Does the European Employment Strategy favour the convergence of activation policies? The cases of Spain and the United Kingdom

Pablo Sanz de Miguel *

Paper for the IREC conference. 10 - 12 September 2014, Dublin, Ireland

* Researcher NOTUS. PhD in Sociology
pablo.sanz@notus-asr.org
Abstract

This paper seeks to analyse the EU discourse on activation developed in the European Employment Strategy (EES) during the Lisbon process and its influence in Spain and the United Kingdom. Thus, it analyses to what extent the EES favours policy convergence towards the activation approach. We analyse the EU discourse on activation by means of a policy frame approach that connects the diagnosis and prognosis. In a second phase, we examine how the discourse and policy frames of activation developed in the EES have been understood and put into practice in Spain and the United Kingdom. The conclusions show that we are observing a process of relative ideological convergence due to the influence of the EES discourse. However, divergences are still observed at the level of the instruments and methods due to the societal differences that exist in both countries.

Key words: European Employment Strategy; activation; policy frame; Spain; United Kingdom

Introduction

Different processes such as globalisation, the emergence of new information and communication technologies, new demographic trends or the enactment of the Economic and Monetary Union (EMU) have challenged the national dimension as the main level for social regulation, especially in the field of social and employment policies. Accordingly, the analysis of the supranational level of regulation in the field of employment and social policies has gained a lot of importance in recent years.

At European level, the flagship programme that illustrates the most ambitious attempt to regulate and coordinate employment policies is the European Employment Strategy (EES). The EES, approved in 1997, aims to coordinate employment policies, thus promoting a high degree of convergence between the European member States. However, Employment Guidelines are not legally binding and competences of employment policies belong to national States. Moreover, the process, based on the so-called soft regulation, lack of sanctions and penalties, as those applied in the EMU. Drawing on those features of the regulatory nature of the process, some authors (Keller 2000) have stressed the weakness of the EES in order to favour convergence in the field of employment and social policies. Responding to those critics, other authors have noted the strength of social regulatory mechanisms such as the “discourse regulatory mechanisms” (Jacobsson 2004a, 2004 b; Barbier 2005; Serrano 2005). They have stressed that one of the most powerful influences within the EES relates to the sociocognitive dimension of the policy discourse. In the absence of legally binding recommendations reinforced by sanctions and penalties, European institutions can foster convergence by establishing a common interpretative framework for analysing the labour market. The concepts and categories proposed by the EU discourse have been increasingly used in national employment and social policy discourse (Serrano et al. 2009; Jacobsson 2002) thus having a symbolic impact that can have an effect in the reforms and measures implemented by the European member states.

Activation has been a central notion within the EES since its onset. As a concept and as a policy paradigm, activation illustrates a new way of constructing and understanding the social question that underpins changes in the way risks are shared between the state, the individual and the companies (Rosanvallon 1995; Garsten y Jacobsson 2004). However, activation is a vague concept that has been used to describe political measures that can be diametrically opposed (Geldof 1999). Its vagueness makes activation a controversial concept whose meaning is still discussed nowadays. As Serrano notes (2002, 2007), the semantic confusion around the concept derives from the different aspects or dimension of the concept taken into consideration. Activation can be understood as a goal (increasing employment levels or activity rate), as a method (increasing incentives for unemployed or inactive to enter into the labour market), as an
Activation describes a feature which, despite not being universal, is common to the reforms of different welfare regimes established in the 1990s which redefine the relationship between social protection and employment, by increasing the linkage between social welfare, employment and labour market programmes (Barbier 2001). However, partly as a consequence of the semantic confusion and the divergences on the meaning of the concept, the question of whether the employment policies implemented in different countries are converging towards the activation principles, has been left unsolved. In this sense, some authors emphasize, from a societal perspective, the existence of models or ideal types of activation explained due to different social institutions, social norms, political traditions, etc. For instance, Barbier (2001, 2004 and 2006) has distinguished two broad models: the universalistic and the liberal. These models emerge, respectively, in the Nordic context and the United Kingdom and are inspired by radically different ideological conceptions of employment policy and social protection. The universal model aims to address three interlinked objectives: achieving full employment, improving competitiveness and increasing social equity. Based on this triple objective, proposals aim to provide all social groups the option to improve their employability by means of expensive and long-term training programmes that are combined with generous social policies. The liberal model, by contrast, aims to reduce the dependence on various social benefits within a conception that assumes that the individual's relationship with the market must be increased.

To this aim, social assistance policies and programmes are linked to work incentives and sanctions play an important role in order to enforce active job search and job acceptance. Other authors (Clasen y Clegg 2006; Eirchhorst and Klone-Seidl 2008; Lindsay and Mailand 2003) have challenged the pertinence of that typology stressing that we are observing a process of convergence of activation models. According to them, we are witnessing that some Nordic countries such as Sweden or Denmark are strengthening the compulsory elements of the measures and are reducing the spending on training programmes whereas training has become more central on the agenda in the British model, especially after “New Deal” programmes” were implemented.

Drawing from these debates and discussions, this paper analyses the EU discourse on activation developed within the EES from 1997 to 2008 and its influence in two countries that represent different employment and welfare regimes: Spain and the United Kingdom.

