

# **Active inclusion and industrial relations from a multi-level governance perspective**

## **WP B Country report**

### **Comparative report of France, Italy, Poland, Spain, Sweden and the UK**

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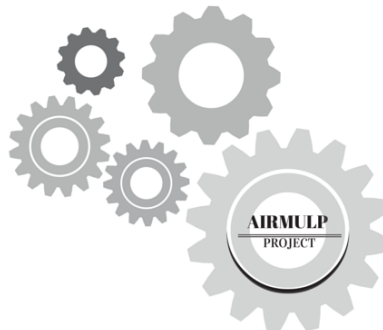
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## **Introduction**

In 2008 the European Commission adopted a Recommendation on Active Inclusion of people excluded from the labour market, promoting a comprehensive strategy based on the balanced combination of three main policy pillars: an adequate income support, the establishment of inclusive labour markets, and the access to quality services.

Since 2008 the implementation of activation strategies has certainly progressed among Member States, but often in a fragmented, only partial and uneven way. Overall ‘there is still a long way to go to for the effective implementation of the Recommendation across the EU’ (Frazer and Marlier 2013:7). A wide array of activation policy programmes took root across countries, but not necessarily in response to the supranational recommendation. Moreover the concurrence of the economic crisis has harshly affected the resources available to boost comprehensive activation strategies.

Against this bedrock, the present report aims at investigating the activation strategies implemented at national level across six Member States - France, Italy, Poland, Spain, Sweden and United Kingdom - since the issue of the Recommendation on Active Inclusion. In particular, we focused on two out of the three policy pillars above mentioned, namely income support and inclusive labour markets. A central focus of the research is moreover to understand and deepen the role played by social partners and stakeholders in policy elaboration and implementation.

The report focuses on five main traits of ALMPs. A first section deals with the discourse on Active Inclusion, analysing what are the key features of the policy discourse on active labour market reforms and regulations across the six countries. Are inclusive labour market and adequate income support core problems for the political agenda in the countries under scrutiny? Are the policy debates directly or indirectly influenced by the European recommendations and discourses? Or conversely are they part of a country-specific cognitive map?

The second and the third sections present the main ALMPs implemented in the six countries related to, respectively, adequate income support and inclusive labour markets. As far as income support schemes are concerned, the analysis pinpoints the main scheme adopted in each country, distinguishing among unemployment benefits; income support and subsidies directly addressed to activation (e.g. bounded to training and active job-search); and income support addressing low income individuals/households. Concerning inclusive labour market, the report scrutinises the main measure introduced in terms of matching, training, incentives to firms and direct job creation.

The fourth section focuses on the relevance of the role played by social dialogue in the definition of ALMPs and, if so, to what extent it configures as merely informative, consultative or properly participatory. The analysis, moreover, concentrates on the strategies displayed by the key actors involved in the process, namely the state, the social partners, the stakeholders and other relevant actors. Their role and actions can configure differently according to the national framework of reference.

A last section concentrates on the forms of vertical and horizontal coordination in the field of active inclusion with the European and/or regional level. Some concluding remarks discuss the main results emerging from the comparative analysis of the six countries.

### **1. The discourse on Active Inclusion**

The issue of active inclusion as framed at European level has rarely known a literal transposition within the national borders of the different member states under scrutiny. Such policy idea indeed has never translated into comprehensive systematic and strategic agenda at national level, as occurred at the supranational level. The specific watchwords like ‘active inclusion’ and to a lesser extent ‘social inclusion’ promoted by the European Commission have been underused and marginalised in both the legislative realm as well as in the ideological debate in the six countries, where conversely the discussions progressed rather independently. The baseline ideas did enter, more or less vigorously, into the national reform agenda, but mainly as a source of viable solutions to domestic problems, rather than as bedrock principle to reform national labour markets.

Three main patterns may be identified in the development of the narrative around activation strategies and the rhetoric surrounding such policies.

In both Italy and Spain, the activation discourse developed in a fragmented and patchy way. The principle of *conditionality* for benefits claimants came often to overlap with proposals of labour market flexibilization, job creation, deregulation of employment protection and of collective bargaining decentralization.

On the other hand, France, Sweden and the UK are examples of national frameworks where the *activation* narrative widely developed in a country-specific fashion, reflecting peculiar features of the social model and employment relations regime in which are embedded. France displays a longstanding tradition of *insertion* and *accompagnement* in active inclusion strategy; in Sweden the notion of inclusion into the labour market underpins the historical configuration of the whole welfare system; while in the UK, the politics of *worklessness*, *workfare* and ‘*making-work-pay*’ traced its origin back to the 1980s and persisted until nowadays.

In the case of Poland active labour market policies have become more important in concomitance with the EU accession.

The comparative perspective across these six countries allows us to locate the principles underpinning the logics of functioning of these policies along a continuum between an *individual* and a *collective* approach to unemployment. Perhaps rather unsurprisingly, the UK straightforwardly embodies the ideal-typical ‘model of human action that emphasizes individual behavioural explanation for unemployment’ rather than a social one (Wright 2005: 91). In Poland, the need to improve employment rates, especially for specific groups such as women and older workers, clashes with a traditional, family-centred view of the economic organisation of society. France is positioned at the opposite end of the continuum, with a stronger emphasis on the *social*, rather than individual explanation to

unemployment and labour market detachment. Social and professional inclusion indeed is considered a collective issue: it follows that the state has the obligation to address them. The Swedish economy relies on a full-employment political economy approach that makes activation a core duty of the state. Italy and Spain fall between the two extremes, where a sort of paradigm shift is occurring, tending to move from social responsibility towards the individualization of rights and duties. The following section elucidates the narrative and the political rhetoric developed around activation strategies in France, Italy, Poland, Spain, Sweden and the UK.

### **France**

Active inclusion policies have had a remarkably long development in France, but largely independently from European Union recommendations.

In France the discourse of inclusion (*insertion*) started in the 1970s, before than in the rest of Europe (Barbier 2008), and it was translated into the welfare system in 1988, under the socialist government led by Rocard, through the introduction of the first Minimum Insertion Income (*Revenu Minimum d'Insertion – RMI*). Such scheme contained the *insertion* clause (the I of RMI) requiring to all benefits claimants to formally engage in activities set up to ease their integration into the labour market. Such activation requirement however was initially interpreted as a 'prudent and measured' (Borgetto 2009) approach of benefits conditionality: the term 'reciprocal engagement' between the claimants and the state indeed was preferred to the term 'obligation'.

Moreover the integration and inclusion objectives were defined in social as well as professional terms' (Clegg and Palier 2014: 205): beneficiaries of income support benefits are 'obliged to undertake the actions necessary for an improved social or professional insertion' (article 8, law 1 July 2009 introducing the RSA). Social inclusion (activities dealing with health or housing for instance) is seen as a first step towards employment for those beneficiaries in multiple disadvantages or not immediately able to consider job re-insertion. All the other claimants instead have to orient their activities to active search for paid jobs.

The policy narrative underpinning active inclusion strategies in France hence developed around the idea of insertion, where a fundamental role is played by the state taking charge of the 'sacred debt' that the society has towards needy and unemployed people. The substantial portfolio of active labour market policies in fact has long been referred to in the same terminology – the 'social treatment of unemployment' – pointing to a dominant conception of solidarity and collective explanation of such issues (Clasen and Clegg 2003).

Though activation dimension of reforms embodied the refusal of the logic of 'pure assistance', scholars and commentators however interpreted the regime as a myth to pursue, rather than a compelling policy goal: 'it was intended to mask the essentially passive original vocation of the benefit and to dissimulate the introduction of assistance

to support the creaking social insurance foundation of the Bismarkian social protection system' (Clegg and Palier 2014: 220).

Nevertheless the logic of conditionality and activation gradually increased. The largely symbolic – or 'mythical' – function was partly replaced by the effort to emphasize the potential of benefit conditionality as an instrument for putting people back to work. The election of president Sarkozy in 2007 marked a clear step forward in conditionality regime: in the 2008 Law on Rights and Obligations for Jobseekers' (*Loi relative aux droits et aux devoirs des demandeurs d'emploi*) the government replaced the term 'reciprocal engagement' with the notion of 'obligation' (*devoir*). Stronger emphasis was clearly placed upon claimants' individual responsibilities towards the state rather than on a mutual exchange of commitments.

### ***Italy***

Both the ideas of inclusive labour markets and adequate income support have been gaining relevance in the discourse and the policy agenda in Italy. As a matter of fact, there are examples of recent reforms in both policy fields where the objectives of making labour markets more inclusive and providing universal and adequate income support have been present and explicitly stated in the drafting of the laws.

