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Initial Vocational Training in Switzerland

1. Introduction

Overview

The public system of initial vocational training (IVT):

- Historically, the Swiss vocational training regime developed as an employer-dominated apprenticeship system with trade unions being of minor importance for the development and reform of the initiative vocational training (IVT) scheme (for details see: Trampusch 2010).
- With the exception of the Italian and French-speaking parts of the country, where IVT is more school-based, Switzerland exhibits a dual system of apprenticeship training.
- The Confederation, the cantons, the *Berufsverbände* (professional associations), and the firms and their associations are the most important actors in the dual apprenticeship system. The state funds the public schools, where the trainees receive their theoretical training. The workplace part of the training is within firms and is, therefore, determined and funded by them. The employers' associations work together with the state to define curricula and examinations.

The role of collective labor agreements (CLAs) in IVT:

- Sectoral CLAs partially determine the apprentices' wages as well as their working conditions (in particular: vacations). However, there are different types of regulating these issues, leaving also much room for firms (for details see section 7 of this report). This particularity reflects the general decentralized and fragmented structure of the collective bargaining system. Therefore, we have to note that in Switzerland the regulation of apprentices' wages and working conditions through CLAs is far less comprehensive and standardized like in Germany, Denmark, or the Netherlands.
- There exist two different types of funds, which are related to the issue of IVT in Switzerland.
 - The first types of funds are sectoral funds which are based on CLAs (BSS 2008: IX). CLAs may create bipartite implementation funds (*paritätische Vollzugsfonds*). These funds can be used to finance a number of different social and administrative measures. It is possible that these include measures in the field of IVT (for further information on these funds see the report on Continuing Vocational Training (CVT) in Switzerland).
 - Secondly, there are IVT funds (*Berufsbildungsfonds*), which are created and administered by the employers' organizations only. To be clear, these are not linked to CLAs, as they are not based on agreements concluded between the social partners. There are exclusive establishments by the employer's organizations. The purpose of these funds is for example to provide for job-development projects, career counseling and skills' certification and examinations (SMU 2008). Although all companies within the sector benefit from the existence of an IVT fund, originally, only those had to pay contributions who were members of the employers' association. In order to prevent this free-riding problem, since 2004 the Federal Council (*Bundesrat*) can declare the IVT funds generally binding for the sector (BSS 2008: 1).

Levels of Bargaining

- It has to be stressed that within the last ten years IVT has not been a relevant subject of bargaining between the social partners (Ackermann/Oesch 2001-2009), with the exception of the IVT funds.
- If negotiations take place it is at sectoral level.

Actors

There are two main workers' unions who conclude CLAs on IVT in Switzerland:

- *Unia* (*Unia* is a proper name and no abbreviation): *Unia* is an inter-professional trade union and the largest union in Switzerland. It represents multiple sectors (Unia 2010c).

- *Syna* (*Syna* is a proper name and no abbreviation): *Syna* is an inter-professional trade union, too. It is traditionally the Christian union (*Syna* 2010).

There are four main employers' organizations who conclude CLAs on IVT in Switzerland.

- Swiss Catering Association (SCA): employers' umbrella organization representing firms within the hotels and restaurants sector.
- *HotellerieSuisse* (Swiss Hotel Association): employers' umbrella organization representing hotels.
- *GastroSuisse* (Association for Hotels and Restaurants): employers' umbrella organization representing hotels and restaurants.
- *Swissmem* (*Die Schweizer Maschinen-, Elektro- und Metall-Industrie*, The Swiss Mechanical and Electrical Engineering Industries): employers' organization representing the firms within the mechanical and electrical engineering industries.

Critical Junctures

Definition: Critical junctures are years or time periods when important decisions on the development of the collectively negotiated IVT scheme were made.

- The 2004 Vocational Education Law (*Berufsbildungsgesetz*, BBG) had significant consequences as employers' funds can now be declared collectively binding by the state (see section 10).

2. Important Collective Agreements (Examples)

- National CLA of the hotels and restaurants sector (*Landes-GAV des Gastgewerbes*):
 - This agreement has the highest number of covered employees in Switzerland: 206'000 employees (Unia 2010b).
 - The standards of collectively regulated working conditions for apprentices are the highest: wages and vacations are set within the collective agreement (*L-GAV Landes-Gesamtarbeitsvertrag des Gastgewerbes* 2009).
- Nationally binding contract on the educational fund in the metal industry (*Bundesratsbeschluss über die Allgemeinverbindlichkeitserklärung des Reglements Berufsbildungsfonds der Schweizerischen Metall-Union*, SMU):
 - The IVT fund is set up by the employers' association of the metal industry, which was declared nationally binding by the Federal Council (*Bundesrat*) in 2005 (SMU 2010).