The paper presented aims to answer the following research questions: How is activation defined within the EES? Which problem definitions and views on causal relationships are set up in order to justify the activation approach? How do those discourses redefine the social question? Which specific measures are proposed, connected with those problem definitions and views of causal relationships? Is the EU discourse on activation accepted in countries with different policy traditions and views on Europe, such as Spain and the UK? How has this discourse been put in practices in those countries? Are the employment policies of both countries converging due to the influence of the EU discourse on activation?

Following this introduction, part 1 of the paper analyses the regulatory nature of the EEE, stressing the potential influence of EU discourse in favouring the convergence of employment policies. Part 2 expose the methodology followed to analyse the EU discourse on activation and its influence in Spain and the UK, based on a frame analyses approach. Part 3 present the outcomes of the analysis of the EU discourse on activation, i.e., the policy frames of activation. Part 4 examines how the discourse and policy frames on activation have been understood and put in practices in Spain and United Kingdom. Part 5 exposes the main conclusions reached.

The paper presented derives from a PhD developed in the Autonomous University of Barcelona from 2009 to 2013.

1- The European Employment Strategy: regulatory nature and phases
1.1 Regulatory nature

The EES was initiated with the inclusion of an employment title in the Amsterdam Treaty (Title VIII, Art. 125-130) that made a “high level of employment” an explicit goal of the EU and a question of “common concern”. Under this process, the Community acquired new competences to promote a coordinated employment strategy aiming to foster “a skilled, trained and adaptable workforce and labour markets responsive to economic change”. In doing so, it was stated that the competences of the Member States would be respected. Thus, employment policies remained under the control of the Member States.

The mechanisms for coordinating employment policies at Community level were established as follows. First, the European Commission drafts Employment Guidelines that the Council, acting by a qualified majority, must approve after consulting the European Parliament, the Economic and Social Committee, the Committee of the Regions and the Employment Committee. These Guidelines must be compatible with the Broad Economic Guidelines. Once the Guidelines are approved, European Member States must take them into consideration in their employment policies. Moreover, national governments have to submit National Action Plans (NAPs) to the European Commission on an annual basis. These reports provide information on the main measures taken to implement employment policies in line with the Guidelines. Based on those reports and the opinions of the Employment Committee, the Council examine every year the implementation of the employment policies of the Member States. Besides, the Member States review each other within the Employment Committee (“peer review”). On the basis of the results of that examination, the Council and the Commission make a joint annual report. Finally, it is worth noting that the Council, acting by a qualified majority on a recommendation from the Commission, may make country specific recommendations. The Conclusions of the Lisbon Summit labelled this mechanism the “Open Method of Coordination”.

Although Employment Guidelines have a Treaty basis, they are seen as examples of “soft law” because they are not legally binding instruments such as regulations or directives. This regulation, in combination with soft governance mechanisms (peer review and benchmarking) finds a middle ground between legal and political intervention that can increase legitimacy of EU-level action by respecting the institutional diversity and policy traditions of the European Member states (Goetschy 1999; Ashiagbor 2005). This method is also in line with the subsidiarity principle.

Soft-law regulation raises the sociological question of how non-binding agreements can gradually become politically, socially and morally binding for the actors involved. According to Jacobsson (2004a, 2004b), in the absence of binding recommendations, it is necessary to pay attention to other social regulatory mechanisms that accompany the soft law regulation. In our research, we have limited ourselves to research the effects of the mechanisms related to the knowledge and meaning making, i.e., the “discursive regulatory mechanism” (Jacobsson 2004a). As Barbier (2005), Crespo and Serrano (2004) or Serrano (2005) have noted, one of the most powerful influences within the EES relates to the sociocognitive dimension of the policy discourse. Within a regulatory method that lacks sanctions and penalties as those applied in the EMU, European institutions can foster convergence by establishing a common interpretative framework for analysing the labour market that includes particular problem definitions and diagnosis and views on causal relationships. That discourse can determine the direction of the debate and the measures and actions that are finally implemented at national level by narrowing the range of legitimate responses to the labour market and social problems (Ashiagbor 2005).

Bearing that in mind, our research has analysed the role played by the European institutions within the EES in favouring the convergence of employment policies towards the activation principles by means of the “discursive regulatory mechanism”.

1.2 Changes in the regulation and governance method from 1997 to 2008
Since the EES was initiated in 1997, different changes have been introduced in its regulation and governance method. Bearing those changes in mind, we can divide the EES in three main phases.

A first and initial phase of consolidation goes from 1997 to 2000. This phase starts with the Luxembourg summit (1997), when the first Employment Guidelines were approved. They were structured on four pillars that included 19 Guidelines: improving employability, developing entrepreneurship, encouraging adaptability, and strengthening the policies for equal opportunities. During this initial phase, the Council approved Employment Guidelines plans on an annual basis and national governments were required to submit National Action Plans every year.

In 2001 we can identify a second phase. In this period, the Lisbon agenda was approved. Accordingly, a number of horizontal objectives related to this agenda were introduced together with the four pillars. This made the guidelines rather complex. In 2003, the four pillar structure was revised at the Brussels summit in order to fully integrate the European Employment Strategy (EES) with the Lisbon strategy, but also to respond to Member State criticism focused on the complexity of the process and on the high level of detail of the guidelines (Watt 2004). The pillar structure was replaced by three objectives: full employment; quality and productivity at work; and cohesion and an inclusive labour market. In addition, the number of guidelines was reduced to 10. Moreover, it was decided that the guidelines will normally only be decided every three years, while NAPs were still to be delivered annually. Bearing this in mind, in 2003 a biannual Employment guidelines plan (2003-2005) was approved. Another novelty in the revision of the EES was a synchronisation between the broad economic policy guidelines and the employment guidelines.