However, the Active Inclusion policy paradigm integrating adequate income support and inclusive labour markets, has still a limited presence, particularly regarding labour market reforms, whilst it has appeared more prominently in the design of social policies, and in particular policies to fight against poverty. As a matter of fact, almost no explicit mention of active inclusion has been made in the recent labour market or social policy reforms in Italy. As emerged from our interviews, the reason for this is partly the strong legacy of the activation paradigm. The idea of activation is already prominent in the recent Fornero reform (2013) and Jobs Act (2014), but without adopting the integrated approach outlined by the European Commission.

The notion of an inclusive labour market has to be interpreted at the light of the dualization experienced by the Italian labour market since the mid-1990s, with an increase in atypical and precarious forms of employment as well as long-term unemployment. In this vein, an inclusive labour market would be aimed at both closing the gap between workers in different contractual positions as well as to integrate / include those unemployed. Achieving this goal requires the adoption of an integrated approach between active and passive labour market policies. In particular, active labour market policies are not only necessary in order to re-integrate unemployed workers, but also to help those with worst working conditions to move upward. Moreover, passive policies need to be complemented with activation mechanisms. At the same time, in order to guarantee their inclusiveness, they have to avoid the fragmentation in schemes across categories of workers.

In the case of Italy, several studies and reports pointed at a low level of expenditure in active labour market policies (where hiring incentives rather than training actions had the

lions' share of spending), the fragmentation and low coverage of passive policies and the weak integration between the two. This contrasted with the introduction and extension of non-standard employment, hence leaving in a vulnerable position an increasing number of workers. Whilst (limited) steps were given since the mid-1990s towards enhancing the funding and design of active labour market policies, even less was done regarding passive labour market policies.

The increasing importance of the discourse on activation has been paralleled by the increase in unemployment rates. Activation has been gradually included in National Employment Plans in the spirit of the legislation and documents of the agreements for the development of policies. Nowadays, it is a consolidated principle in labour market regulations, though some of the interviewees doubt on its effectiveness considering that this discourse is in some way rhetorical, given that it is financed to a large extent with funds from the European Social Fund.

We can notice a process of individualization behind the discourse of activation, closely linking social protection to active participation in the labour market. Also, this process is linking unemployment benefits right to the obligation of an active job seeking. In other words, the main principle is to individualize the labour guidance as well as the unemployment responsibilities (Gualmini and Rizza 2011). This is also the idea behind the main instrument of implementation of the conditionality principle, i.e., the so-called *Patto di Servizio* (Service Pact), that establishes an itinerary of actions carried out by the employment agency and the commitment of the unemployed people to fulfil with them.

Public administrations and Employer Associations have generally endorsed the conditionality principle. However, trade unions remain critical about the concept of conditional activation, due to the fact that *conditionality* should vary according to the category of unemployed to which it applies (e.g. it should be softer for long-term unemployed).

According to some interviewees, low-skilled unemployed (with no secondary education and sometimes no completed primary education) should be considered by different criteria in the sense that they face more difficulties for labour market integration. For this specific group training delivers very little results and there are higher social exclusion risks. Using private intermediation services is not an option for these unemployed due to their 'low-employability' profile. For this reason, they turn to public services and third sector organizations that provide them income and training.

### ***Poland***

In 1990-2004, the focus of Polish employment policies was overwhelmingly on passive measures, but the situation was reversed after EU accession: the share of active policies on labour market expenditure increased from 25% in 2004 (year of EU accession) to 58% in 2014. In this period, total expenditure on the labour market has declined, but as unemployment was falling quickly, expenditure intensity (by unemployed person) has

actually increased and reached EU average. This can be seen as evidence of a EU effect in the promotion of activation, something that was still virtually ignored in the 1990s.

As a new member state, Poland has paid high political attention to all EU discourses, especially during the membership negotiations when it had to demonstrate full implementation of the *acquis communautaire*. However, the Polish ‘culture of compliance’ has been defined as ‘dead letters’ by Faulkner et al. (2008), where fast transposition combines with poor implementation and enforcement. This is visible in employment policies, in particular in the fields of equal opportunities regulations.

The link between EU policies and Polish labour market is complex and contested. Some comparative research indicated that the European Employment Strategy has had more effect on Poland than in most other countries (Mailand, 2008), but macro factors (investment, demography and emigration) are probably much more important drivers.

Activation enjoys widespread legitimation as a policy principle, thanks to its welcome novelty and to the recognised issue of low activity rates in Poland. Polish researchers (Sztandar-Sztanderska, 2016) have argued that activation has been associated, in Poland, with individualisation, especially of responsibility rather than of interventions. However, our interviews with social partners did not reveal any instance of such criticism. The only, but important, critical point, from the Solidarity trade union, was the suspicion that many of the new active policies have been ways to artificially and temporarily ‘delete’ jobless people from unemployment statistics, in line with research evidence of a ‘very limited impact’ on the employability of benefit recipients (Portet and Sztandar-Sztanderska, 2008). In particular, unions point at the use of temporary work agencies and low-quality unpaid internships as artificial ways to bring registered unemployed numbers down.

Active inclusion, like all recent EU policies, has been zealously popularised in Poland. Government and social partners refer to EU documents very keenly. For instance, the documents of the last congress of Solidarity refer extensively to the Europe 2020 targets, and in our interview a Solidarity officer stresses how ‘active inclusion’ is better than ‘activation’ as it involves attention to poverty and the risk of poor work. The argument of active inclusion is used by Solidarity, in particular, to fight against agency work on the ground that 30% of agency workers are at risk of poverty. Both largest trade unions, Solidarity and OPZZ, took part in international projects on active inclusion soon after the EC Recommendation. Government and employer organisations appear less strongly convinced by the concept. Government’s national plans (e.g. the ‘National Development Strategy 2020’ of 2012 and the ‘Poland 2030’ strategy of 2013) do mention active inclusion and consider labour market integration as key to solve the problem of social exclusion and acknowledge the problem of ‘poor work’. The stress, at the time of liberal governments (2007-15), was on human capital development and on ‘workfare’. The new conservative government has not published documents on it, and our interviewees in government and employer organisations acknowledge the idea in a rather generic way.



## *Spain*

The active inclusion strategy, as promoted by European Commission, emerged in Spain gradually but patchily (Rodríguez Cabrero, 2013). The political narrative of activation did enter the agenda in the 2000s, although a significant gap remains between discourse and implementation. In particular, the resources devoted to promote activation (including training schemes, labour market intermediation services etc.) have experienced a significant decline in recent years. Moreover, the enforcement of the principle of conditionality remains very weak in practice.

On the issue of conditionality, public discussions revealed a tension between supranational recommendations and the national legislation on social protection. Trade unions and other non-governmental organisations are critical of conditional activation, pointing to a clash between the logic of ‘merit’ underpinning conditionality criteria and the logic of social protection pervading the Spanish system.

As far as the three pillars of active inclusion articulated by the EU are concerned, the discourse is polarized. On the one hand, the government has emphasized job creation as the priority of the most recent labour market reforms, thus relegating to a secondary role the fight against dualization or extending protection for the unemployed. As a matter of fact, both the duration and generosity of unemployment protection benefits have experienced cuts. Even though non-contributory schemes have been extended for older long-term unemployed, the coverage of unemployment benefits has experienced a steady decline since 2012. Moreover, the persistence of high rates of temporary employment implies that most young workers are left without income support after short employment spells.

A similar discourse is shared by employers, who highlight the need to bring down unemployment to socially acceptable levels as quick as possible, thus subordinating other goals to this one.

By contrast, the discourse of trade unions and other civil society organizations in Spain has placed more emphasis on the need to promote inclusive policies, including minimum income schemes, in order to fight against the negative social effects of the great recession in Spain. In particular, trade unions have very actively promoted the creation of a universal guaranteed income, whilst at the same time claiming for an extension in the duration and generosity of unemployment benefits.

Overall the political discourse in Spain is dominated by some specific policy priorities, including unemployment, labour market flexibility, competitive devaluation of wages and the decentralization of collective bargaining. The vulnerable position of long-term unemployed and the increase in income inequality has not been at the centre of government discourse on promoting active inclusion policies.

## *Sweden*

Sweden was a pioneer of active labour market policies in the twentieth century (Minas, 2011): the idea of activation underpins the historical configuration of its social model, where ‘work is more than ever an entrance ticket to the so-called universalistic Swedish welfare state’ (Halleröd, 2013:7). A low unemployment rate and a high rate of labour market participation for all groups constitute the backbone of the Swedish model.

