks of Maurice (1989), Nieuwenhuis and Shapiro (in Descy and Tessaring: 2004) and Trubek D. M. and Trubek L. G. (in Zeitlin and Pochet with Magnusson: 2005). The first two theoretical approaches rely on the internal variables which affect the structure of the national educational and training systems and the last one examines the influence of the European policy within the national borders (see chapter I). By combining the above national and international approaches I came up with the five level mechanism for possible policy change (table 3, chapter I) which focuses on the national reforms influenced by both factors; the national and international structure. At this section I present the way by which the use of the "five level mechanism for policy change" led to the progress of my research. By focusing on the following five steps I was able to examine at what level the international policy (EU mechanism) influenced the national policy of my countries (Greece and Italy). In what follows, I present the theoretical approach in comparison to the main conclusions concerning the education and training systems of the olive belt.

Starting with the first level, the European Union tries to find the most suitable networks for the implementation of its policy within the national education and training context, to give an example, the introduction of the EQF which aims at

linking national qualifications systems to a common European reference framework. The networks constitute the base of the Lisbon Agenda; however, as it is seen, some of them apply better to some countries than others. Moving on to the deliberation of the EU strategies at a national level, the European Community makes the use of the soft legislative tool of coordination (OMC) and the funding tool (ESF) (level 2 of the table 3). Additionally, great role for the implementation of the EU policy plays the domestic decision making which is included in the strategic vision of the political framework of the country. The examination of the second level led to the conclusion that the OMC pays little consideration to the fact that the employment policy is distant to the olive belt and the EU guidelines come against its political agenda. Also the financial support to the olive belt, even though is higher than the other Member States, lacks of coordination and monitoring.

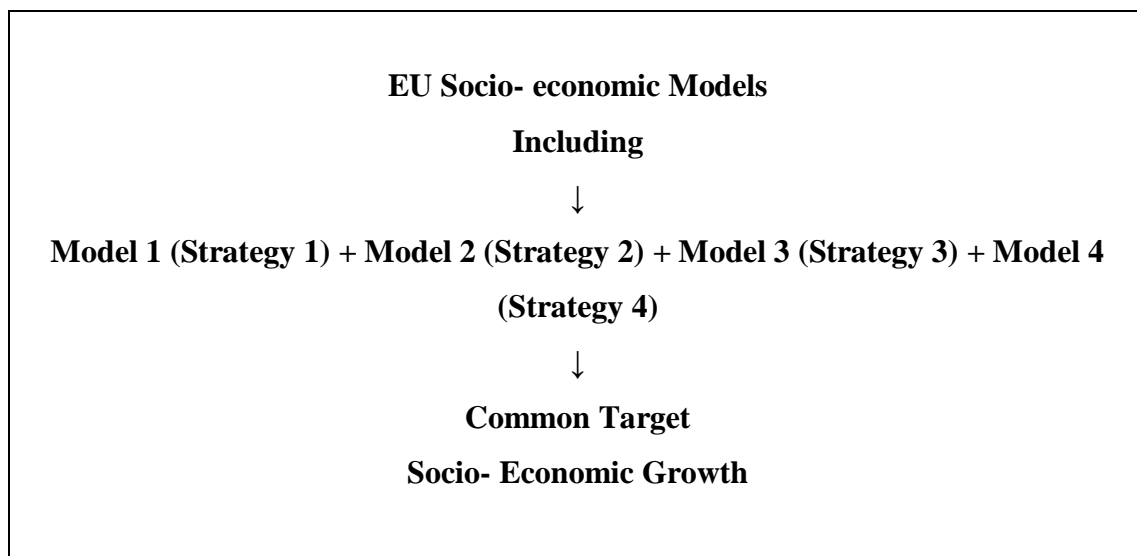
The domestic strategic plan is related to the structure of the internal institutional and organizational framework. The three national frameworks; political, institutional and organization interact. At level 3, the discursive diffusion where the European Union encourages the adoption of the best policies and practices within the national institutional and organizational contexts for the reach of the EU requirements is met. The poor performers can follow the policy used by the strong performers. Nevertheless, by analyzing the educational and training systems of the countries (Greece and Italy) we see that the above caused confusion in the olive belt countries as their socio-economic models are not related to the rest. The top- down strategy could not work as the structure of each country differs and the needs vary.

At level 4 the performance of the above ends up to the ranking of the benchmarks where poor performers are exposed by the naming and shaming policy, creating a bad reputation within the European Community. At this point, one may argue that the poor outcomes of the olive belt are results of the misfit of its domestic policies with the European guidelines; low score should have been expected. Lastly, the monitoring of the activities taken either at an international or at a national level plays crucial role. The olive zone lacks of strong organizational skills and lack of transparency of the government's activities.