Finally, in 2005 a third phase started. This phase has been marked by the integration of the Broad Economic Policy and Employment Guidelines. Besides, the National Action Programmes (NAPs) were substituted by the National Reform Programmes (NRPs). These reports contain information on employment and economic policies and governments have to submit them every three years rather than every year. The idea behind this reform was to simplify and rationalize the different processes in order to better contribute to the achievement of the Lisbon goals. In 2005, the first integrated set of Guidelines was approved on a three yearly basis (2005-2008). It included 24 Guidelines from which 8 were focused on employment policies, i.e., Employment Guidelines. In 2008, the next set of Guidelines was approved, still related to the Lisbon Strategy. Both plans were almost identical.

The phases of the EES were taken into consideration in our analysis. Once the regulatory nature as well as its main changes has been explained, in the next section we explain the methodology followed to analyse the EU discourse on activation and its influence in Spain and the UK.

2- Methodology: a frame analysis approach

In order to analyse the EU discourse on activation and its influence in Spain and the UK we followed a frame analyses approach. The concept of frame was first applied in sociology by Goffman (1974) to explain how individuals perceive and construct social reality. In the mid 1980s, the concept was used by the constructivist approach that researched social movements (Snow et al 1986; Snow and Benford 1988). According to this approach, movement actors are viewed as signifying agents actively engaged in the production and maintenance of meaning. That work of meaning construction developed by movement actors is conceptualized by using the verb “framing”.

The notion of framing was introduced in the policy analyses by Rein y Schón (1993:146), who defined a frame as a “way of selecting, organizing, interpreting and making sense of a complex reality to provide guideposts for knowing, analyzing, persuading and acting (...). A perspective from which an amorphous, ill-defined problematic situation can be made sense of an acted on”.

Drawing from that definition, Verlo (2005:20) defined a policy frame as “an organising principle that transforms fragmentary or incidental information into a structured and meaningful policy problem, in which a solution is implicitly or explicitly enclosed”. Recent research focused on analysing the frames of gender policies have built on those definitions.

The underlying assumption of this perspective is that frames are not description of reality but specific construction of meaning of reality connected to specific policy solutions or proposals. Since we seek to analyse the role played by the EU institutions with the discourse regulatory mechanisms, understood as a mechanisms related to knowledge making and meaning making, we assumed that this constructivist approach was in line with the main goals of the research.

In the case of the EU discourse on activation, it has been argued that the redefinition of unemployment in terms of lack of employability has been connected to a supply-side perspective on labour markets (Lefresene 1999). On the other hand, explanations of unemployment based on the idea of “dependency” have justified policy recommendations addressed to regulate behaviours of job-seeker by raising incentives to enter into the labour market. Bearing that in mind, our analysis aimed to connect diagnosis (explanations of the problem, causal relationships, etc.) with prognosis or proposals related to activation measures. Besides, we also adopted a critical approach that aimed to make visible the gap that arises between rhetoric and reality (Fairclough 2000) when the EU institutions propose specific problem definitions and views on causal relationships. In this sense, we were interested in analysing from a critical approach the way the EES discourse on activation redefines the social question, i.e., its ideological dimension.

Accepting that policy frames have a typical format that includes diagnosis and prognosis (Snow and Benford 1988), we also aimed to identify the “blame attribution”, i.e. the target groups, since activation measures have tended to be focused on certain groups such as women, older people, people at risk of social exclusion, etc. The “critical questions” that guided our analyses were: which is the problem and how is represented? (Diagnosis); who has the problem? (Blame attribution); what must be done? (Prognosis); which specific measures are recommended in the guidelines? (Prognosis).

The period analysed spans from 1997, the year when the EES begun, until 2008, the year when the last Employment Guidelines plan associated to the Lisbon agenda (2008-2010) was approved. Thus, the period analysed allowed us to research the activation discourse developed within the Lisbon process.

In a first phase of the research, we identified the policy frames of activation developed in each of the three phases of the EES. The documents analysed include Communications from the European Commission, European Council Conclusions and expert group reports, together with the Employment Guidelines. By applying the critical questions to the documents selected, we identified the main policy frames of activation.

In a second phase, we analyzed to what extent the policy frames of activation identified in the EES were accepted and put into practise in Spain and the UK. We elected Spain and the UK in order to research the influence of the EES discourse on activation because both countries have different welfare and traditions of employment policies. The UK represents a liberal welfare regime that has developed activation programmes since the 1980s while Spain represents a Mediterranean welfare regime that only in the 2000s initiated some activation programmes. Those differences allow us to establish the extent to which the EES is favouring a process of policy convergence.

On the other hand, it is worth noting that the cultural meaning and the political discourses in Europe are different in both countries. In Spain, Europe has been historically seen as a modernising force. That image has been shared by the most important policy parties, i.e., the Socialist Party (PSOE) and the Popular Party (PP). Partly as a consequence of that positive
perception, Spain has traditionally agreed to share some sovereignty at a European level. Thus, Spain was within the coalition of countries that initially supported the enactment of the EES (Johansson 1999). With regard to UK, there has been a division within the political elite and in the population on the meaning of Europe. For those on the political extremes, Europe has been seen as a regressive force while politicians from the centre ground of British politics, whether Liberal Democrats or moderate Labour and Conservative have partly associated Europe with an idea of modernity, being less reluctant to pool some sovereignty at a European level (Ludlow 2002). Those different positions were illustrated when the debates about the EES and the employment title were held. According to Goetschy (1999), the conservative party was opposed to giving new powers to the EU institutions to coordinate employment policies but the victory of the Labour Party in 1997 favoured a change in the position of the UK towards the process, that allowed the enactment of the EES. Bearing that in mind, we understand the fact that in the whole period analysed (1997-2008) the labour party was in office enables us to analyse the influence of the EU discourse in countries that have different political discourses on Europe.

