Collective Action, Business Cleavages and the Politics of Segmentalism
The Reform of Commercial Training in Switzerland

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Segmentalism in dual training systems

**Dual training systems**: prime examples of coordinated capitalism
- Non-market coordination
- Cooperative public-private partnerships

Development “towards a less encompassing, more segmentalist orientation, which is **organized around internal, rather than national, occupational labour markets** and caters increasingly to the specific needs of **large training companies**” (Thelen/Busemeyer 2012: 71)

→ What is the role of small firms and business intermediary associations in today’s dual training systems?
→ If business is divided, whose preferences prevail and why?
→ Development restricted to Germany?
A model of the politics of segmentalism

Business as a divided actor:
- Large firms: High, general skills – control over training (segmentalism)
- Small firms: Certified, occupational skills provided in a strong collective system
- Business intermediary associations: Satisfy members vs. own autonomy

Whose preferences prevail and why?

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<th>Loyalty</th>
<th>Exit</th>
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<td>Exercise of voice</td>
<td>Criticism from within</td>
<td>Proactive exit threat:</td>
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<td>Little influence</td>
<td>Powerful challengers</td>
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<td>Non-exercise of voice</td>
<td>Unable to voice criticism:</td>
<td>Reactive exit: Influence</td>
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<td>No influence</td>
<td>based on others’ perception</td>
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The reform of commercial training in Switzerland

Commercial training: Least-likely case for segmentalism
1) Historically, commercial VET was not business-dominated but governed by association of schools and employees.
2) Business actors are very heterogeneous; small firms and business intermediary associations play an important role.

Setting the reform process in motion
• Historically, domination of commercial training by the schools; no role for firm-based training
• Apprenticeship crisis and increasing pressure on the state
• Reform commission dominated by employers
→ Banks and insurances want segmentalism and are drivers of the reform; SGV joins in order to gain control
The reform of commercial training in Switzerland

**Reform 2003: Collectivization**
- Business-dominated governance structure
- Regulation of firm-based training/inter-company courses
  - Coalition of large and small firms against the schools in order to gain control (collectivization as compromise solution)

**Adjustments 2006: Deregulation**
- Deregulation of firm-based training to reduce business costs
  - Reactive exit of small firms

**Reform 2012: Segmentalization**
- Sector-specific firm-based training
  - Proactive exit threat of the large firms (large firms no longer dependent on coalition with small firms)
Conclusion

Main conflicts

• 2003: Large and small firms vs the schools
  → Collectivization

• 2006: Small firms vs their business intermediary association
  → Deregulation

• 2012: Large firms vs small firms
  → Segmentalization

• Segmentalism is not restricted to Germany. Due to the reforms of commercial training in Switzerland, occupational mobility is today severely restricted along industry lines.
• Small firms (and their BIA) oppose segmentalism, but their ability to halt developments is a function of coalitional dynamics – exit option puts large firms in driver’s seat
Thank you for your attention!