#### 4. Possible Plan for socio-economic growth

After the presentation of the above three sections, I move on to the possible plan for socio-economic growth in the European Community. A general conclusion which could apply to every field of research is the strong connection of the three frameworks; political, institutional and organizational. Fundamental change can only happen when the above are modernized simultaneously. Additionally, another element which has to be taken into consideration is the strong differences between the structures of the EU-27; not solely concerning the education and training field. One may argue that the adoption of the best practices seems more than risky. The structure of a society cannot simply change. At this point we may hypothesize that the adoption of a common EU socio-economic model may not bring better results than the creation of three or four different models at an EU level. If more than one strategies according to the needs of the Member States are created, the EU policy may fit better to the olive belt and not only. By making three or four main categories of EU socio-economic models, applied to the majority of the EU-27, the gap of the “misfit” between the national and the international policies could be minimized. Different strategies based on the principal socio-economic structures of the EU-27 can be followed; however all aim at the socio-economic growth.

##### **Possible Plan for socio-economic growth:**



## **5. International and national policy: level of impact**

The dissimilarities found among the socio-economic model of the Lisbon Strategy 2000 and the olive zone may lead to the query by which criteria of the five benchmarks were composed. The analysis of the educational and training systems of the EU-27 for the creation of common targets is not a simple case as each Member State has its own particularities and structure. To take an example, the proven experiment of the Danish government, mentioned in chapter I, argues that each national system requires a special treatment applied to its needs. The coordinative role of the European Union is extremely complicate because of the great heterogeneity of its Member States. It can be maintained that the selection of indicators is vague because each Member State has its own weaknesses. Thus, a question for further research should rely on the applied criteria of choosing indicators for the list of benchmarking. Heterogeneity is not necessarily wrong; however a question for further research concerning the criteria of choosing indicators for the educational and training policies is fundamental.

As it has been examined, both periods before and after the implementation of the Lisbon 2000 do not have any serious changes of progress regarding education and training policies even if various tries for the development of knowledge and training have been made, the characteristics of the variables which influence the function of the societies' structure remained the same. The European Community had financially contributed to both countries for the implementation of educational programmes such as, further education for citizens and workers, trying to encourage training. Nevertheless, Greece and Italy are characterised by micro businesses in the labour market and participation in the above programmes did not contribute any change. The goals of the Lisbon Strategy 2000 did not go with the structure of both societies. The olive belt has its own particularities belonging to the Mixed Market Economies which meet great differences with the rest of the models introduced in the second chapter.

In the Italian and Greek case the term of flexibility can be translated as the increase of uncertain jobs, lower entry wages and temporary contracts leading to a doubtful future especially for young people who mostly face the problem of unemployment. The targets of the Lisbon Strategy 2000 fit better to the Anglo-Saxon model and not to the

socio-economic structure of the olive belt countries. Aiming at answering if the international policy can affect the national one, I would argue that the national change can only happen if the structure of the society meets great reforms in different fields simultaneously as legislation, education and labour market interact. Structural reforms rely on a long term process and it needs a well organized planning according to the needs of the country. When the international plan does not follow the national particularities of the Member State there is a great possibility of failure. New policies require great effort for implementation because the socio-economic model of a country can hardly change.

Additionally, as it has already been mentioned, it is difficult to say when a change is the result of the European policy or an independent internal need which comes over the years within the society. The internal structure of a country changes as time goes by because life is in a continuous progress. In any case, the main issue which should bother both levels of decision-making, international and national, is the assurance of overall quality in the delivery of education and training programmes in the future. Improvement and development for a more competitive Europe is a double job, as both sides (Member States and European Union) have to be democratic and positive to cooperation.