In order to research the influence of the EES discourse on activation, we analysed in both countries National Action Plans and National Reform Programmes, since these reports provide information on the main measures taken to implement employment policies in line with the Guidelines. In addition, legislative texts and policy documents related to activation measures were analysed. Finally, this information was completed with 9 interviews that were conducted to policy makers and social partner’s officers from both countries.

3- The EU discourse on activation developed in the EES: the policy frames of activation

We identified two dominant policy frames of activation on the EES discourse: the “policy frame of the knowledge driven economy” and the “policy frame of the disincentives”.

The policy frame of the knowledge driven economy describes in the first phase of the EES (1997-2000) the new economic order as an indisputable fact and an inevitable process that is imposed on individuals and structures. By means of an ideological process, the concept of knowledge driven economy is transformed, via discourse, into a fact of nature (Cresco and Serrano 2004). This definition of the economic situation provides a diagnosis on unemployment understood as a problem related to supply side factors such as lack of skills and lack of capacity to adapt to changes of being unemployed. Therefore, unemployment is conceptualized in terms of lack of “employability” rather than in terms of lack of employment. In parallel, the notion of “security” is redefined, being understood as capacity to adapt to the changes and to improve employability instead of protection against risk.

The corollary of those explanations is that employment policies are focused on supply side measures (prognosis). Moreover, the functions attributed to the welfare state is no longer to protect citizens against the risks associated with the market economy but to provide them with incentives and opportunities to upgrade their skills and to improve its employability.

“The main lesson from the last 20 years is that income maintenance programmes will not provide adequate security. The huge resources in the benefit system need to be made more employment oriented. Unemployment benefit schemes must become more effective: increasing incentives for the unemployed to look for a job by giving them opportunities to upgrade their skills, so as to create progressively a real employability insurance instead of a simple unemployment compensation” (European Commission 1997a:3).

Accordingly, Employment Guidelines 1 and 2 (1998-2000) recommended (prognosis) to provide a fresh start to young unemployed and adults (blame attribution) before they reach 6 and 12 months of unemployment respectively. That fresh start was not understood as a job guarantee that could imply demand side policies. As the Commission exposed, “a fresh start means providing the individual with capabilities and opportunities to give them real chances to
gain access to jobs in the open labour markets” (EC 1998:12). This policy orientation was conceptualized as a “preventive approach”.

In the second and the third phases of the EES (2001-2008) the policy frames is a bit different. In this period, the knowledge driven economy was mostly represented as a “restructuring guide” of the policies and as a goal to be achieved instead of an inevitable process that requires mere adaptive responses. At the Lisbon Summit, the EU assumed the goal “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” (European Council 2001:3). The argument that justifies the need to foster the advance towards the knowledge driven economy (diagnosis) is that it can favour a high road approach to achieve full employment, to improve the quality of work and to match economic competitiveness and social cohesion. This discourse was associated to the revitalization of the social model debates within the Lisbon process (Rhodes 2000). However, recommendations provided (prognosis) continued to be mainly focused on supply side measures. The main idea, formulated within a rather optimistic discourse was that training policies, combined with new technologies, could favour the transition towards a knowledge driven economy that will create a new virtuous circle:

“These same Technologies will enable workers to upgrade their skills as part of a process of lifelong learning designed to improve their employment prospects and earnings, and enhance education and learning in schools” (COM 2000:3).

That discourse did not take into consideration country differences in terms of sectors specialization that determine different degrees of skills demands (Bosch y Wagner 2005a, 2005b). Instead, it assumed that knowledge intensive sectors were growing in all European countries.

Bearing this in mind, national governments (prognosis) were asked to provide individuals with technical skills and other skills demanded by an economic order subject to continuous change. In return, workers were required to have a vast range of technical skills and psychological qualities.

“Workers in the digital age therefore need to be ICT literate, highly skilled, empowered, mobile and ready for continuous training” (COM 2000:14).

Within this policy frame, differences between the situations of workers are explained in terms of difference in individual’s skills (diagnosis). This explanation hides empirical evidence on labour segmentation embedded in social factors (Rubery 2005, 2006). In connexion with that diagnosis, the function attributed to the Welfare State is no longer to promote equality by redistributing wealth or incomes but to promote equal opportunities through improving the access to knowledge (prognosis).

“The pervasiveness of knowledge is crucial to enhance and diffuse throughout the whole economy the use of new technologies and to prevent segmentation of the labour market between workers with different types of education” (COM 2003:10).

Accordingly, public investment must be focused on training policies rather on redistributive policies, especially lifelong learning which, according to the European institutions, it is the most productive investment. Due to this, Employment Guideline 4 (2003-2005) recommended (prognosis) promoting the development of human capital and lifelong learning. At the same time, Employment Guideline 23 (2005-2008) recommended increasing investment in human capital through better education and skills. References to policies aiming to distribute wealth are not found within the Employment Guidelines.