The principle of social exclusion is strictly intertwined with the condition of not working, as expressed by a trade unionist from TCO:

I’ll say something provocative, well do we all have to work? Then the answer in Sweden is yes! Everyone has to work! You can see the figure: the participation rate is very high. Our society cannot function without every person working. Because in other countries the issue can be different: they can include them into society but not everyone has to work [...]. We have to include everyone into the labour market and it's not voluntarily, you have to work! (interview, TCO union 58).

The discourse on activation can be detected in the narrative of all Swedish governments, regardless of political orientation. Nevertheless, social-democratic and conservative governments have differed in the emphasis placed on conditionality and individual responsibility.

The liberal-conservative coalition in power in 2006-14 put forward a bold labour market reform agenda centred on the ‘work first principle’ (interview 61 - Confederation of Swedish Enterprise). Making work pay was definitely the mantra of the centre-right government.

, as evident in policies such as stricter eligibility criteria to receive income support benefits, stricter deadlines and time limits for unemployment and sickness benefits, job tax deduction and a rise in membership fees for unemployment funds.

The social democratic-led government in power since 2014 brought back the emphasis on education and training, but the discourse on activation remained almost unaltered.

### ***The UK - England***

Although the issue of active inclusion entered the political agenda in the UK in the 1980s, such policy idea has never translated into a comprehensive systematic strategy (Bradshaw *et al.* 2013). Activation fell into a broader political programme aiming at reducing public expenditure, shifting the economy from public towards private-sector employment, and rebalancing the relationship between the state and citizens away from ‘welfare dependency’ towards ‘self-sufficiency’.

Activation is certainly the underpinning British approach to labour market initiatives and policies, but without references to the European Union strategy on active inclusion. It follows that overall the watchwords ‘active inclusion’ and ‘social inclusion’ as promoted at supra-national level have been underused and marginalised in both the legislative realm as well as in the ideological debate. Instead, active inclusion strategies have been issued

at national level under the labels of ‘making-work-pay’ programmes, workfare approach, and promoted as policy tools to reduce ‘benefits dependency’.

A high-level of continuity characterises the policy discourse on active inclusion since the 1980s, given the strong cross-party consensus on three main principles underpinning reforms: the definition of unemployment, its causes and politically acceptable solutions; the use of competitive market forces and outsourcing in the provision of public employment services; increasing work conditionality for all benefits claimants groups (Wright 2011).

Against a backdrop of a traditionally liberal welfare regime indeed the discourse reconfiguration of unemployment, poverty and social exclusion is increasingly framed addressing the validity of behavioural explanation for social issues. Such issues became manifestations of individual failure or misbehaviour rather than the consequence of inadequate resources or broader economic and political structures and opportunity sets, facilitated by generous benefit payments that seem to encourage passivity and dependency on welfare state (Wiggan 2012).

The New Labour government of 1997-2010 built its discourse on labour market and welfare around the notion of ‘welfare-to-work’. The government’s commitment to encourage individual responsibility and to activate benefit recipients was explicitly stated in official documents:

We will enshrine the responsibility to work at the heart of our approach in a simple deal: more support but greater responsibility. We will help people find and retain work through support more personalised to individual need but, in return, those who are able will be expected to take a job if it is available. For those who are capable of working, there will be no right to a life on benefits (DWP 2008:12 ‘No One Written Off: Reforming Welfare to Reward Responsibility’)

Hence activation epitomized a specific new political stance, namely ‘making-work-pay’ (in other words making work in any case better off than benefits), with the purpose to reverse an alleged previous approach featuring low personal responsibility and high welfare dependency. Such narrative was remarkably hardened by the Conservative-Liberal Democrat Coalition government in 2010-15. The Coalition’s discourse centred on the necessity to heal ‘Broken Britain’, boost productivity, reduce public expenditure through outsourcing of public services to private contractors, cut state-funded benefits and downsize public employment. A workfarist approach was strengthened further by increasing conditionality and introducing stricter sanctions as a means to tackle a widespread ‘culture of worklessness’ (DWP 2012:38 – *Social Justice: Transforming Lives*). A hostile environment is slowly being constructed for all those who find they need to rely on social security (Wiggan 2012):

A life on benefits is a poor substitute for a working life but too much of our current system is geared toward maintaining people on benefits rather than helping them to flourish in work; we need reform that tackles the underlying problem of welfare dependency (DWP 2010:1 – Universal Credit: Welfare that Works).

## 2. Income support measures

Adequate income support embodies one of the three pillars on which the European Union strategy for active inclusion is based on. Across the six countries under scrutiny income support has translated into measures tackling unemployed groups on the one side, but also low-income households on the other side.

Differences emerge in the comparative analysis. Italy stands out for not having a nationally established minimum income scheme to combat poverty, in addition to having a relatively limited unemployment insurance system. The debate around the introduction of a national minimum income scheme has increased in recent years, and unemployment insurance has been gradually widened through more universalistic schemes.

As shown in table 1, the six countries differ in terms of rate of public expenditure for labour market policies and specifically for unemployment insurance and income support benefits. Italy and Spain are the countries that spend the highest share of labour market expenditure of income support, but they are also the countries where unemployment has increased most. In terms of intensity (expenditure per unemployed), Sweden and France spend much more and the generosity of their support is therefore much higher, especially for France. Interestingly, expenditure intensity has increased slightly in Sweden and Poland, but has declined in the other countries and especially in Spain. Rather than EU-led convergence, we can speak therefore of divergence in the amounts and destinations of labour market expenditure.

**Table 1. Labour market expenditure (own elaboration on Eurostat data)**

	2007			2014		
	Total expenditure (% GDP)	Intensity (Euros per unemployed)	Share of supports (passive policies)	Total expenditure (% GDP)	Intensity (Euros per unemployed)	Share of supports (passive policies)
Sweden	1.63	19,317	31	1.91	20,608	32
UK	0.46	6,211	33	n.d.	n.d.	n.d.
Italy	1.06	11,411	63	1.91	9,626	84
Poland	1.01	1,970	50	0.79	2,026	39
France	2.11	17,851	57	2.46	17,579	60
Spain	2.12	12,739	67	2.99	5,561	81

Participant stock to unemployment insurance and income support expenditure as percentage of the labour force varies as well between countries as shown in table 2. In particular in Spain the participant stock has doubled after 2007, with Italy and the UK following closely.

**Table 2. Unemployment insurance and income support expenditure – participant stock as % labour force**

	<b>France</b>	<b>Italy</b>	<b>Poland</b>	<b>Spain</b>	<b>Sweden</b>	<b>The UK</b>
<b>2007</b>	7.9	2.5	1.5	6.3	5.8	2.7
<b>2012</b>	9.6	5.2	2.1	12.5	5.5	..

Source: OECD

Against this backdrop, the next section introduces the main measures rolled out in the six countries concerning income support and unemployment insurance.

### ***France***

The first minimum income scheme was rolled out in 1988, the Minimum Insertion Income (*Revenu Minimum d'Insertion – RMI*), overcoming ‘the traditional mistrust of assistance’ (Cregg and Palier 2014:205). It is aimed at people without any income in working age but not entitled to unemployment benefits. After its introduction, all following reforms have focused on its conditionality requirements and administration rather than on benefit levels. Imposing drastic benefits cuts or limiting the duration for entitlement have never constituted a prominent policy goal. The economic amount guaranteed to RMI beneficiaries has gradually increased between 1988 and 2000.

Unemployment benefits (*Assurance chômage*) have been historically managed by the social partners (trade unions and employers’ associations) through the Unédic (*Union nationale interprofessionnelle pour l'emploi dans l'industrie et le commerce*). In 2001 they were recast as ‘return-to-work benefits’ (*Allocation de retour à l'emploi – ARE*) under pressure from the employer organisation MEDEF. Eligibility was henceforth conditional on the signature of an individualized agreement of support to return to work (*Plan d'aide au retour à l'emploi – PARE*).

In 2001, the government introduced a tax credit regime for low-wage employees (*Prime pour l'emploi – PPE*). The main aim was to sustain the category of working poor in order to prevent their return to unemployment benefits.

In the meantime, the RMI was reformed in 2003 and stronger emphasis was placed on employment, while financing and provision were decentralized to local authorities. The Activity Minimum Income (*Revenu Minimum d'Activité - RMA*) partly replaced the RMI, stressing professional inclusion and increasing conditionality for benefits claimants. It was accompanied by the introduction of the Insertion Contract (*Contrat d'Insertion – Revenu Minimum d'Activité - CIRMA*), as a new work-focused inclusion tool: a fixed-term employment contract for long-term claimants of RMI, hired by public or private sector organisations.

