

The workforce reconversion in the crisis of fordism: element of break-up or element of transition?

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Most developed countries face drastic economic restructuring, generating massive job cuts, and the implementation of special schemes for the reconversion of the surplus workforce. Questions about the status of the reconversion process and its link with the general economic and social dynamics can be formulated in the following three ways.

- (1) Is workforce reconversion one of a range of tools for adjustment contributing to the return to equilibrium in a system characterised by wage rigidity? Or is it part of a more specific (i.e., historically based) break with the fordist wage earning relationship and of the fordist model of the big enterprise?
- (2) Is this reconversion process only a partial break with the past? The search for a post-fordist labour organisation may be quite separate from the externalisation of surplus workers; 'forecasting employment management' (*gestion prévisionnelle de l'emploi*) can be seen as replacing management by mass labour reconversions as in the early 1980s. On the other hand, the reconversion schemes can be seen as contributing actively to an incomplete restructuring of the system of labour mobility, a new organisation of internal labour markets and a remodelling of retraining policies.
- (3) Alternatively, an understanding of the links between reconversion and modernity may be derived from the relatively localised and concentrated scope of its action.¹ Some areas with traditional industries have succeeded in managing productive flexibility without using specific labour force reconversion processes (Courault *et al.*, 1990). Conversely, other traditional areas (the steel industry and shipbuilding for example) faced important difficulties and organisational

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¹ It is impossible to give precise statistical data about reconversion. In France, the number of collective dismissals is more than 450,000 each year (to be compared with the 2.8 millions of unemployed people). But all the collective dismissals are not reconversions (occupational and sectoral mobilities) and reconversions do not necessarily follow a dismissal. However, we take here the implicit conception of reconversions as linked to collectively organised mass redundancies. Thus, it is necessary to relativise the extent of this problem. However, the analysis of reconversion processes may give indications about present economic and social changes, especially concerning the new management of mobility and its meaning (all the more that a recent poll of the Banque de France indicates that, in 1992, 35% of the industrial firms are considered to suffer from surplus manpower).

innovations requiring mass redundancies. The question then arises whether the reconversion process is a consequence of the obsolescence of the previous system? Or is it that reconversion schemes are a means of structural change for sectors and areas unable to mobilise organic productive flexibility?¹ Furthermore, it should be asked whether elements of the current structural change and the present reconversion schemes will provide lessons for the restructuring of skills (their 'reconvertibility') necessary for the development of post-tayloristic organisation?

This paper lays stress on reconversion schemes as one particular component of economic and social dynamics. It focuses on two aspects: reconversion as revealing a more general reshaping of the relationship between the State and firms; and as one of the key elements in the changing employment relationship between categories of workers. The analysis is based on the French case but because of the generality of change in labour force organisation in developed countries it raises issues of wider international importance.

1. The redefinition of the modes of intervention of the State and the firms

The problems associated with traditional industries concentrated in particular regions is broadly linked to the crisis of the fordist model of mass production and of public support for this model. A study of French policies of reconversion reveals a reorientation of the relationships between the firm and the State. The origin of this change lies in the competitive decline of tayloristic organisations and their characteristic forms of labour mobility, and the impact of resulting compromises on the growth of structural unemployment (the rate of unemployment is 9.8% in France). It is to be recognised at the outset, however, that experiments with new models of labour organisation have not necessarily emerged from problems arising from work force reconversion. However, an analysis of the reconversion schemes provides a possible way of illustrating the difficulties of transition between two models and the role of firms and the State in this transition.

1.1. The increasing socialisation of labour mobility management: between competition and co-operation

In comparison with other EEC countries, French reconversion policies are conditioned by strong legal and other rules regulating labour mobility (Méhaut and Villeval, 1990; Auer, 1991). In the 1980s, the role of the central government and inter-professional collective bargaining have been critical in the search for workers' 'right to reconversion'. The most obvious contrast is between France and Great Britain where the firms' private policies prevail. In Britain redundancies are cushioned at best by severance payments and there is no retraining requirement. This can be explained by the liberal ideology of the government but also possibly by greater transferability of skills between the firms with consequent lower risks of

¹ Concerning the national systems of mobility, J. J. Silvestre defines three categories of change: mechanical changes (acting at the periphery of the structural reality), organic changes (the existing principles being able to change by themselves) and structural changes (production of new rules linked to the destabilising effect of the crisis on the previous practices) (1986).

downgrading than in France where internal labour markets are more important than occupational labour markets (Marsden, 1990). But France also differs from Germany, where the involvement of the central government is lower. German employment plans focus on the plant level and while possibly supported by Lander, their scope is never widened to include other firms or sectors (Bosch, 1990; Auer, Maier, and Mosley, 1988; Bosch and Villeval, 1992).