The “policy frame of the disincentives” is formulated to justify a proposal aiming to decrease the dependency rate by “making work pay”. The main argument to persuade member states to include this goal within their policy agenda (diagnosis) relates to the sustainability of the
Welfare State. According to the European institutions, the sustainability of the Welfare States is challenged by the new demographic trends linked to the aging population, and the deficit and public debt demands assumed by the Member States of the Euro Zone. Due to those challenges, activation measures must (prognosis) increase employment levels, especially for some groups (blame attribution) such as old workers aged 50-64 years (50% employment rate in 2010), women (60% employment rate in 2010) and people excluded from the labour market.

With regard to the causes (diagnosis) that determine that an excessive percentage of active population remain out of work, living from a safety net provided by the Welfare State, explanations are different for the different target groups (old workers, people excluded from the labour market and women). Nevertheless, there is a general trend within the EU discourse on activation to attribute the responsibility to the Welfare State, designed in a way that favours welfare dependency.

With respect to older workers, early retirement policies are blamed as they encourage them to remain out of work (diagnosis). Those policies negatively influence the behaviour of workers and companies. Moreover, they decrease workers and companies’ incentives to invest in those measures that can make active life longer such as lifelong learning. That diagnosis is connected to a proposal (prognosis) that recommends eliminating incentives for early exit from the labour market, notably by reforming early retirement schemes. This proposal was included (prognosis) in Employment Guideline of the second and third phase of the EES (Guideline 5, 2003-2005; Guideline 18, 2005-2008).

As far as the people excluded from the labour market are concerned, European institutions stressed in the first phase of the EES (1997-2000) that “Social protection has both a success, in terms of alleviating poverty, and a failure, in terms of promoting full integration within society” (COM 1997a:2). The explanation to this failure (diagnosis) connects with the “welfare entrapment” argument. Thus, European Commission stresses that in many European countries the net gain expected from return to work is smaller that net gain expected for remaining within the social protection system, thus discouraging people to enter into the labour market.

“Dependency on social protection is likely to grow for as long as the net gain expected from return to work is small (...). Although administrative controls and social pressures may lead people to look actively for a job despite high replacement rates, in the long run such a situation is not conducive to employment. Financial incentives are necessary to reinforce work incentives” (COM 1997a:6).

Besides, a psychological discourse focused on individual’s attitudes towards work is observed. This discourse stresses lack of motivation of individual to accept available jobs and lack of ability to adapt to work demands (diagnosis). In the framework of those explanations, the European institutions propose (prognosis) measures aiming to increase incentives for people excluded from the labour market to look for work and to accept suitable jobs. Similar to Mead (1997) proposals, activation measures must try to influence behaviour. The underlying assumption seems to be that “workers need a push from the public authority to realise their own desires to work” (Mead 1997:32). Within this approach, the individual is represented as a behavioural person that influenced by external factors will choose the most gratifying course of action (Crespo and Serrano 2004).

Although those moral and psychological explanations for unemployment (diagnosis) are less frequent in the second and third phase of the EES, proposals (prognosis) in line with them remain. Thus, Employment Guideline 8 (2003-2005), titled “make work pay through incentives to enhance work attractiveness” made recommendations to “reform financial incentives with a view to making work attractive and encouraging men and women to seek, take up and remain in work (…)Whilst preserving an adequate level of social protection, Member States will in particular review replacement rates and benefit duration; ensure effective benefit management,
notably with respect to the link with effective job search”. As Watt (2004) noted, this was clearly the guidelines that could be quoted by those governments seeking to reduce unemployment by imposing pressure on the unemployed themselves. In the third phase, Employment Guideline 19 (2005-2008) made recommendations, in the same line, to “enhance work attractiveness, and make work pay for job-seekers, including disadvantaged people”. Under these guidelines the focus is clearly on paid work rather than on improving skills of unemployed.

In our opinion, recommendations that induce people to accept jobs that they would not have done if income benefits were available, were not compatible with the goals assumed within the policy frame of the knowledge driven economy of promoting job quality and social cohesion. As Grover and Stewart (1999) point out, those activation measures may foster the creation of low paid jobs.

With respect to women, diagnosis on their low employment rates is more complex. In this sense, the European institutions mention, especially since the onset of the second phase (2001), disincentives rooted in the lack of public care services. Indeed, this is the only social protection field that the EES recommends to expand (prognosis) due to its positive effects on the employment levels of women. That recommendation was included in the Employment Guideline 6 (2003-2005) and 18 (2005-2008). This social field must be developed because in this case, social protection system acts as a “productive factor” that promotes employment rather than discouraging job acceptance, as is supposed to happen with certain income policies. That reflects a common feature of the activation discourse, where social policies appear to be subordinated to the goals of competitiveness and efficiency (Jessop 2002).

4- The influence of the EES discourse on activation in Spain and the UK

The EES discourse on activation has had some impact on the Spanish employment policies. During the years that the government of the Popular Party was in office (1996-2004), the EES legitimises the growing role that training policies were starting to have. Thus, all the legislative and policy documents analysed that introduced changes in this field included discursive elements that can be attributed to the “policy frame of the knowledge driven economy” developed within the EES. Moreover, in most of the documents the Employment Guidelines or the European Commission communications are quoted. In them, changes linked to the advance of the knowledge driven economy, such as mismatch between workers’ skills and employers’ demands, are stressed. Sometimes, we also find in these documents a conceptualization of unemployment in terms of lack of employability (diagnosis). In connexion with this, new functions are attributed to the employment and social policies (prognosis), related to the need to help workers to adapt to continuous changes by improving their skills. In parallel, resources allocated to training policies for both workers (lifelong learning) and unemployed are increased. The ideas related to this policy frame were practically nonexistent on the employment policies discourse of the 80s and early 90s, mostly associated with a flexibility approach focused on deregulating labour market legislation (Bilbao 1999). Accordingly, EES discourse appears as an important driver of the new impetus given to the supply side policies.