- As a consequence, all firms within the branch have to contribute to the fund (SMU 2010).
 - The fund was set up after the new Vocational Training Law (*Berufsbildungsgesetz 2004*) in order to prevent free-riding of firms within the branch of the metal industry, who were not members in the employers' association (SMU 2010);
 - The fund of the metal industry is to be viewed as an example for the 17 nationally binding IVT Funds.
- According to an evaluation report of 2008, in July 2007 there existed ten collectively declared CLAs, which contain special resource provisions for IVT, CVT or higher vocational training (*höhere Berufsbildung*). According to these CLAs, there are contributions of employers as well as employees to a common sectoral fund (BSS 2008: 16).

3. Important Sectors

- Hotels and restaurants as well as the metal industry constitute leading sectors in the domain.

4. Structure, Organization, and Mode of Administration

We can differentiate between two types of CLA involvement in the domain of IVT:

- Apprentices' wages and vacations can be regulated through sectoral CLAs. If apprentices' wages are not regulated through a sectoral CLA they are determined by the employers' associations. Employers may set guidelines or only recommendations on apprentices' wages (see for example the CLA of the Electrical and Telecommunication Installation Industry (*GAV des Schweizerischen Elektro- und Telekommunikations-Installationsgewerbes*) (Unia 2010).
- In Switzerland, besides cantonal IVT funds (*Berufsbildungsfonds*), there are IVT funds set up by employers or regulated through CLAs. Their purpose is to promote IVT and CVT within the respective branch. For example, the resources of the collectively declared binding employers' IVT fund in the metal industry (SMU-Berufsbildungsfonds) are allocated to job-development projects, career counseling as well as for tasks within the context of skills' certification and examination (SMU 2008). Sectoral employers' associations are entrusted with collecting the fees from the firms and the spending on educational projects, such as, for example, the IVT fund of the car industry (AGVS 2009).

5. Role of the State: Financial Support, Legislation, and Extension Procedures

- The Federal Council (*Bundesrat*) may declare sectoral CLAs as well as employers' IVT funds generally binding.

6. Financial Structure of the Collectively Negotiated Scheme

- The IVT funds of the employers' associations do not pay contributions to the trade schools. Their financial resources are used for:
 - job-development projects (e.g. analysis, data collection, managing contacts and organizing conferences),
 - career counseling (e.g. promotion in schools, profiling of career types within the branch, information events, etc.),
 - skills' certification and examination (e.g. development of schooling material and examinations, syllabuses, organizing of student – expert – meetings, etc.). One can refer to the IVT-fund of the metal industry as a typical example (SMU 2008).

7. Benefits and Measures of the Collectively Negotiated Schemes

This section summarizes the regulation of IVT in Swiss CLAs that were concluded in the domain of the trade union *Unia*. Our data is based on the online database of Unia (2010a),

- The CLAs regulate the apprentices' wages and vacations. However, there are different types of standardization. In the domain of wages there are three types: (1) CLAs may prescribe that wages are set individually by the employers, (2) CLAs may provide recommendations, or (3) CLAs may contain provisions on apprentices' wages, mandatory for all members of the respective CLA. In the domain of vacations we can differentiate between two types: (1) CLAs provide the minimum guaranteed by law, or (2) CLAs provide five additional vacation days.
- Wages: There are three types of regulations in the Swiss collective agreements concerning the salaries of the apprentices within the firms:
 - Wages as well as other working conditions are not regulated within the collective agreement, but individually by firms, according to employers' associations' guidelines.

Examples for this type are the national collective agreement in the Swiss metal industry (*Landesgesamtarbeitsvertrag (LGAV) für das Schweizerische Metallgewerbe*), and the CLAs of the electrical and telecommunication installation industry (*GAV des Schweizerischen Elektro- und Telekommunikations-Installationsgewerbes*), the Swiss wood industry (*Schweizerische Holzindustrie*), and the Ceiling- and wall trade (*GAV in Schweizerischen Dach- und Wandgewerbe*).