A major reform of the income support pillar occurred in 2009 when the minimum income scheme called Active Solidarity Income (*Revenu de Solidarité Active - RSA*) replaced the Minimum Insertion Income (RMI) and the social minimum for single parents (*Allocation de Parent Isolé - API*). Its amount is calculated on the basis of family

dimension, household means and the claimant's employment situation. Contrary to the RMI, it makes a clear-cut distinction between those claimants who are in employment and those who are not. While the former are entitled to the RSA *socle et activité* or RSA *activité seul*, the latter receive lower benefits, the RSA *socle*. Such distinction was clearly oriented to address the problem of the working poor, but at the same time it expanded the definition of jobseekers, hence subject to the obligation to look for job (Clegg 2011).

The RSA is financed through central and local taxation and administered by local authorities with the support of family benefit funds, public employment services (PES) and further external providers of labour market and social services. Beneficiaries of the RSA *socle* as well as some claimants of the RSA *activité* are 'obliged to undertake the actions necessary for an improved social or professional insertion' (article 8, law 1 July 2009). Benefits are made more strictly conditional on the active search for paid jobs or on the engagement in activities promoting social inclusion. Moreover a new sanction regime was introduced.

Youth unemployment is tackled mainly through apprenticeships schemes and importantly the extension of the RSA to include unemployed people aged 18-25. Such reform in 2009 represented a prominent transformation in the French social support system which has traditionally considered young people an exclusive responsibility of families.

To summarise, reforms of income support in France did occur after the 2008 EU Recommendation on active inclusion, but with only partial reference to it.

### ***Italy***

Since the early 2000s there have been several initiatives to provide a minimum income for those needed. The first one was the RMI (Reddito Minimo d'Inserimento), an experimental programme carried out in 40 cities and that followed a pure means-tested logic. It had some activation mechanisms but proved short-lived due to legal changes giving regions more power in managing social policies.

During the economic crisis, the government put in place some mechanisms in order to sustain incomes of families. The first one was the *Carta d'Acquisti (CA)*, whereby a lump sum yearly income was given to families with children and an income lower than 6000 and to those over 65. A similar programme was put in place during the crisis, the so-called *Carta Acquisti Sperimentale*. This pilot programme co-financed by the European Social Fund was implemented in large cities of the South. It was more generous than the CA. It was expected to gradually replace the old support (CA) in force since 2008 with an approach combining monetary support with compulsory activation and social services programmes. The new scheme represents a significant step forward regarding its activation component. However, its strict eligibility requirements, which limits it to households with children and with recent employment spells, and the uneven quality of services provided by the public employment and social services across different regions, hinders its effectiveness as a social safety net and activating tool. Given Italy's important budgetary constraints, the extension of this measure to the entire Italian territory, as

announced in the national reform programme, requires adequate and efficient allocation of the available financial resources through a recalibration of the social expenditure and appropriate targeting of the beneficiaries, in particular families with children

All these different programmes created a situation of high fragmentation in minimum income schemes, targeted towards specific categories and groups of population that did not contribute significantly to reduce poverty rates. It is in this context that the so-called SIA (*Sostegno per l'Inclusione Attiva*) was tested in some cities in 2014 and will be adopted nationwide in 2015. This scheme is aimed at fighting against absolute poverty, and it targets both individuals and families. The conditions to access it as well as the benefits are the same in all regions. In addition to providing income support to poor families, the SIA includes job-search assistance and social inclusion components. SIA beneficiaries will be required to ensure proper education and medical care to minor children, in accordance with laws governing education and healthcare protocols. Periodic controls will verify the actual poverty status.

A structural reform in 2012 (Law No. 92/2012) introduced a more universalistic approach and less corporate protection in unemployment benefits, extending coverage and eligibility. Three new schemes were issued: a social insurance for employment (*Assicurazione Sociale per l'Impiego* – ASPI) replacing previous unemployment benefits and mobility allowances; a reduced benefit scheme for those with limited social contributions records (Mini-ASPI); and a one-off allowance for continuous and coordinated project collaborators (the so-called *co.co.pro.*).

This new framework was revised in 2015 by the Jobs Act reform rolled out by the Renzi Government. The Jobs Act replaced the ASPI and Mini-ASPI with the New Social Insurance for Employment (NASPI – *Nuova Assicurazione Sociale per l'Impiego*) as the main unemployment benefit. On experimental basis the government issued a supplementary unemployment benefits (ASDI - *assegno di disoccupazione*) for those still unemployed after the end of NASPI eligibility, and the Unemployment allowance for continuous and coordinated project collaborators (DIS-COLL - *Indennità di disoccupazione per collaborazione coordinata*).

### ***Poland***

The concept of 'inclusion' brought the attention back to income support. Unemployment benefit replacement and coverage rates have kept falling in Poland since their introduction by Labour Minister Jacek Kuroń in 1990: by 2007, only 14% of Polish jobseekers received benefits, and these amounted to a meagre 20% of the average wage (Spieser, 2010), and EU accession did nothing to revert to the downward trend: between 2004 and 2012 the benefit replacement rate fell from 22% to 14% (data: Ministry of Labour and Social Policy).

Income support through social assistance was introduced in 1990 as a passive policy and is not linked to activation. Whereas unions have been effective in establishing a relatively high and growing minimum wage (46% of average wage in 2015, up from 38% in 2008),

they have failed in raising unemployment benefits, which remain low and short in duration. They are at two levels, 150€ and 200€/month, depending on regional and personal situations. Given the growing distance between minimum wages and unemployment benefits, the unions strongly reject the claim that unemployment benefits may reduce activation, as their level is too low compared to employment. The low level of income support is one of the reasons behind mass emigration (Kurekova 2013).

In 2011, an agreement had been reached in the Tripartite Commission to set an income threshold that would entitle to social assistance regardless of individual situations – a sort of guaranteed universal credit. However, the government later declined to implement the agreement, arguing that subsequent reports indicated that the agreed threshold was too high. That government breach of the tripartite agreement was one of the main reasons for the unions abandoning the Tripartite Commission in protest in 2013.

### *Spain*

A high degree of fragmentation characterises the income support system in Spain, and the recommendations of the European Commission have highlighted its poor coordination (Rodriguez Cabrero, 2009). Since 2003 however new coordination tools have been introduced, including those of the National Employment System via the Spanish Employment Strategy, the Annual Employment Policy Plan, the State Employment Public Service Information System (SEPE) and the Public Employment Services of Autonomous Communities.

Income support measures for unemployed groups consist of a wide array of means-tested programmes: the Unemployment Assistance Benefits, the Agrarian Unemployment Subsidy and Income, the Active Integration Income (RAI), the Professional Requalification Programme (PREPARA) and the Employment Activation Programme (PAE). These unemployment schemes have been gradually integrated on an ‘ad hoc’ basis, and reformed to tackle the issue of long-term unemployment, particularly harsh in Spain.

A decrease is observed in the coverage of passive employment policies. By the end of 2014, only 20% of the unemployed receive contributory unemployment benefits and another 24% receive an assistance benefit of €426, an amount that is clearly insufficient to maintain the unemployed and their families in a minimally acceptable level of income, if only because of the high rate of long term unemployed. Paradoxically, resources for unemployment benefits started to decrease since 2008, with an even more pronounced decline since 2012, when the trend should have been the opposite. Compared with other countries in the EU-28, expenditure on passive policies of unemployment protection per point of unemployment is about 40% lower in Spain, the average EU-28 being of 0.18% and for Spain only 0.11% of GDP (Miguelez 2015)

In 2009 the Programme against Unemployment and Integration (PRODI, Royal Decree 10/2009) was launched with a grant of €426 (representing 80% of the salary of IPREM) for unemployed who had exhausted unemployment benefits. A new feature of the



programme is its connection with employment inclusion by making the provision conditional on training, retraining and active job search.

In 2011 the Plan PREPARA was replaced by the PREPARE Plan (Royal Decree 2/2011 on urgent measures to promote the transition to stable employment and retraining). The new regime reduced benefits to €400 euros (75% of salary IPREM) for unemployed people who have exhausted further benefits. Moreover it tightened the mandatory requirements of participation in vocational training and guidance for benefit claimants.

A special scheme, the Active Insertion Income (RAI, *Renta Activa de Inserción*), was introduced in 2006, and amended several times since, to support people with major difficulties in finding job or in situation of economic need. It represents the last resort in terms of possible subsidies provided by the Public Employment System, when entitlement to all the other benefits has expired. To qualify, a claimant must necessarily be in one of these four situations: being long-term unemployed over 45; being a returned migrant person over 45; being victim of domestic violence; having at least 33% of disability. RAI can be provided for a maximum of three years.