However, we do not observe that unemployment was mostly represented in the documents analysed as a problem related to supply side factors such as lack of skills, beyond some minor exceptions (diagnosis). The interviews confirmed that point. This is congruent with the features of the productive model that exists in this period of economic and employment growth, where many jobs were created in low qualified sectors, such as the construction sector. Moreover, other problems barely mentioned in the EES but crucial in the Spanish context, such as the very high temporary rate (around 30% during these years), are at the core of the Spanish policy agenda. In this sense, the National Action Plan of 1999 stated that in Spain, the preventive approach should start by encouraging more workers to have open-ended contracts instead of fixed-term contracts. That clearly illustrates a different understanding of the preventive approach defined in the EES. Besides, Spain continued to be below the EU average in terms of
budget allocated to training policies and in terms of unemployed and workers receiving training (Lope and Alós 2013).

The “policy frame of the disincentives” had more influence on the Spanish employment policies. Interviews conducted as well as documents analyzed reveal that the government of the Popular Party finally accepted the diagnosis formulated within this policy frame with regard to the people excluded from the labour market, i.e., that the “passive” unemployment benefit system of Spain fostered unemployed to remain out of work. It is interesting to note that those diagnoses were rejected in some of the documents submitted in the first years of the EES, such as the National Action Plan 2001. Surprisingly, National Action Plan submitted in 2003 stated that “concerns on disincentives exist because a considerable proportion of unemployment benefit receiver (around 20% of men and more than 30% of women) state that they are not actively looking for a job” (MTAS 2003:32).

In this sense, the EES appears as a key process in order to understand the reform on the unemployment benefit system approved in 2002 by means of the Law 45/2002 (prognosis). As maintained by Serrano et al. (2009), this activation reform, for the first time in history, introduced the notions of supposed dishonest conduct or inadequate behaviour of the unemployed person by demanding—at least formally—new commitments from the unemployed. This reform 2002 (Law 45/2002) was fully consistent with the Employment Guidelines that were encouraging the responsible involvement of the unemployed in the job-seeking process (Torrents 2006). One of the main changes of the reforms can be attributed to the inclusion of a “commitment to activity”, which established that “the recipients of unemployment benefits must actively seek employment, accept a suitable job and participate in specific motivational, informational, training, reconversion or professional insertion activities in order to increase their employability”. Besides, suitable job was redefined in a less restrictive way. In addition, new sanctions were enacted that implied the withdrawal or the reduction of unemployment benefits in case unemployed rejected suitable job or refused to participate in active labour market policies. Nevertheless, formal disciplinary requirements (“commitment to activity” and benefit reduction if the unemployed person does not fulfil the duties) were barely implemented. The fact that the new regulation was not accompanied by more resources (especially more staff in the Public Employment Services) probably explains this “implementation gap”. In this sense, Aragón et al. (2007a:195) argued that “a kind of quid pro quo arrangement exists regarding the obligations of unemployed people and the benefits they receive from the public employment services. The overall shortcomings of the public employment services when it comes to the provision of appropriate, integrated job-finding plans and the very low job placements rates that they achieve are to some extend “compensated” for by them not applying the conditions that are established by law and are also present in the various employment measures”.

The “policy frame of the disincentives” that focused on old workers and women had less influence. Thus, measures to reform early retire were not implemented and the public care services was not developed.

Nevertheless, the most particular elements of the Spanish activation and employment policies model which starts to be developed during these years, as its focus on employment benefits, is attributed to endogenous factors, such as the temporary rate problem. Since 1999, when the Plan to Promote Stability in Employment was enacted, there has been a succession of measures aiming to encourage permanent contracts by means of employers’ social contributions discounts for the permanent recruitment of groups with insertion difficulties. Those measures extended to the point where they encompassed nearly all workers (López-Andreu et al 2007). In 2005, the budget allocated to these measures supposed that 43% of the budget allocated to active labour market policies.

In 2004, the Socialist Party took the office. Overall, the policies implemented until 2008 did not alter the main features of the Spanish activation model developed by the Popular Party. New discounts on the social contributions paid by employers to the social security were enacted in
order to encourage open-ended contracts. Accordingly, “employment benefits” continued to be the most important measures. Besides, investment in training policies reflected a high degree of continuity. Thus, in 2008 active labour market policies budget allocated to training measures was 21% compared to 27% of the EU countries, according to Labour Market Policy Expenditure figures from Eurostat. However, it is also true the Socialist Government approved some measures aiming to increase social protection. For instance, it extended unemployment benefits to persons aged over 45 years without family responsibilities. Those measures were “passive policies” unconnected to employment demands, as opposed to what the EES was recommending.