Intervention by the State constitutes one traditional source of difference between the fordist wage-earning relationship in France when compared with other EEC countries (Boyer, 1987). During the Golden Age of the fordist system, intervention by the State increased the prevalence of internal labour markets and consequently the position of skilled labour as a 'quasi-fixed factor'. During this period: 'the problems of manpower flow regulation and retraining or labor market organization seemed to be no longer supported by the firm but assigned to the collectivity' (Lacroix and Merle, 1988). Internal labour organisation alone was the responsibility of the firm; the National Agency for Employment (ANPE), the National Fund for Employment (FNE), and the Employment Delegation were responsible for the management of external mobility and unemployment. Thus, the involvement of the State was already important in the 1950s and 1960s in the working of the labour market. In fact, in this period, the public policies of reconversion mainly managed the path from craft-based activities to tayloristic organisations and some movements within and between fordist sectors, by means of wage compensation and retraining (Villeval *et al.* 1990). During the 1970s, with the emergence and the deepening of the economic crisis, the State attempted to counter unemployment by reducing the labour supply by, for example, increasing opportunities for early retirement. This policy was still consistent with the operation of internal labour market and the fordist employment relationship because it left the hard core of the middle-aged workers largely unaffected.

Reconversion at the local level showed similar tendencies. Until the 1970s the intervention of the State was designed mainly to ward off local setbacks in growth by attempting to redirect capital investment rather than by addressing the wider problems of regional development. For the State, it was a matter of replacing declining activities by thriving ones within the wider context of growth and a buoyant labour market and as part of a decentralisation policy targeted at persistent regional inequalities despite macroeconomic expansion. In the 1970s, the growing crisis was initially identified by politicians as a conjunctural phenomenon. Just as early retirement policies were consistent with the prevalence of internal labour markets, the public strategy in the field of local reconversion consisted of reinforcing the existing structure of industry. However, with the decline in the number of jobs, local actions were rapidly reduced to social programmes for the unemployed (Vennin, 1988).

The 1980s have witnessed an increasing socialisation of labour mobility management in ways which indicate a break with the fordist wage-earning relationship. This tendency has taken two forms. One guideline plays more on the competition side of the social division of labour. From 1983, the socialist government abandoned its policy of broadly based assistance and promoted a more selective industrial policy accompanied by an acceleration in the decline of the traditional industries which had previously been subsidised. Within this new strategy the redesign of a 'right to reconversion' (based on incentives for retraining and for the assessment of individual

qualifications) drew its inspiration from the measures implemented in the steel industry. After the failure of national bargaining on flexibility, the State encouraged the social partners in October of 1986 to negotiate a collective agreement on employment covering all skills. This agreement introduced the 'conversion agreement' to provide the basis for inter-occupational mobility. The State then extended such provisions to include employees with two or more years of seniority who were threatened by redundancy. However, the guarantees in this new law were less favourable than those established in the steel industry.¹

This reconversion policy accompanies the dismantling of the 'bastions of fordism' (Boyer, 1987), the acceleration of deindustrialisation and the increasing substitution of capital for labour. These changes in the management of human resources contributed to the adaptation of the productive system to the new worldwide order. It also reshaped internal labour markets and undermined the position of the hard core of middle-aged employees, firstly by means of 'restructuring dismissals', then by new hiring and firing policies by which established workers were replaced by those with higher qualifications constituting 'substitution dismissals' (Ardenti and Vrain, 1988).