The Minimum Insertion Income (*Renta Mínima de Inserción* - RMI) is considered the 'last safety net'. This scheme of minimum income was launched by regional governments, with the pioneering experience of the Basque Country in 1988. The 17 regional RMI schemes now play a secondary role when compared with national programmes, they are becoming increasingly important with the growth of severe poverty (Perez Eransu 2008, Ayala 2009). Moreover, RMI entitlement has become increasingly conditional on activation, but it still has a weak connection with the public employment services.

Overall, the Spanish income support system remains very fragmented and lacking strong and effective activation mechanisms. As a consequence, its role in promoting inclusion of vulnerable groups, including young people, long-term unemployed and migrant workers is limited. The persistence of high rates of temporary employment, together with a large number of long-term unemployed, poses significant challenges to income support mechanisms.

There hasn't been any proposal to implement a structural reform of income support mechanisms following the crisis and EU active inclusion recommendations. The approach adopted by the government has consisted in introducing changes at the margin in order to tackle emergency situations provoked by the crisis.

### ***Sweden***

While the Swedish welfare state already provided comparatively generous unemployment insurance, a minimum income scheme was introduced in Sweden in 1982 for those not qualifying for unemployment insurance. Social assistance (*socialbidrag / ekonomiskt bistånd*), regulated by the Social Service Act and administered by the municipalities, aims to guarantee a reasonable standard of living for everyone. Its level is close to 60% of the median income. The scheme is now called income support (*försörjningsstöd*).

Conditionality consists in the fact that individuals cannot choose income support if they qualify to unemployment insurance, which requires participation in active labour market measures.

In recent years, the government introduced a major reform of the national sickness insurance system with the aim to encourage people on sick leave or early retirement to return to work. The new system is based on a new rehabilitation process, consisting of regular assessment of the individual capacity to return into the labour market. If so, the person on benefits is pushed to either go back to the original job or to look for an appropriate one.

In September 2008 the government introduced an 'in-work tax credit' (*jobbskatteavdrag*), as a way to encourage people to return into the labour market. The tax deduction affected only job income as a way to strengthen the economic incentive to work, while income deriving from sickness benefits, unemployment insurance and pensions has not been touched by the reform.

The unemployment insurance system was reformed by the centre-right coalition in 2006-2007. It consists of two non means-tested tiers: a voluntary earning-related benefit and a flat-rate basic allowance. The earning-related benefit is based on voluntary state-subsidized insurance fund where membership is voluntary and the benefits are heavily tax subsidized. To qualify for this compensation, an unemployed individual has to be registered at the PES, actively search for a job and being a member of an unemployment insurance fund for a certain time span. The flat-rate basic benefit instead is universal and provided by municipalities as last resort to support income to all unemployed persons.

The government introduced cuts in gross replacement rates, meaning a reduction in benefits received, as well as shortened the actual duration of the income support scheme that was practically unlimited before the reform. Moreover qualifying criteria became stricter: the number of working hours necessary to be eligible for the benefit has been sharpened. However the most controversial change occurred in the rate of membership fee for unemployment insurance fund which were raised: formerly it corresponded to the 10% of the total benefit paid while the remaining 90% was covered by the state through taxation. After the reform the fee was raised up to the 40-45% depending on the sector and scheme, becoming decisively more expensive for members, and especially for employees in sectors with higher risk of job losses.

### ***England - UK***

The income support benefits available to unemployed in 2008 fell into three main types.

The Job Seekers Allowance (JSA) is a means-tested (income-based) scheme introduced in 1996 merging social assistance benefits and social insurance for unemployed claimants. The JSA regime emphasized the conditionality of income benefit receipt: by signing an individualized Jobseeker's Agreement subsidies were made conditional on the active search for work and liable to benefits sanctions.

A second out-of-work sickness benefit was introduced in 2008, the Employment and Support Allowance (ESA). This means-tested (income-based) scheme is paid to claimants having difficulty in finding work because of their long-term illness or disability, and replaced three older benefits: Incapacity Benefit; Income Support paid because of an illness or disability; and Severe Disablement Allowance.

Moreover, since 2008 most of claimants of Incapacity Benefit and Income Support, as well as new ESA claimants had to undergo the newly rolled out Work Capability Assessment (WCA), a test designed to determine whether they are entitled to ESA or conversely whether they should return to the labour market when assessed able to work.

A third benefit is Income Support (IS), the means-tested social assistance benefits to cover daily subsistence costs for those who cannot qualify for JSA or ESA.

In 2010 the Coalition government decided to replace the system of all means-tested benefits and tax credit available to working-age adults with the Universal Credit (UC) system. The UC has been implemented in pilot areas since 2013 and is to be extended nationwide in 2017. Its goal is to ensure that work will always be a more economically attractive option than being of benefits, and to simplify the benefits system through a unique gateway for claimants. UC is an integrated means-tested benefit for people under pension age who are not working or are in low-paid work, and replaces the IS, the JSA, the ESA, housing benefits (HB), child tax credit (CTC) and working tax credit (WTC). It is calculated on household basis and consists of a basic personal payment for single adults and couple, plus additional amounts for disability, caring responsibilities, housing costs and children.

The underpinning rationale is to ease the transition between benefits and work by increasing work-related conditionality for benefits recipients, and expecting them to do everything that can be reasonably done to find work or prepare for work as a condition to receive support (DWP 2010).

The Working Tax Credit (WTC) is another income support benefit provided to employed people who have a low income. As part of the system of refundable tax credits introduced in 2003, the WTC is a means-tested benefit addressing working individuals, childless couples and working families with dependent children. The Conservative government in 2015 considered a reduction in this benefit for low-income households but the reform proposal was then halted after harsh public opinion protests.

### **3. Active Labour Market Policies**

Activation policies include all the range of measures and programmes aimed at making labour markets more inclusive, encouraging and facilitating access to job places for those groups furthest from employment. Active labour market policies range from the direct/indirect (through subsidies) creation of new jobs, to public employment services directed to support long-life training and job seeking, apprenticeships scheme for young people and the increase in conditionality for benefits claimants, required to undertake several activities in exchange for economic support.

Beyond different policy strategies displayed in the four countries, some common similarities emerge from the overall picture.

Firstly the comparative overview shows a **common tendency to boost conditionality**. Benefits entitlement has been made increasingly conditional on attendance to training programme, active search for a job and periodic meeting with staff from public employment services. Of course the severity of conditionality varies across countries, being particularly harsh in the UK.

A second common feature is the **marked individualization** of active inclusion policies, linked to the above mentioned shift in paradigm to explain unemployment, from social to individual behavioural explanation. Following a transfer of social and poverty risks from the society to each individual unemployed, also activation measures have increasingly targeted single job seekers as a way to make them more responsive and responsible.

A growing **marketization** in the provision of public employment services has been detected, to varying extents, in most countries. Despite different degrees of intensity in outsourcing, where the UK represents an extreme case, other countries such as Italy, Spain and Poland are increasingly making use of private and external providers in this kind of services. Indeed opening public provision to market competition, where providers are rewarded according to the number of unemployed they are able to allocate into the labour market, is seen as a way to improve the effectiveness of employment services. Preliminary evidence however pointed out that mechanisms such as ‘payment by result’, observed in England, has often led these companies to treat primarily those groups more easily employable (highly skilled, young workers), neglecting job seekers more difficult to employ such as older workers or very-low skilled person. In counter-tendency, in 2006 Sweden has centralised the competences of its Public Employment Service, to ensure uniform implementation of job seeking activities and income support schemes.

Another trend is the establishment of **one-stop shops** to deliver both unemployment benefits and public employment services. Previously separated organisations and agency have been growingly merged in a unique office: the Job Centre Plus in the UK, *Pôle Emploi* in France, the PES in Spain, while in Italy increased coordination between the PES and the national Institute of Social Insurance (INPS) has been promoted. In Sweden, too, traditionally, income support and active labour market initiatives have been carried out by the Public Employment Services.

### **France**

In France, insertion strategies have emerged since the 2000s. In 2001 the main unemployment benefits (*Assurance chômage*) was recast as a ‘return-to-work benefit’ (*allocation de retour à l’emploi – ARE*): its eligibility was henceforth conditioned on the signature of an individualized agreement helping to return to work (*plan d’aide au retour à l’emploi – PARE*).

In the meantime, the RMI was reformed in 2003 and stronger emphasis was placed on employment while financing and provision were decentralized to local authorities. The

Activity Minimum Income (*Revenu Minimum d'Activité* - RMA) indeed partly replaced the RMI, stressing the professional inclusion and increasing the conditionality for benefits claimants. It was accompanied indeed by the introduction of the Insertion Contract (*Contrat d'Insertion – Revenu Minimum d'Activité* - CIRMA), a new work-focused inclusion tool: it was a fixed-term employment contract for long-term claimants of RMI, hired by public or private sector organisations.