## ANNEXES

### Annex 1: Reforming the Greek labour market: 1997-2005

Sep. 1996:	PASOK, under the leadership of Kostas Simitis, wins general election
Apr. 1997:	Government launches social dialogue ‘on Development, Competitiveness and Employment’
Nov. 1997:	The government and the social partners sign the ‘Confidence Pact towards the Year 2000’
Jan. 1998:	The ‘Papandoniou avengement’ passes through Parliament allowing the management of loss-making state-controlled enterprises to change their code of employment without prior consent from the unions
Aug. 1998:	Papaioannou’s labour market law (2639/98) passes through Parliament. Main provisions: <ul style="list-style-type: none"> <li>• Calculation of working time on a three-and six-month basis based upon union consent</li> <li>• Introduction of TEPs</li> <li>• Improvements in the regulation of ‘atypical’ and part-time employment</li> <li>• Introduction of part-time employment in state-controlled enterprises</li> <li>• Creation of private employment agencies</li> <li>• Medical and pharmaceutical cover for the young (under 29) and long-term unemployed</li> </ul>
Apr. 2000:	PASOK wins general election. Promise for a 40% reduction in unemployment (300,000 new jobs)
July 2000:	Papandoniou calls for a new labour market reform that would be ‘a strong shock’ for the unions
July 2000:	Giannitsis announces consultation with social partners on a new labour market law to be concluded within two months
Sep. 2000:	Giannitsis unveils government plans on labour market reform. Fierce opposition from within PASOK
Nov. 2000:	Minister of Culture, Theodore Pagalos, is sacked after criticizing the government’s handling of the reform process
Dec. 2000:	Giannitsis’s labour market law (2874/00) passes through Parliament. Main provisions: <ul style="list-style-type: none"> <li>• Annualized calculation of working time, based on union consent and linked to a 38-hour week</li> <li>• Substantial increases in the cost of overtime</li> <li>• Small reduction of limits on collective redundancies for medium-sized businesses</li> <li>• Reduction of employers’ national insurance contributions for newly recruited staff</li> <li>• Small increase for the wages of part-time employees (working under four hours a day)</li> </ul>
Mar. 2003:	ND wins general election. Promise for a 30% drop in unemployment (60% employment)
Mar. 2005:	Secretary of ND’s Central Committee, Vaggelis Meimarakis, announces government is ready ‘to break Eggs’ in its pursuit of a three-stage labour market reform



Jul. 2005:	Panagiotopoulos calls for consultation with social partners to begin ‘within twenty-four-hours’ for the revision of Giannitsis’s 2000 labour market law. Unions refuse to attend
Jul. 2005:	Sioufas’s ‘opening hours’ law (3377/05) passes through Parliament. Main provisions: <ul style="list-style-type: none"> <li>• Nationally set framework of opening hours (replacing local agreements) introduced</li> <li>• Opening hours: daily up to 21:00 and Saturdays up to 20:00 (Sunday: closed)</li> </ul>
Aug. 2005:	Panagiotopoulos’s labour market law (3385/05) passes through Parliament. Main provisions: <ul style="list-style-type: none"> <li>• Cost of overtime to revert (nearly) to its pre-2000 levels</li> <li>• The calculation of working time on a four-month basis (with exceptions) based on 40-hour week</li> <li>• Flexibility on working time based on a system of ‘compulsory mediation’ (half way house between union consent and managerial prerogative)</li> <li>• Last-minute amendment allowing small businesses to negotiate ‘individual agreements’ with employees</li> </ul>
Dec. 2005:	Alogoskoufis’s ‘DEKO’ law (3429/05) passes through Parliament. Main provisions: <ul style="list-style-type: none"> <li>• Ending of lifelong security for all new employees (contracts similar to those of the private sector)</li> <li>• New employment codes (within four months) for all loss-making DEKOs (by law, if necessary)</li> <li>• New operational procedures, compatible with international standards on corporate governance</li> <li>• Recruitment for DEKOs floated in the stock exchange no longer subject to ASEP</li> </ul>

Source: Featherstone and Papadimitriou: 2008: p.151-152

## **Annex 2: Major employment policies: 1981- 2001:**

1981
Early retirement pensions (Law no.155)
1984
Solidarity contracts (internal and external – Law no. 863)
Training and employment contracts (Law no. 863)
Part-time work (Law no. 863)
1986
Young entrepreneurship (Law no.44)
1987
Regional Agencies for Employment (run by the Ministry) and partial liberalisation of placement procedures (Law no. 56)
1991/92
Promotion of female employment (Law no. 125/1991 and Law no. 215/1992)
1992/93
Abolition of automatic wage indexing and reform of collective bargaining
1995
Territorial pacts (Law no. 341)
1996
Area contracts (Law no.662)
1997
Temporary work, revision of fixed-term contracts, work fellowships, continuous training (Law no. 196).
Decentralisation of employment services and active labour policies, privatisation of placement functions (Legislative Decree no. 469)
1998-onwards
Yearly National Action Plans for Employment
1999-2001
Revision of part-time and temporary employment contracts as a consequence of EC directives
1999-2001
Promotion of the new economy, social inclusion policies and equal opportunities measures