The implementation by the State of a right to reconversion could be considered a 'neo-fordist' defensive flexibility linked to an increased freedom of dismissal.² Two elements must qualify this interpretation. On the one hand, the reconversion schemes consist of active institutional mediations contributing to changes in the qualifications of categories of workers and not only their allocation to particular jobs. Further, this policy may have increased the protection of workers dismissed from small and medium-sized businesses who were previously excluded from institutionalised reconversion schemes. Such firms, traditionally with the highest incidence of redundancies, are now required to propose conversion agreements covering collective dismissals. Therefore the new policy is not a return to no protection for the unemployed; rather it tends to transform the traditional right of employment to the right of reconversion, and by doing so helps to establish and reinforce an intermediate status between employment and unemployment.³

Tied to the increased selectivity of the employment policies and the intensification of the management of production, the public policy of reconversion makes a major contribution to new strategies of workforce division and competition. However, at the same time, it relies on socialisation: on the collective organisation of the labour mobility. These policy tendencies have required the incorporation of publicly provided employment services. Kerschen and Nénot (1992) have shown how the role

¹ In the steel industry, 'retraining conversion leaves' were introduced by a collective agreement in 1984. These leaves may last up to 2 years before the break of the labour contract; the employee receives 70% of his wage; the employer must give him two job proposals. In August 1985, a law introduced 'conversion leaves', lasting between 4 and 10 months before the break of the labour contract; but this measure was not successful and concerned only big enterprises (between 1985 and 1987, they concerned 14,329 employees; only 9.8% were signed in firms with less than 50 employees). Then a 1986 interprofessional agreement and a law implemented the 'conversion agreements', lasting up to 5 months; but the break of the labour contract now precedes the retraining and the assessment of the workers' skills and the employer has no obligation concerning the organisation of the reaccess to jobs for redundant employees. In 1990, conversion agreements concerned 40,770 employees; 54% were concluded in firms with less than 50 employees.

² The implementation of the 'conversion agreements' constitutes a certain kind of compromise linked to the withdrawal of the preliminary administrative authorisation for collective dismissals in 1986.

³ During the conversion agreements, the workers are neither employees nor unemployed. Some jurists speak about a 'third status', like Auvergnon (1988).

of unemployment insurance (UNEDIC) has been extended beyond the payment of benefits for the unemployed to providing income for workers in retraining and other reconversion schemes. The timing of the reconversion, whether it is before or after dismissal, affects the distribution of responsibilities between public and private agencies. The possibility of terminating the employment contract, provided for by the 1986 law, allows for the transfer of the financial and organisational burden of reconversion and of re-employment from the firm towards the insurance system and the State. In this manner, the State extends retraining to a greater number of redundant workers but reduces the obligations of the firm. Thus, one must qualify the present trend in labour economics which makes the firm the focus of the management of labour flows as far as the French experience is concerned. There is no return to a purely competitive management of labour mobility. On the other hand, there is no necessary contradiction between an increased institutionalisation of the management of labour flows and the search for increased flexibility in the use of labour at the level of the firm. Jointly, the State acts on the co-operation side of the division of labour.

Public incentives for restructuring the internal labour markets of firms also contribute to the growth of collective forms of mobility management. The State has not confined its activity to the period after which employment is terminated. Firms are encouraged to limit dismissals by means of commitments to vocational training encouraged by tax-credits for training (*contrats d'engagement de développement de la formation*), by preventive retraining agreements (*conventions de formation prévention*) and by incentives for 'bargained modernisation'. The new 1991 policy of the Ministry of Labour aims at encouraging firms to change the organisation of labour as a decisive component of improving the competitiveness of enterprises. The goal is to encourage the development of high-skill organisations ("organisations qualifiantes"; Zarifian, 1991): that means not only organisations with high-skilled workers, but mainly organisations able to produce by themselves higher skills, especially by giving more autonomy to work groups, this autonomy favouring learning processes. This supposes to break away from the tayloristic 'one man/one machine' principle which facilitated the mobilisation of an unskilled labour force. The development of the organisational principle of 'one team/one system of machines' envisions an increased autonomy for workers, the widening of their field of intervention and the introduction of new modes of co-operation between workers and between workers and their employers. Such a strategy requires both more training and more variability in functions (thus, more mobility): what can be described as a '*reconvertibility requirement*'. The public incentives for the development of further vocational training and of high-skill organisations in the firms is designed to contribute to the dynamics of the development of complementarity between work teams and of machines and the increased adaptability of the productive system which relies on the full development of the potential of the workforce rather than concentration on the design of management systems.