Law 32/2005 on Social Cohesion paved the way for the introduction of further measures pointing at emphasising the insertion of unemployed in the labour market. The national plan for social cohesion paved the way to the introduction of subsidised employment, through the 'supported ontracts' (*Contracts aidés*) and the contracts for inclusion in social life (*Contrat d'insertion dans la vie sociale* - CIVIS), addressed to people aged 16-25 and covering job seeking expenses coverage and a small daily allowance. Moreover, the Law opened up for the first time job placement services to all sort of provider, whether public or private, paving the way for gradual increase of outsourcing of Public Employment Services (PES).

Public Employment Services (PES) underwent structural reforms as well. Before 2005 public employment placement services were split between the National Employment Agency (ANPE) holding the monopoly for job placement and the Association for Adult Vocational Training (AFPA). In 2008 the ANPE and the *Assédics* (local offices of the *Unédic*) were merged into a single institution called Employment Bureau (*Pôle Emploi*). Employment Bureaus provide services differentiated according to the specific need of jobseekers. Four kinds of support are available: the basic support (*accompagnement suivi*) for those unemployed closer to the labour market, rather autonomous in the job seeking; the guided support (*accompagnement guidé*) for those requiring more specific personalised services; the reinforced support (*accompagnement renforcé*) for those further from the labour market (long-term unemployed, low skilled); and the global support (*accompagnement globale*) for jobseekers in multiple disadvantages. Only the basic type of support, also the easiest one, is generally contracted out to private sector organisations (Interview with trade unionist – CFDT).

Against such backdrop, activation measures marked a clear step forward after the election of President Sarkozy in 2007. The Law 758/2008 on Rights and Obligations for Jobseekers' (*Loi relative aux droits et aux devoirs des demandeurs d'emploi*) strengthened the conditionality for benefits claimants, modified the definition of reasonable work offers that benefits claimants have to accept in exchange for support, and hardened the sanction regime in case of non-compliance with the 'personalised project for access to Employment' (PPAE). Moreover, it extended the issue of inclusion from jobseekers to the disabled and to more vulnerable groups.

The 2009 Job Creation Plan aimed to encourage apprenticeships by exonerating companies who took on a young apprentice from social security payments for a year. A bonus of €1800 is paid to companies with fewer than 50 employees. Moreover the government increased the number of CIVIS contracts.

Further activation measures have been adopted through agreements between the social partners. In 2009, they signed the Interprofessional National Agreement on the Development of Life-Long Training (*Accord National Interprofessionnel du 7 janvier 2009 sur le développement de la formation tout au long de la vie professionnelle, la professionnalisation et la sécurisation des parcours professionnels*), which instituted the Bipartisan Fund for the Security of Professional Paths (*Fonds Paritaire de Sécurisation des Parcours Professionnels* - FPSPP). Unions and employers' associations agreed upon a bipartite training fund traditionally reserved for employed-people training, redirected now to finance training for unemployed and young people.

More recently, Multi-year Plans against Poverty and for Social Inclusion have been signed by the National Council against Poverty and Social Exclusion (*Conseil national de lutte contre la pauvreté et l'exclusion sociale* – CILE) in 2013 and 2015. The 2013 Plan, among other commitments in increasing public expenditure for helping needy groups, introduced the Youth Guarantee (*Garantie Jeunes*), a scheme for young people not in employment, education or training (NEET) aged 18-25. The programme should provide intensive support in both training and job seeking to young unemployed, as well as financial support comparable to the RSA *jeune*. The 2015 Plan is based on the principle of 'support' (*accompagnement*) in a general sense: support to access employment, health, social rights, housing, and education. The plan includes a wide array of activation measures to be deployed in the next years.

### ***Italy***

In the context of austerity policies, Italian governments have reduced the resources dedicated to active employment policies, which is in contrast with the official discourse on the importance of active labour market policies in order to fight against unemployment.

Since the beginning of the crisis in 2007 two main labour market reforms have been introduced in Italy: the Fornero reform in 2012 under Monti's government and the so-called 'Jobs Act' under the Renzi government in 2015. These two reforms have tried to enhance the coordination between active and passive labour market policies by strengthening the principle of conditionality. Moreover, in both cases it is stated that the aim of the reform is to reduce labour market segmentation. In the case of the 2012 reform, this is made by imposing stricter conditions for temporary contracts (avoiding repeatability of contracts) and relaxing conditions for unjustified dismissal. Moreover, this reform also introduced important changes in unemployment protection mechanisms. In particular, two new mechanisms have been created (ASPI and mini ASPI). In the case of ASPI, it is envisaged a gradual increase in benefit levels as well as in the duration, though eligibility criteria remain unchanged. However, the mini ASPI was created precisely to enlarge the number of beneficiaries as it establishes a reduced period of contributions. In this vein, although to a limited extent, this reform pointed towards a more inclusive labour market.

The Jobs Act shared the general goal of reducing labour market segmentation. In particular, the objectives of the reform are four:

- Conversion of fixed-term contracts or temporary contracts into permanent contract in order to promote stability, with the support of fiscal incentives to companies,
- Improving social protection with a more universal and less corporatist approach;
- Improve the balance between work and family life;
- Promote active employment policies, based on a strategy of active social inclusion.

The answer to the problem of segmentation and flex-insecurity is the proposal of new objectives contained in the Jobs Acts:

- Enhance protection for temporary workers, whilst limiting the extension of this type of contract through the so-called *Contratto a Tutele Crescenti*. This contract establishes increasing dismissal compensation, in accordance with the time the worker has been employed.
- Strengthen unemployment protection (see below); extending its coverage, duration and inclusiveness, according to the worker's contribution history
- Introduction of a system of protection after the contributory insurance and tax benefit from long term unemployed.
- Rationalize the wage guarantee fund by introducing re-training mechanisms to maintain human capital.

Regarding unemployment protection, it can be said that the recent reforms, and in particular the Jobs Act, adopt a more universalistic approach and envisages to implement a more inclusive system. The three new features are:

- NASPI - *Nuova prestazione Sociale di Assicurazioni per l'Impiego*, that establishes stricter conditionality criteria in terms of participation in training activities
- ASDI – for workers with dependent children and workers above 55 who finish NASPI but haven't found a job. It lasts for six months and is also subject to strict conditionality criteria. This has been presented by the government as a new instrument to fight against poverty, as it target particularly vulnerable groups and is not strictly based on contributory criteria. ASDI, together with the SIA and the *Carta d'Acquisti* are now the three instruments for active inclusion in Italy.
- DIS-COLL - unemployment benefit for Coordinated and Continuous Collaborators (limited to 2015)

In addition to the changes in the unemployment protection system introduced by the Jobs Act, recent legislation in 2015 has also aimed at reforming other income maintenance instruments, and in particular to simplify the CIG and limiting its duration to 24 months. At the same time, new conditionality requirements have been introduced. When it comes to Solidarity Funds, the new law aims at extending it to all sectors and companies in order

to make it more inclusive. In particular, it is expected that all employers with more than five employees will be covered by these Solidarity Funds.

In addition to these reforms, there are other developments regarding unemployment protection. This is the case of the creation of the so-called *Cassa Integrazione Guadagni in Deroga*. It was created in 2012 as an extraordinary mechanism in order to allow workers in small firms under restructuring process to have access to the *Cassa Integrazione*. Even though it was expected to have a short duration, it has been maintained. This mechanism has been supported by the European Social Fund and its implementation has been made through agreements between social partners and regional governments.

Moreover, the mobility procedure (*indennità di mobilità*), first introduced in 1991, is intended for workers in companies restructured that have lost their jobs but who are in *Cassa Integrazione*. These workers receive a compensation of 80% of salary for 1-3 years, although in Southern Italy this period can be extended. Both the Fornero and Jobs Act have maintained financial incentives for companies that hire workers that are in the mobility list, but in addition to this passive mechanism to include workers, there are demands from trade unions for mechanisms with greater activation. More specifically, unionists consider these incentives to be merely subsidies to reduce labour costs with no benefits for workers, and at the cost of social security budgets.

Italy abandoned public monopoly of employment services in 1997, and in private providers are growing in importance, particularly in the northern regions.

### ***Poland***

ALMP increased massively after EU accession, with a slow-down at a time of budget austerity in 2011-12. Originally, it included mostly intervention and public works for under-25, over-50, disabled and long-term unemployment. In that period, the inflation of special categories classification mentioned by the expert meant that nearly 80% of unemployed were classified in the group requiring special programs. To address this issue, reforms in 2014 explicitly inspired to active inclusion reclassified the unemployed into three, rather than two, categories, with the third (furthest from the labour market) comprising 29% of the total. The unions, as well as some experts, have some reservations about this reclassification: they were not consulted on the questionnaire used to classify registered unemployed, and given the nature of the questionnaire there are risks of misclassification with serious consequences for the individuals.