- The second type regulates wages in the collective agreement by providing recommendations. However, these are not recommendations by the social partners, but by the employers' associations. Examples are the national collective agreement for the construction sector (*Landesmantelvertrag für das Schweizerische Bauhauptgewerbe (LMV 2008)*), the CLA of Swiss concrete product trade (*Schweizerische Betonwarenindustrie*), the agreement for car industry (*GAV für das Carrossiergewerbe*), the CLA of the cleaning trade of German-speaking Switzerland (*Reinigungsbranche der Deutschschweiz*), and the agreement for the tiler trade (*GAV für das Plattenlegergewerbe der Gebiete Bern, Zentralschweiz, Zürich und Bezirk Baden des Kantons Aargau*).
- The third type regulates wages collectively. Examples are the CLA of the construction sector in French-speaking Switzerland (*Ausbaugewerbe der Westschweiz*), the CLA of the hotel- and restaurant industry (*Landes-GAV des Gastgewerbes*), the agreement of the marmor- and granite industry for the first two years collectively binding (*GAV für das Schweizerische Marmor- und Granitgewerbe*), the CLA of the cleaning industry in the French speaking part of Switzerland (*GAV des Reinigungssektors für die Westschweiz*), and the agreement for the tiler trade (*GAV für das Plattenlegergewerbe in den Kantonen Basel-Land und Basel-Stadt*).
- Within the domain of vacations, there are two types of agreements to be found:
 - The first type is constituted by agreements which provide the minimum guaranteed by law, which is five weeks of paid vacation plus one week of unpaid educational leave. A good example for this is the brick industry (*GAV für die Schweizerische Ziegelindustrie*).
 - The second type are agreements which give about five more vacation days than the minimum. Examples can be found in the Swiss concrete product trade (*Schweizerische Betonwarenindustrie*), in the national collective agreement for the construction sector (*Landesmantelvertrag für das Schweizerische Bauhauptgewerbe (LMV 2008)*), or in the railroad construction trade (*GAV Gleisbau 2008*).

8. Coverage Rates of the Collectively Negotiated Schemes

- Since there is a variety of different types of benefits in the agreements, it is very difficult to define an exact number of covered employees for benefits concerning the working conditions of apprentices. In general, the coverage rate of Swiss CLAs is approximately 50 per cent.

9. The Politics around the Collectively Negotiated Schemes

- The lack of apprenticeships leads to that in recent year IVT has been a quite important political issue. This discussion has also led to the introduction of IVT funds.

Linkages to Public Reform Policies

- The new vocational training act (*Berufsbildungsgesetz*, BBG, in force since 2004) was thought to resolve employers' collective action problem in skill formation by declaring IVT funds generally binding. It was also an answer to a national initiative, launched by the youth branches of the workers unions and the young socialist party (JUSO), which demanded the creation of a national IVT fund, for all branches which would be administered by all social partners – the employers, the unions and the state (Trampusch 2010).

Linkages to Wage Agreements and Wage Policy (e.g. Wage Restraint, Tripartite Agreements) and Other Agreements

We have not found any evidence.

10. Recent Developments and Other Interesting Information

Recent developments and other interesting information:

- In 2004, the new IVT act was implemented which gave employers' associations the possibility to set up IVT funds and have them declared nationally binding by the Federal Council (*Bundesrat*).
- Before this law came into practice, employers' associations used membership fees (of the firms who are members of the association) to invest in promoting and developing the jobs in the field of the industry. They would run promotional activities in schools, develop the standards for schooling and examining in the trade schools, and organize activities for

trainees to meet and exchange knowledge, like competitions, congresses etc. This led to a free-riding problem, since firms that were not members of the association and did not pay fees, would still benefit from the services performed by the association.

- With the new law, the associations can solve this problem by setting up the educational funds for which then all the firms within a branch have to pay the fees (BBT 2009).

11. Contacted Experts

We thank the following experts and colleagues for providing information and answering very specific questions:

- Meier, Claudia 25.09.2009, student working on a thesis on the Swiss IVT system, University of Berne, Switzerland.

12. List of Abbreviations

- AGVS: *Auto Gewerbe Verband Schweiz*
- BBG: *Berufsbildungsgesetz* (Vocational Education Law)
- BBT: *Bundesamt für Berufsbildung und Technologie*
- CLA: Collective Labor Agreement
- CVT: Continuing Vocational Training
- GAV: *Gesamtarbeitsvertrag* (collective labor agreement)
- IVT: Initial Vocational Training
- LGAV: *Landesgesamtarbeitsvertrag* (nation-wide collective labor agreement)
- L-GAV: see LGAV
- LMV: *Landesmantelvertrag* (overall labor agreement)
- SCA: Swiss Catering Association
- SGB: *Schweizerischer Gewerkschaftsbund* (Swiss Federation of Trade Unions)
- SMU: *Schweizerische Metall-Union* (Swiss Metal Union)

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