Similar tendencies are observable in the reconversion of local areas. During the 1980s, a new logic was promoted, encouraging the restructuring of 'local employment systems', encompassing education, cultural and infrastructural measures. The definition of 15 areas for conversion (*pôles de conversion*) by the government in 1984 was the first step. Because of the low geographic mobility of labour, the most

economically depressed areas were selected in an attempt to generate labour demand to match supply (Outin and Silvera, 1988). Decisions to encourage the setting up of firms are no longer mainly determined by the proximity of local supplies and the existence of local demand. Rather, they depend more on the possibility of connections with other local firms and on the skills of the available labour force. So, the aim of public action is to upgrade the infrastructure to promote education training and retraining, and to encourage technology transfer even if the means of action are not basically renewed (Bellet and Boureille, 1987; Daynac and Millien, 1984).

When the right wing won the elections in 1986, it attacked the principle of local conversion as being too expensive and as having little long-term benefit. Three defined zones (zones d'entreprises) were then established where new plants enjoyed a profit tax exemption for 10 years. The underlying philosophy was that the only way to improve employment was to increase profitability. On its return to power, the socialist government did not cancel this measure but stressed 'redevelopment', based on preventive policies, and a new partnership with the local authorities.

As the division of labour involves both competition and co-operation, the public policies concerning reconversion and reconvertibility must not be seen as the two alternatives. They are directed at different objectives through time and space and their complementarities and contradictions differ according to the strategies of the firms.

1.2. The growing socialisation of mobility promotes reinvestment by the firms in this field

Firms must meet new product market requirements by paying greater attention to innovation and product design, by increasing the flexibility of organisation and production, by diversifying markets and by making greater efforts to anticipate changes in consumption patterns (d'Iribarne, 1990). These changes require a recomposition of job content, new forms of co-operation among workers and new lines of division between the workforce and management. Concerning skills, the new labour processes require from blue collar workers the acquisition of basic technical knowledge as well as competencies in communication and organisation. Multiskilling and rapid retraining is more important than ever and this can be achieved either by the hiring of highly qualified workers or by revalorising internal skills. For this purpose, from 1984, selection for 'substitution dismissals' among blue collar workers has been increasingly based on the potential for skill adaptability rather than on current skills (Ardenti and Vrain, 1988).

More recently there have been two developments. The policy of eliminating surplus employees has increasingly focused on white-collar workers (Burdillat, 1991). Moreover, the limits of the strategy of using the external labour market to restructure the workforce has become more and more clear: informal knowledge is lost as workers are laid off; many qualifications are not available on the labour market, new recruits lack knowledge of former production system and products, the threat of dismissal militates against the development of a 'firm culture', newly hired workers are over-qualified relative to wage and promotion prospects, and so on (Kirsch, 1992). These constraints generate pressure for the internal management of the restructuring of skills. In this respect, continuous vocational training is now more

and more incorporated in the definition of the general economic strategy of the firms (Méhaut, 1988). Whereas Doeringer and Piore (1971) explained internal labour markets by technical needs and the limits to investment in general training at the level of the firm, the contemporary reconstruction of internal labour markets is achieved by greater emphasis on internal retraining for both specific and general skills. This leads to two tentative conclusions.

Firstly, it would be a mistake to suppose that current strategies designed to reconvert the internal labour market involved in the post-fordist reorganisation will avoid mass redundancies and external reconversions. Secondly, the sharing of responsibilities between the State and the firm varies depending on firm size, its capacity for market control, on the convention adopted for labour management and on its 'world of production' (Salais and Storper, 1990; Bessy, 1991). The ability of firms to limit dismissals depends on greater investment in the management of labour mobility. But it would be mistaken to consider that the external labour market/internal labour market route to reconversion corresponds to a division between management by the State *vis-à-vis* management by the firm. It is important to note that the most innovative firms in the management of external reconversion are also extremely active in rebuilding their internal networks of mobility and productive organisation (Podevin, 1989). In some sectors (like steel) the lessons from the management of external reconversions has been fundamental for the building of new internal rules of mobility and flexibility; in these cases, the State has not acted so much as a substitute for the firms but more as a partner.