Services, and in particular childcare provisions (which are still the lowest in the EU), had been improved by the previous government. The current conservative government focuses however on child benefits (a core election promise was a 125€ per child monthly subsidy) and has risen the school age from 6 to 7, which experts fear may reduce women's activity rate. Housing support has been very poor since 1989, with Poland having one of the worst housing figures in the EU after Romania. In 2014, the



government introduced ‘resettlement grants’ for youth to support internal geographic mobility.

According to experts and trade unions alike, activation policies have not been well targeted, which means that for the long-term unemployed, the situation has been worsening despite the overall labour market improvement.

A Solidarity interviewee expresses a specific criticism of an EU instrument, the Eures European job mobility portal, for draining Poland from skilled workers. Although criticism of emigration is not an official union policy, previous research showed that it is widespread among Polish unionists.

The Eures structures drain Poland of skilled workers. There is no monitoring of the situation. I proposed that the European Social Fund compensates regions losing skilled workers through the funding of additional training. Mobility is OK, but not when it is forced, families are destroyed by emigration, the social structure is destroyed. There must be a balance. [Solidarity officer]

The main activation policies in Poland were introduced in three steps: 2004, at the time of EU accession and high unemployment; 2009, at the beginning of the crisis in Europe; and 2015, by the liberal government before the elections. The main policies are the following:

- Activation subsidies, equal to 50% of unemployment benefits (2004, reformed in 2009)
- Reimbursement of costs of preparing a work place for an unemployed person, for companies or self-employed, up to 6 times the average monthly salary (2004, reformed in 2012)
- Reimbursement of travel costs for people in search of employment (2004)
- Intervention works (subsidised works) (2004, reformed in 2009)
- Public works (2004, reformed 2009 and 2012)
- Internships (2004, reformed 2009)
- Training programs, paid at 120% the unemployment benefits (2004, reformed 2014)
- Reimbursement of childcare, up to 50% unemployment benefits (2004)
- Relocation grants (2015)
- Agency work (2004) and outsourcing of activation activities (2015)
- Training grants (up to 100% of average salary) (2015)
- Co-funding of wages for unemployed over 50 (50% of average salary for 12 months for over-50, and for 24 months for over-60) (2015)
- National Training Fund (2015)

The logic of most programs (in particular, co-funding of new jobs) is subsidising employment for groups perceived as less productive (initially, youth, then 50+ and long-term unemployed). While conceptually based on market calculations, this approach is supported not only by experts, but also by the social partners as the most effective way to fight unemployment. The main controversy therefore is the funding of these policies, which was reduced in 2011-12 when the government, facing budgetary restriction in the aftermath of the financial crisis, froze the Labour Fund that finances labour market

policies (funded by a 2.3% contribution on all wages), and then added new competences to the same Fund, reducing the money available for ALMP.

The program most directly inspired to active inclusion is the provision of ‘Activation and Integration Programs’ (PAI) at local level, introduced in 2015. They are targeted on the long-term unemployed and include the new profiling of unemployed according to their needs, but it is still too early to evaluate them. Although they are based on the principle of ‘partnership’ with private and social providers, there is no official role of social partners in their elaboration and administration. In the words of the former vice-minister, ‘PAIs are inspired to European solutions, but are a Polish model’ (our interview).

The unions, and especially Solidarity, criticise programs, and in particular the ‘Generation Solidarity program’ for 50+ of 2008, for not reaching its goals and for the lack of effective evaluation. Experts confirm the weakness of evaluation and monitoring, especially in terms of costs/benefits.

### *Spain*

In Spain, like in Italy, the main problem has been the long term unemployment and youth unemployment. For this reasons the activation polices has been addressed to activation, as shows PAPE 2012 and 2013. The PAPE 2012 has as main objectives:

- Reduce the rate of youth unemployment
- To improve the employability of the other groups affected by unemployment
- Support measures for entrepreneurs to create and maintain jobs.
- Emphasising the public-private partnership to improve the mechanisms job search
- Develop measures for specific groups, especially for people with disabilities
- Fight against fraud.

The 2013 paper is summarized in four strategic objectives, which are:

- To improve the employability of young people and support entrepreneurship.
- Improve the employability of other groups particularly affected by unemployment.
- Improving the quality of vocational training for employment;
- Improve linking active and passive employment policies.

Regarding active labour market policies, over the crisis a new model has been implemented in Spain through the Annual Plan for Employment Policy (PAPE) of 2013 and the Spanish Strategy for Employment Activation 2014-2016. The most innovative characteristic of these plans is the fact that financing of active policies implemented by the regions partially depends on the evaluation of results regarding the objectives and some indicators. Moreover, this plan also contains a rationalization in the design of programs, linking them to specific targets. On the negative side, there has been some re-centralization in the design and implementation of programs. It would therefore be desirable greater decentralization, so that the lower territorial levels could better define the specific measures appropriate to the needs of the territory.

But the most important feature of active labour market policies in the crisis has been the decline in financial resources, by 50% between 2007 and 2014. Within active labour market policies, training for the unemployed has undergone major budget cuts that have affected very significantly the number of course participants from 12829458 persons in 2008 down to 301350 in 2014. The only exception is continuous training, as the number of employed persons that have received continuous training has grown from 1.5 million in 2008 to almost 2.5 million in 2014. However, these figures have to be taken cautiously as an employee may participate in several training actions (Lope 2015).

Hiring incentives, which have traditionally been the main instrument within active employment policies in Spain have been at the centre of the debate, both because of its importance within the total spending on active labour market policies but also because of a problematic design. These policies have undergone a profound transformation, accelerated during the years of economic crisis, that has involved their rationalization and re-organization, the almost disappearance of incentives for the transformation of temporary into permanent contracts, and strengthening incentives for self-employment. As for hiring incentives, despite positive developments towards greater rationalization (that contribute to minimize the deadweight loss effect), recently there was a new generalization that increased the percentage of contracts made benefiting from incentives from 3% in 2013, up to nearly 16 % between March 2014 and July 2015 (Molina 2015). Overall, in spite of some positive steps, there remain important problems, including the weak conditionality on companies who benefit from these financial incentives and their poor relationship with training policies.

The position of youth and women in the context of employment policies has received special attention in recent years. As for young people, their position in the labour market is characterized by high levels of unemployment and temporary employment. To address these problems, the government launched two initiatives: the Strategy of entrepreneurship and youth employment 2013-2016, and the National System of Youth Guarantee. Both initiatives emphasize the promotion of employment (through hiring incentives), self-employment and entrepreneurship. However, neither policy appears to have had a significant impact on job creation, especially if we refer to stable and quality jobs (Rodríguez-Soler and Verd 2015). As for women, the crisis and austerity policies have determined the type of employment policies and equality dynamics. On the one side, there are important difficulties to achieve the quantitative employment targets for women, despite the significant growth of part-time, mostly female. Moreover, there has hardly been any policy aimed at addressing the pay gap or occupational segregation dynamics (Carrasquer 2015).

Local municipalities have been assigned responsibilities and resources of social assistance, and can contribute to public offers of temporary employment in the local community, by agreement between SEPE and municipalities. However, many municipalities are failing to subsidize these programs because of the lack of financial resources.

## *Sweden*

Several activation initiatives have been launched since 2008, but the initiative started in 2006, when the liberal-conservative coalition won the election, rather than in 2008 following the EC Recommendation. A series of programmes combining investment in training, job-matching services, career guidance and economic support conditional to an active job search have been implemented.

In 2007, the New-start jobs initiative was launched, aiming at encouraging employment for long-term unemployed, including foreign-nationals who received a residence permit in the three previous years. It offers reduced social security contributions to employers who hire job seekers who have been unemployed for 6-12 months. The PES acts as intermediary between job seekers and employers requesting workers via the programme.

Moreover in the 2007 spring Budget, the government approved a special employment package aiming at combating social exclusion and boosting labour market inclusiveness for young people, long-term unemployed and foreign-born workers.

The 'Job and development guarantee' (*job- och utvecklingsgaranti*) for long-term unemployed in 2007 replaced the 'activity guarantee'. It aimed at developing individually designed measures to support and activate job seekers. Participants in the programme, financially supported by the unemployment insurance, receive personal coaching and support in job seeking, access to a wide range of unemployment policy programmes and eventually they are assigned to a job appropriate to their skills.