**Source: Ferrera and Gualmini: 2004: p. 103**

### Annex 3:

**Policy overview: Copenhagen-Maastricht-Helsinki**  
*Some concrete outcomes of the European cooperation in vocational education and training*

Common European tools	Policy objective - contribution to Education and Training 2010	Stage of development (2008)
The European Qualifications Framework (EQF)	EQF contributes to the transparency, comparability and portability of citizens' qualifications. It is a common European reference framework which links countries' qualifications systems together, acting as a translation device to make qualifications more readable and understandable across different countries and systems in Europe.	The Recommendation on the European Qualifications Framework for lifelong learning was signed on 23 April 2008 by the Presidents of the European Parliament and of the Council.  The recommendation invites Member States to relate their qualifications systems to EQF by 2010, and to refer all new qualification certificates, diplomas and Europass documents by 2012 to the appropriate EQF level.
A European Credit system for VET (ECVET)	ECVET aims at facilitating European mobility in VET and access to lifelong learning for young and adult learners. It supports the learners while building individual learning pathways leading to qualifications. It provides a common methodological framework based on units of learning outcomes so as to facilitate transfer of credits between qualifications and VET systems.	The European Commission has finalised its proposal for a recommendation of the European Parliament and of the Council on the establishment of the European Credit system for Vocational Education and Training (ECVET) on 09 April 2008. An agreement on the ECVET recommendation is expected by the end of 2008.
Common Quality Assurance Framework for VET	To promote cooperation on quality assurance in VET between Member States by providing a guarantee for quality assurance in VET. Member States will be encouraged to exchange models and methods in this field.	The European Commission adopted on 9 April 2008 a proposal for the recommendation of the European Parliament and of the Council concerning the establishment of a European Quality Assurance Reference Framework for Vocational Education and Training (EQARF-VET).
A single Community framework for the transparency of qualifications and competences (Europass)	To improve transparency of qualifications and competences which will subsequently facilitate mobility throughout Europe for lifelong learning purposes, thereby contributing to developing quality education and training and facilitating mobility for occupational purposes, both between countries and across sectors.	Adopted by a <a href="#">Decision</a> of the European Parliament and of the Council in December 2004. Europass is implemented in 32 countries. The Europass website, developed by Cedefop, recorded 10 millions visits. 2.5 million CVs were completed online. A first external evaluation, conducted in 2007, concluded that the Europass initiative is achieving its objectives as a mobility tool for citizens and helps them to make their competences and qualifications easier to understand learning contexts and the labour market. The Commission prepared a communication to the Council and the European Parliament.
Common European principles for identification and validation of non-formal and informal learning	Common European principles are necessary to encourage and guide development of high-quality, trustworthy approaches and systems for identification and validation of non-formal and informal learning.	The Education Council has endorsed a set of <a href="#">common European principles</a> for identification and validation of non-formal and informal learning. A European <a href="#">Inventory</a> on validation of non-formal and informal learning has been set up to support implementation of the common principles and to promote mutual learning between European countries. The Cedefop <a href="#">Virtual Community</a> on non-formal learning provides a platform for dissemination of and further exchanges on the common principles and their further development.
Lifelong guidance	Guidance throughout life contributes to achieving the European Union goals of economic development, occupational and geographical mobility and human capital and workforce development. Provision of guidance within the education and training system, and especially in schools or at school level, has an essential role to play in ensuring that individuals' educational and career decisions are firmly based and in assisting them to develop effective self-management of their learning and career paths.	The <a href="#">Resolution</a> adopted by the Council in 2004 invites Member States to examine national guidance provision in education, training and employment. A template for action to support Member States in this process was devised. Additionally, a <a href="#">Career guidance handbook for policymakers</a> was published by the OECD and the Commission in December 2004. It provides common principles and other tools to improve services at national, local and company levels. The European lifelong guidance policy network ELGPN was established in 2007 to assist the Member States and the Commission in moving European cooperation on lifelong guidance forward in both education and the employment sectors. The purpose is to promote cooperation at Member States level on lifelong guidance and to propose appropriate structures and support mechanisms in implementing the priorities identified in the Resolution (2004)
VET statistics	Adequate and consistent data and indicators are the key to understanding what is happening in VET, to strengthening mutual learning, to supporting research and to laying the foundations for evidence-based training policy.	Cooperation is underway between different Commission DGs (EAC, JRC/CRELL and Eurostat) and Community agencies (Cedefop and Eurydice) with the aim of developing a framework for reporting on VET.

Source: Commission of the European Communities: 2008: p.63

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