Similarly, local redevelopment policies cannot be considered solely the concern of the State. Big industrial companies take an active role in the setting up and development of small and medium-sized firms and not only for facilitating the re-employment of their surplus workers. New co-operation networks (both market and non-market) are woven between large firms and the local SMEs to achieve several goals: to reduce skill or age imbalances by exchanges with these SMEs, to encourage the re-employment of dismissed employees, to slow local deindustrialisation, to improve their public image by minimising social disputes and to promote alliances with economic and political forces (Raveyre, 1988). As a result, the structure of the groups is altered: 'the reconstruction of the productive organization of the groups is such that one can begin to detect trends toward a breakdown of hierarchical structures so that it can function as a network. These changes require the working out of new rules for the economic game' (Raveyre, 1990). To the extent that this kind of policy contributes to the reconversion of local areas and of workforces, it constitutes above all a part of the new mode of productive organisation for a renewed economic efficiency (Piore and Sabel, 1984).

1.3. However, a global partnership is difficult to establish

One proposed way out of the present crisis is establishing a regulation mode giving a greater role to collective bargaining and to partnerships within and among firms. The new modes of productive organisation and the new technological paradigm reinforce the need for control, supervision, and optimisation of the system of machines. They require new capacities for co-ordination and prediction in which bargaining plays a new role. Recent legal reconversion schemes aim to strengthen the social dialogue

on economic restructuring by proposing new bi- or tripartite authorities and by developing collective agreements for retraining.

However, bargaining over workforce reconversion and reconvertibility is difficult to establish because professional relationships between employers and unions are rooted in the fordist wage-earning relationship. In France, collective bargaining over reconversion has concentrated mainly on the social aspects of restructuring. The trade unions remain defensive, a posture reinforced by the divisions within the labour movement. One important question is: do they really have a conception of reconversion which differs from that dictated by the market (Rozenblatt, 1990)? Moreover, trade unions have failed to preserve solidarity among plants or to impose a collective process of reconversion. The State established a right to reconversion for employees but only as individuals. External reconversions serve to individualise the employment relationship for the redundant. By contrast, in Germany the works councils have played a major part in negotiating employment plans including retraining and productive diversification schemes, and their aim is to secure a *collective* return of the workers to the plant after retraining. In Sweden, the trade unions have easier access to the industrial dimension of restructuring and they have negotiated, for example, in shipyards, a proportional sharing of job cuts among the yards. However, the unions do not necessarily resist restructurings and may encourage the workers to be mobile if a regular growth of productivity is at stake (Strath, 1987).

Three questions can be asked about the role of collective bargaining in restructuring. How is it possible to bargain if trade unions remain on the fringe of the industrial debate? Is it possible to continue to separately negotiate the conditions of mobilisation, and of demobilisation, of the workforce? Does the growing number of agreements about the social aspects of restructuring increase the capacity of unions to influence the employers' policy or does it merely reinforce the confinement of unions to social issues to the detriment of their participation in the economic debate? Similarly, the firms' vocational training policies are increasingly defined in connection with a broader economic strategy; therefore how can unions involve themselves in the training strategy if they are not involved in defining the wider productive and organisational strategies?

An important weakening of the power of the trade unions stems from the restructuring of their traditional strongholds such as shipyards, iron and steel mills and automotive plants. What, then, are the opportunities for bargaining if the basic structures of trade unionism are being eroded? To what extent can local-level organisation, such as quality circles, put pressure on the broader economic and social strategy?

The general tendency is a movement towards individualisation of bargaining over mobility, skill acquisition and wages. For example, in the 1986 law implementing the conversion agreements, the expression 'economic dismissal' (i.e., collective) is replaced by breaking a labour contract 'on the basis of a common agreement' (i.e., individual). Tensions therefore exist between forces which push social relationship towards pre-fordist 'market' relationships and forces which push production and labour organisations towards post-fordist systems.

Similarly, the co-existence of trends towards a growing worldwide orientation of business and towards a reinvestment in the local areas create new social divisions of

labour and require new modes of co-operation. But the conditions for the inclusion of the most completely restructured areas (previously the bastions of fordism) in this dynamic are not always created. Three elements hinder the redevelopment of the reconversion areas (Vennin, 1988).