In the UK case, a first aspect to be stressed is that the ideology of the “new Labour”, close to the so-called third way (Giddens 1999), converged with EES discourse in many aspects. It accepted that investment should be focused on human capital measures rather than on the direct provision of economic maintenance and it was in favour of an active and preventive welfare state based on rights and duties (Powell 2000). Partly as a consequence of that ideological convergence, we did not observe that the EES was a key driver of the activation reforms implemented in this country. In this sense, it can be pointed out that the case of the United Kingdom shows that in this country the EES has reinforced and supported activation policies rather than directly inspiring those policies. Analyses conducted by Lindsay (2007) achieve similar conclusions.

The “policy frame of the knowledge driven economy” is crucial in the Labour government discourse (Jessop 2003). The imaginary of the knowledge driven economy is used to explain main changes and challenges affecting the labour market (diagnosis). On some occasions, the new economic order is presented in the first phase (1997-2000) as a fact of nature and as an inevitable process. “We are in a new age - the age of information (...)We have no choice but to prepare for this new age in which the key to success will be the continuous education and development of the human mind and imagination” (DfEE 1998a). In parallel, it is also represented as a “restructuring guide” that require active government involvement in order to promote competitiveness (Jessop 2003). In connexion with that discourse, some training measures were introduced to improve basic skills and employability of unemployed (prognosis). To this regard, most important programmes developed in the first phase were New Deal programmes addressed to young people and adult workers (blame attribution). New Deal for young people was the most important. It received 70% of the total financing. This programme was mandatory for young people aged 18-24 who were registered as unemployed for six months or more. It started with an assistance period for up to four months, that prepared people for a choice within four options: full-time subsidised employment; full-time education or training; participation on Environmental Task Force projects; and work experience within voluntary sector. Training option was the most elected one, although some doubts were raised about its efficiency to favour labour insertion (Finn 2003).

In the second phase (2001-2005), the Labour government welcomed the enactment of the Lisbon agenda, presenting itself as a strong supporter of it (DfES 2003). Thus, it seemed to converge with the EES in the idea of promoting social cohesion by redistributing opportunities through the investment in training: “By increasing skills levels of all under-represented groups, we will develop an inclusive society that promotes employability for all” (DfES 2003:18). Paradoxically, training option included in New Deal programmes for young people lost importance in this period in favour of a variety of assistance services and short training schemes. Moreover, the Labour government rejected Country Council specific recommendations that demanded UK government in 2002 to reinforce training policies in favour of adult unemployed. As stated in the National Action Plan 2002 and confirmed in the interviews conducted to policy officers, the Labour government understood that implementation of such programs could distance jobseekers from the labour market and so reduce their chances of finding work quickly. In this sense, we observe that the centrality given to the market and the paid worker within the UK activation approach implies that training to unemployed is not the primary option of the government, albeit there is general policy discourse that stresses the
importance of promoting skills. This feature is maintained in the third phase. In this sense, it can be stated that the Labour government did not find the way to combine a “work-first” approach that encourage people to enter into the labour market as quick as possible with a human capital or employability approach that may require that unemployed take part in long-term education or training programmes.

“A key challenge is to bridge the gap between the “work-first” strategies which have been found to be effective and the shortfall in skills that is evident in the UK economy” (Lord Freud review 2007)

“One thing that as a country we haven’t resolved is what it the route of full time training for people who are unemployed but the evidence is quite weak on the effects of full time training of unemployed” (Interview with policy officer of the UK Labour government).

A high degree of convergence is observed with regard to the “policy frame of disincentives” focused on those excluded from the labour markets in terms of the diagnosis of the problem (welfare dependency), and the prognosis or proposed solution (the centrality of paid work, “making work pay”). As Fairclough (2000) or Daguerre (2004) have argued, new labour rhetoric stressed that Welfare State was creating the conditions for welfare dependency, entrapping low-income households in poverty. Those ideas clearly appear in the documents analyzed.

“It is clear that the current benefits system is not working as it should. Rather than encouraging work for those who can, it promotes wasteful long-term benefit dependency which, in turn, can lead to social exclusion, poor health, low self-esteem and low personal motivation” (DfEE1998b:5)

“Rather than being a solution to these problems, the welfare system has become part of the problem itself. For an increase number of people, it offers little more than a fortnightly benefit cheque” (DfEE 2001:1).

As opposed to Spain, in the UK, the unemployment benefit was a “stricter benefit regime” since the last 80s. Reforms such as the 1989 Social Security act implemented by the Conservative government required unemployed to prove that they were actively seeking work. Moreover, receipt of benefits was conditional to compulsory activities such as short training schemes or re-motivation programmes (Blackmore 2001). Bearing that in mind, activation reforms implemented by the Labour government were focused on those benefits such as “Income Benefits” or “Incapacity Benefits” that were still of a “passive” nature. In this sense, activation was mostly focused on two target groups that the EES barely mentioned (blame attribution): lone parents and disabled. Those groups were required in 2001 to take part in “work-focused interviews”. Thus, regular control of their behaviour was made effective. These reforms were linked to the development of the Jobcentre Plus in 2001, a single gateway service for all benefit claimants that integrated social benefits and labour market programmes.

“With the start of Jobcentre Plus, everybody making a claim to benefit in those areas will be required to take part in work-focused interviews, to find about the options available to them” (DWP 2001:73, in Daguerre 2004).

Besides, different in-work benefits addressed to lone parents were created in order to make labour participation more attractive. Since 2006, frequency of compulsory work-focused interviews was also increased (they were required every six months rather than twelve). For disabled people, “Employment and Support Allowance” replaced previous Incapacity benefit in 2008. The new benefit introduced a much more rigorous incapacity assessment by means of the so-called “Personal Capability Assessment”. According to the Labour government, this new benefit did not automatically assume that because a person has a significant health condition or
disability they are incapable of work (DWP 2006). Accordingly, it made more difficult for disable people to remain on welfare dependency.