Firstly, the difficulties of local redevelopment are increased if the previous social bases have crumbled away. Numerous sociologists have revealed a tendency towards the dismantling of localised workers' cultures so that the restructuring fosters a process of desocialisation without building the conditions for a new socialisation. Labour economists have pointed out that the job cuts have led to the demobilisation of a workforce whose skills remain useful even in the new order (d'Iribarne, 1984). The deindustrialisation and the decline of available jobs provokes a migration of the youngest skilled workers towards other areas, hampering the local capacity to reproduce its skilled labour force. As retraining benefits more qualified employees, the reindustrialisation subsidies benefit primarily the cities which use their economic and social bases as a springboard for modernisation.

Secondly, there are major problems of timing. The political and social response is quicker than the economic. The political and social management of local reconversion treats as an emergency process something which can only be addressed in the long-term economically. But in so doing, it weakens the area's potential for training for new technologies, and for generating new industrial and social cultures.

Thirdly, research on the Sophia Antipolis 'technopôle' near Nice showed that the national headquarters of the big companies may slow down the building of a localised 'innovating background' by local plants. Moreover, it is difficult to create links between firms and education and research institutes (Quéré, 1989). It is all the more difficult in deindustrialised areas. How is it possible to create collective projects when deindustrialisation strategies were designed to break pre-existing forms of co-operation and to increase competition among individuals, plants and districts? The increase in the importance of SMEs in reconverting areas may be explained by the higher dynamism and flexibility of those firms, but also by a re-allocation of economic risk among regions. The success of networks seems to depend notably on the density of intersectoral connections. As noted by Lesage (1989, p. 77): 'the more numerous these (intersectoral) relations, the greater its dynamism and its competitiveness'. Following Lesage, the lack of cohesion within restructured areas and the difficulty of rebuilding efficient networks result in low competitiveness, more difficulties with manpower mobility and increasing costs of information. The question remains as to whether redevelopment schemes in the medium term will promote post-fordist or neo-tayloristic labour organisations and social relationships. The destruction of local employment structures may be only a preliminary to new developments, not necessarily unfavourable to wage earners (Méhaut and Villevall, 1991). One suggestion (Outin and Silvera, 1988) is that it may lead either to a more competitive management of the labour market, the power struggle being unfavourable to the wage earners, or to a long-lasting and passive dependence *vis-à-vis* public incentives (deregulation versus reregulation).

This analysis of the growing socialisation of the management of reconversion gives an illustration of the redefinition by the State and industry of the mobility component of the fordist wage-earning relationship, through actions on both the co-operative

and conflicting dimensions of the division of labour. It brings to the fore the need for new modes of co-operation and partner relationships, but also the contradictions inherent in this process.

2. Retraining and new employment relationships

2.1. *Socialisation of mobility management and building of occupational transition phases*

For adults in employment reconversion, the long-term unemployed and the young entering the labour market, the rules and practices of mobilisation and demobilisation of the workforce involve a double tendency. On the one hand, there is a lengthening of the transitional phase between the end of school (or the exclusion from a firm) and access to a (another) job, and on the other hand there is a growing institutionalisation of this period by new social measures and arrangements for managing mobility. These social structures, designed to organise inter-occupational movements, produce intermediate spaces between employment and unemployment and contribute to a blurring of the boundaries between the latter, by mixing elements of training, economic activity and economic inactivity (Rose, 1984).

One common feature of these various transition schemes is training and retraining to help workers transfer their skills or to get higher and more marketable skills. This refers to both the implementation of a post-fordist 'model of competence' (Zarifian, 1990) and to the introduction of more occupational rules in existing internal labour markets. Nevertheless, in practice, the retraining does not fully meet the objectives of reconversion schemes.

The length of retraining courses is frequently shorter than expected. This can be explained both by the employers' actions and by the workers' reservations. For example, in the steel industry, in order to avoid prolonged training courses and to speed up redundancies, managers have tried to switch the priority from reskilling to speeding up re-employment and therefore induced a reduction of the average length of retraining leaves of absences. For their part, the unskilled with the greatest need for reskilling are those who are most afraid of retraining. The explanation for this is their earlier experience of rejection from the educational system resulting in a lack of confidence in the external evaluation of the training with the expectation that low standards of qualification will lead to downgrading in the external labour market, and above all to selective access to further training. For these workers, retraining is thought of as a demobilisation tool and not a valorisation aid. For these reasons, the workers who benefit most by retraining are those already skilled and certified, still young, accustomed to initial and further institutional training courses and previously placed in the firm on upgrading paths (Villeval, 1991B). In the steel plants, the unskilled opted mainly for severance payments.

Strong selectivity in the access to retraining is accompanied by wide differences in the quality and content of courses. Retraining frequently reproduces initial inequalities: qualifying courses and certificates go more to the certified workers. For the unskilled, the courses are not primarily used as reskilling tools but as a support for redeployment (Outin, Silvera and Perrier-Cornet, 1988). Studies of people with a low level of qualification show a need for remedial training ('learning to learn') before

any other action (Pailhous and Vergnaud, 1989). Their transition path is jerky, involving switching among courses, testing periods in a firm and inactivity.

If the collective retraining actions of the 1970s depended on existing collective cultures and socialisation networks, the present actions emphasise the individual transferability of knowledge. Training is individualised with a focus on 'personalised occupational plans'. This tendency has important implications for unequal benefits from training provision. Sociologists show that, for blue-collar workers in traditional industries, the acceptance of individualised retraining means participation in the destruction of their previous collective culture (Brouat and Perrin, 1986). Individualisation is usually linked to the external provision of training, but studies have established that the best results from training are achieved when it is linked to previous collective work, otherwise the instructor must train blindly. Lastly, from an economic viewpoint, individualisation is in part in contradiction with the tendency in the evolution of work organisation. The new modes of functional integration and the need for conceptual skills requires greater communication and increased co-operation within and among work teams. From the employers' viewpoint, individualisation is needed for control purposes while multi-skilling and co-operation are required for production flexibility. The problem, in the new organisations, is to manage both the 'co-operative socialisation' and the 'social individuality' (Zarifian and Palloix, 1988).

In reality, retraining serves diverse functions among which, depending on the categories of workers, reskilling is not necessarily the main purpose. Where retraining is a prelude to redundancy, it serves to isolate the employees to be laid off. It undermines existing collective identities and is a sort of apprenticeship for new employment relationships. It implements intermediate statuses, alternative to traditional ones (Kerschen *et al.*, 1988). Retraining may therefore be considered both as a new method of managing employment and skill changes, and as a tool for social regulation.

Such schemes can be seen as a break with previous modes of skill management, even if they do not always succeed. Beyond that, they play a part in the reshaping of the firm's continuous training policies. For instance, in assessing individual and collective competencies, the new internal training policies aim at increasing workers' reconvertibility and the socialisation of knowledge. New classification rules which put less emphasis on seniority and more on workers' potential for adaptability would not have been feasible in the steel industry, for example, without the construction of these external reconversion policies. Within the firms, external reconversion policies provide tools for the assessment of formal and informal skills, and constitute the basis for co-operation between the production, human resource management and training departments. They contribute to the implementation of new attitudes towards both labour and training. They encourage workers and foremen together to develop the training strategy required for entry into new team structures and to control mobility among jobs in terms of the content of the work which requires not only new skills but a sequence of new qualifications. Retraining becomes essential because internal mobility becomes essential to keep one's job, illustrating a growing 'incompleteness of the labour contract' (Reynaud, 1989) and an increasing dissociation between the present content of the work and the wider definition of the job (Burdillat, 1991).

2.2. *An occupational transition or a wage-earning transition?*

The workers involved in external reconversion are faced not only with the possibility of deskilling but also with changes in the employment relationship. Previous research (mainly sociological) emphasised supply side factors in explaining reconversion strategies and paths. For example, workers were supposed to search for jobs in firms with the same labour organisation as their previous employer (Ganne and Motte, 1982). More recent research of an economic nature insists on the central role of fordist manpower management systems and of the institutional organisation of reconversion. The most strongly institutionalised channels of reconversion give the best results in terms of renewed access to jobs. The probability of becoming unemployed depends on the reconversion channel followed by workers. Severance payments are the least protective, except for highly skilled workers with transferable skills, while programmes including retraining are generally more successful. In the steel industry, for example, the risk of becoming unemployed is three times lower after a retraining leave than after a severance payment (Villeval, 1991A). This can be explained by the assistance given to find jobs, which in the steel industry is mandatory for retrained redundant workers. Similarly, for the same skill, those who benefit from a conversion agreement according to the 1986 law are more easily re-employed than the registered unemployed.