With respect to old workers, the UK presented and employment rate for workers aged 50-64 years in 2001 equal to 53% (DfEE 2001). This rate was higher than the EU average and higher than the objectives assumed in the Stockholm summit to be achieved in 2010 (50%). Moreover, institutional features of the social protection system of the UK mean that early retire measures are not usually implemented. Bearing this in mind, measures to encourage old workers to remain in the labour market were not in line with the Employment guidelines. They were focused on financial incentives addressed to the workers. Activation measures focused on disability benefits also aimed to foster old workers to enter into the labour market since there were evidences that an important proportion of inactive people aged between 50 and state retirement age were on some sort of sickness or disability benefits (DfES 2001).

As far as women are concerned, Labour government accepted the diagnosis that lack of suitable and affordable childcare was a barrier to work for women: “Evidence show that a lack of suitable, affordable childcare is a major barrier to work particularly for women and lone parents” (DfES 2001:31). In connection with that, it increased investment on childcare services by means of measures such as the “National Childcare Strategy” (prognosis). However organization of care remained difficult for parents (usually mothers), then impacted on their choice to enter the labour market (Lewis y Campbell 2007)

5- Conclusions

The article has showed that the EES has promoted activation by means of a relatively contradictory discourse that stresses, on the one hand, pressures (first phase) and opportunities (second and third phase) related to the advance of the knowledge driven economy. That discourse redefines social question by conceptualizing unemployment as a supply side problem and by representing security as capacity to adapt to the changes and to improve employability instead of protection against risk. Moreover, differences between the situations of workers are represented as differences in individual’s skills. This discourse is connected to an approach that recommends member states to focus investments on training and employability policies that, in connection with income policies, provide incentives and opportunities to unemployed to upgrade their skills. That approach denotes, to some extent, influence of human capital approaches historically developed in the Nordic countries that aim to match economic competitiveness with social cohesion by extending employability to all social groups. However, as opposed to Nordic approaches, a sufficient level and duration of unemployment benefit is not considered necessary condition (Garsten y Jacobsson 2004). Thus, the EES states that passive Welfare State policies promote welfare dependency, recommending member states to review replacement rates and benefit duration and to increase incentives for people excluded from the labour market to look for work and to accept suitable jobs. This recommendation connects with a work-first approach that gives priority to a quick labour market insertion over the promotion of quality of employment. This approach is not compatible with a human capital approach that may require unemployed people to take part in medium or long-term training and education programmes while receiving an adequate income protection. For old workers, EES recommends to reform early retire policies and for women it recommends to promote care policies due to its positive effects on female employment.

EES discourse on activation has had a relatively high symbolic impact in Spain, especially during the period that the Popular Party was in office. In this period, problems related to the dishonest conduct or inadequate behaviour of unemployment, rooted in a “passive” unemployment benefit system that encourages dependency, started to appear in the policy discourse. It is important to note that those ideas were missing in previous policy and legislative documents and, therefore, the EES appears to be a key driver of its inclusion. However, activation model developed at the level of instruments and methods is not fully consistent with
Employment Guidelines. In this model, unemployment benefits play a minor role in the purpose of activation, because albeit as being presented as a model that encourages the responsible involvement of the unemployed in the job-seeking process since the 2002 reform, in line with EES discourse, contractualisation is low despite formal disciplinary requirements. Moreover, activation policies have not prioritized encouraging the unemployed to become involved in active training measures and investment in training is still relatively low. Thus, activation has promoted competitiveness by reducing labour cost through different employment benefits measures and, to a lesser extent, by fostering innovation and qualification of the workforce.

In the UK, the EES discourse on activation has legitimized activation policies but not inspired them. In this sense, we have discovered a high degree of convergence between the Labour government and the EES discourse on activation. Nevertheless, the way that activation is put in practice is not completely in line with Employment Guidelines due to the relatively low role that training policies play within the work-first activation approach developed in this country. However, it is also true that compared to previous conservative government, activation policies became more training oriented during the period analysed.

In sum, it is possible to conclude that the EES is progressively favouring some converging trends, especially in ideological terms. In this sense, we have showed a tendency to conceptualise unemployment as a problem caused by “welfare dependency”. In the UK, those ideas appeared in the policy discourses in the last 80s (Jessop 2003) and are not directly inspired by the EES but in Spain they were completely new. Due to the EES influence, Spanish unemployment benefit system has formally converged with the UK unemployment system, by legally requiring those in receipt of unemployment benefits to prove that they are actively seeking work and to take part in motivation or training measures. On the other hand, we have proved that both countries gave a new impetus to training policies during these years, in line with EES policy recommendations. At the same time significant differences are found at the level of the instruments and methods, explained due to societal differences. In the UK, formal requirements to different groups excluded from the labour market are effectively implemented, as opposed to Spain. In parallel, the UK has implemented different “in-work benefits” in order to making work pay while Spain has focused its activation strategies on “employment incentives” that promote employment by reducing labour costs.
References


Lindsay, J.; Mailand, M. (2002); “Comparing youth activation policies in Denmark and the United Kingdom”, in Serrano, A. (ed.), *Activation policies for young people in international perspective*, Brussels: ETUI.