Meanwhile, the quality of the new jobs is frequently lower than that of the old. A large proportion of the workers excluded from sectors with strong internal labour markets and statutory controls over the terms and conditions of employment (e.g., iron and steel, shipyards) were rehired in other sectors with lower status and non-statutory labour force management. Workers transferred to other plants of the same company may preserve their status and their promotion opportunities. But retrained workers frequently suffer a decline in their status, often because they are re-employed in SMEs, where social protection is less developed, upgrading opportunities fewer, wages lower, and the trade unions more weakly organised.¹ The previous skill is devalorised in many cases, especially for blue-collar workers trained on the job or workers specialised in technically obsolete crafts (for example, 41% of the ex-Creusot-Loire employees have been downgraded). Finally, the transfer of skills is much more successful for maintenance workers. The problems of transfer results from the fact that in internal labour markets the ports of entry in the firm are few and usually located at the bottom of the hierarchy and neither certification nor skill classification are guarantees of horizontal job mobility.

Two conclusions can be drawn. First, it is more accurate to speak of the socialised organisation of a 'wage earning transition' for the redundant workers than a simple 'occupational transition'. The available studies show that highly skilled workers with transferable qualifications have been able to enter modern or modernised labour organisations while other redundant workers are usually excluded from firms trying to implement post-fordist employment relationships and work organisation. This

¹ The study about the aforesaid steel plant reconversion policy shows that 68% of the retrained dismissed employees are affected after their re-employment by a wage cut of more than 5%, to be compared to 58% of those having chosen the redundancy payment and 14% of the transferred employees; the percentage of the previous Creusot-Loire workers receiving the legal minimum income was raised from 9% in this company up to 37% in the new firms (Outin, Silvera and Perrier-Cornet, 1988).

brings to the fore the question of manpower selectivity in the post-fordist organisations and the new logic of exclusion they produce. Second, the analysis of the transitional phases puts emphasis on the importance of previous occupational paths on the conditions of re-employment (Outin, 1990; Villeral, 1988); thus the ghost of fordist employment systems persists in the transition to post-fordist organisations.

The response to the crisis of fordism has resulted in organisational learning by the firms in the management of skill change and the transformation of labour flow requiring a growing socialisation of this process with the participation of the State.

The labour turnover associated with reconversion is, of course, only a fraction of the total labour mobility. Moreover, it has a particular association with the current patterns of change. Private and public policies are directly linked to the progressive degeneration of the fordist wage-earning relationship rooted in traditional industries and working class organisations. An important question is whether reconversion is more related to a movement towards post-fordism or, alternatively, towards the development of neo-tayloristic organisations and employment relationships. They will only contribute to a post-fordist dynamic if the direction of change is towards raising the status of reskilling and reconvertibility, the educational system and firms' vocational training policies. This would reflect the new technological paradigm's demand for new forms of labour flows and the socialisation of knowledge (Leborgne and Lipietz, 1991). By contrast, reconversion will reinforce neo-fordist tendencies if it is used only as a means of increasing the flexibility of the labour contract, transferring to the State the burden of managing unemployment.

Public and private reconversion policies contribute both to the redefinition of the institutional rules governing internal labour markets (towards the incorporation of more occupational rules, consistent with the new educational schemes) and to the introduction of structural changes in the system of mobility. As shown by Silvestre (1986), institutional schemes must be introduced to manage structural change in countries unable to produce organic changes in their system of mobility such as Japan or Germany. If those policies succeed, one can suppose that they will be able to produce a real capacity for organic change in the future. But that requires the establishment of new institutional supports which are to guarantee the transferability of competencies within and among firms.

Such reconversion policies contribute also to the reshaping of the modes of integration in collective work teams. In fordist organisations, economic advantage was tied to the job via seniority whereas the movement towards reconvertibility links advantage to the possibility of evolutionary change. It does not mean that the past must be ignored (otherwise resistance to change will grow) but that high-skill organisations must draw on workers' experience in the management of adaptability. Contrary to orthodox theories, workforce mobility cannot be a guarantee of a return to equilibrium. But it can be a central means for the management of technical and economic irreversibilities.

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