The 'Job guarantee' (*jobbgaranti för ungdomar*), introduced in December 2007 is a programme for young people aged 16-24 years which provides support in job seeking through PES matching. A reduction in social contribution is also introduced for employers hiring young people under 25 in order to ease their access into the labour market.

The 'Step-in jobs' (*instegsjobb för nyanlända invandrare*) is a scheme devoted to newly arrived migrant workers. It aims at accelerating the inclusion of foreign-born individuals into the labour market by providing incentives to employers, as well as by prompting municipalities to offer the so-called 'Swedish for immigrants' training programme.

In 2009, the government launched the 'Forum 50+', which provides career guidance of professional educators, group activities, guidance in CV and personal letters preparation, and job placement support for unemployed over-50.

Several measures have been adopted to tackle the issue of detachment from the labour market among foreign-born workers. In 2010, the government implemented the 'Establishment reform' targeting newly arrived migrants, asylum seekers and their families. The reform shifted the responsibility to support this vulnerable group from the municipalities to the PES which coordinates various policies. Beyond providing wage subsidies to migrant workers, the PES organise language courses and civic orientation and employment preparation activities.

Subsequently, as a means to include newly-arrived refugees in 2015 the government launched the 'Fast-track' programme, actively supported by social partners and in collaboration with the PES. It targets foreign-born individuals with a residence permit who have work experience or skills relating to specific sectors facing labour shortages. The initiative aims at setting up a fast-track procedure in the PES for validating their educational attainments and professional credentials, as a way to integrate them in the labour market as soon as possible. Language courses are also provided.

Social partners have been proactive in Sweden by adopting activation strategies through sectoral collective agreements.

An important example is the 2009 agreement in manufacturing on temporary layoffs - usually not permitted in Sweden. The trade union IF Metall and a series of employers' organisations (the Association of Swedish Engineering Industries, the Swedish Industrial and Chemical Employers' Association and the Metal Group) reached an agreement allowing for shorter working hours and temporary layoffs in industries undergoing economic difficulties and reduced activity. Employees keep their job and receive a payment corresponding to at least the 80% of their regular wage. The agreement paved the way for agreement on a permanent short-time working model in 2010. It originates from a bipartite agreement between social partners and supported by the government. It allows employers during a demand-driven crisis in the economy to pay employees lower salary, but at least the 80% of their regular wage, for a maximum of 12 months. Employees on short working time are expected to use the extra free time to attend training programmes funded by the state.

In 2010 the Swedish industrial workers trade union IF Metall signed an agreement with several employers' organisations (the Mining Employers association, the Swedish Industrial and Chemical Employers Association, the Steel and Metal Employers Association and the Association of Swedish Engineering Industries) to establish a 'vocational introduction' scheme for industry. The goal was to tackle youth unemployment via the improvement of skills and support in entering the labour market. The so-called 'youth agreement' applies to young unemployed under the age of 25 and sets the terms of contract between the employer and the trainee. The vocational introduction generally consists of 75% of time spent in a workplace paid at least the minimum wage agreed between social partners in the sector and the remaining 25% is devoted to training activities

In 2012 the Swedish Association of Local Authorities and Regions (SALAR) and the Swedish Municipal Workers' Union (*Kommunal*) signed an agreement on 'Working life introductory positions' with the purpose of encouraging local governments - including municipalities, county councils, regions and municipality owned companies - to offer 'entry jobs' to young unemployed between 19 and 25 years. In particular it intends to be applied in health and social care sectors. The introductory position consists of an introductory plan set up by the trainee and a supervisor. Of the total working time, up to 75% can be taken up with work and the remaining 25% should be devoted to education and training relevant to the work position occupied.

### *England - UK*

Conditionality and activation have been important in British employment policies since the introduction of the Job Seekers Allowance (JSA) in 1996. Through individualized Jobseeker's Agreements, subsidies were made conditional on the active search for work and liable to benefits sanctions. In 2002, Benefit Agencies and local Employment Services were merged to form Jobcentre Plus, a one-stop shop to deliver subsidies to working-age adults. Work-related conditionality for non-Jobseeker's Allowance claimants was boosted to include inactive groups as well, as lone parents and disabled people, previously excluded from job-relating conditionality.

The stress on activation increased after 2007 under the Brown government. The active inclusion policy agenda between 2008 and 2010 focused on stimulating the creation of employment through money injection to fund training, apprenticeships programmes and the creation of new job places. The following list of measures adopted clearly clarifies such trajectory:

- In 2008 via the Local Employment Strategy the government launched the creation of half million jobs for people currently on benefit, half of them to be delivered through Local Partnership between major employers and local Jobcentre Plus offices.
- The Unemployment Package issued in 2009 contained a package of measures aiming to help 500,000 people into work or training, including subsidies for employers who recruit long-term unemployed; enhanced training opportunities for unemployed people and extra funds for Jobcentre Plus.
- In 2009 the New skills strategy (Skills for Growth) doubled the number of advanced apprenticeships to 35,000 over the next 2 years with additional fund. Moreover it supported apprentices to progress to higher education through the introduction of a new Apprenticeship Scholarship Fund.
- In January 2010 the Young Person's Guarantee was rolled out to offer jobs, training or work experience to young persons unemployed for 6 months, besides a £1bn Future Jobs Fund to subsidise youth unemployment.
- In 2010 the Framework agreement for civil service apprenticeships was signed. The Council of Civil Service Unions and Government Skills (the Skills Council responsible for the sector) signed a framework agreement significantly increasing apprentices' recruitment across the civil service.
- In 2010 the Routes into Work programme gave £1000 employer subsidy to hire unemployed young people and funded 2-8 weeks of job-relevant pre-employment training.

After 2010, under both the Coalition and the Conservative governments conditionality continued to be tightened, while simultaneously widened to include those groups at greater distance from the labour market such as the disabled people. This included making the Work Capability Assessment (WCA), the medical test to determine eligibility

to the Employment and Support Allowance (ESA), much stricter (Beatty and Fothergill 2015).

Since 2010, the financing of activation programmes has been reduced. In May 2010 the government announced a £200m reduction in the Train to Gain (T2G) programme, a vocational training programme for young people over 25 introduced in September 2006; new bids to the Young Person's Guarantee were stopped; employers' subsidies provided within the Route into Work programme were abolished and in November 2010 as part of a new skills strategy labelled Skills for Sustainable Growth a 25% reduction in the further education budget by 2014-15 was introduced.

The main active inclusion programme is the Work Programme, representing an evolution of the Flexible New Deal programmes it replaced in 2010. The key policy goals are to improve job outcomes for the long-term unemployed and to increase the sustainability of employment for those moving into work from the Work Programme (DWP 2010). Jobcentre Plus services underwent a relentless process of outsourcing to private sector providers. Providers are rewarded on a payment-by-results basis designed to transfer the burden of risk from the government to external contractors.

Further activation measures addressed the issue of youth unemployment and NEETs (not in education, employment or training). The Youth Contract rolled out in 2012 provides subsidies to employers taking on youth aged 16-17 for 6 months. Organisations delivering the programme are given complete freedom to design and tailor a programme of support to eligible young people move into full-time education, an apprenticeship or a job with training. They receive payment by results, for which they receive a payment of up to a maximum of £2,200 per young person. This is dependent on how successful they are at helping young people to make a sustainable move into a positive outcome.

In 2015, the government proposed the introduction of an Apprenticeships levy, a levy on large public and private employers to help fund 3 million new, high quality apprenticeships. Larger employers would be able to spend the levy to support all of their post-16 apprenticeships, having direct control over their apprenticeship funding.

#### **4. Social dialogue**

Social dialogue institutions and actors play a very different role across the six countries under investigation in the definition of activation strategies, mirroring national traditions of employment relations.

In France social dialogue has undergone a process of institutionalization, culminating in the Law no.130/2007 on the Modernisation of Social Dialogue (*Loi de Modernisation du Dialogue Social*) which entitled unions and employers' organisation to bargain upon issues relating to labour market reforms and employment-related topics. Until then the main decision-making method was based on informal consultations between the government and social partners, within an arms' length bargaining framework.

The evolution of French social dialogue is specular to that of Italy and Spain, where an institutionalized tradition of social dialogue was undermined by the economic crisis. In both countries the collective voice of unemployed has been funnelled by third sector organisations and charities which emerged as prominent new actors, filling the gap left by social partners.

By contrast, in the UK active labour market policies stem directly from central government, who generally introduces new programmes unilaterally. Social partners have only a marginal role, limited to informal consultation or merely information.

. In Sweden and Poland, consultation between the state and the social partners takes place before the implementation of reforms. However, while in Sweden this is based on a long standing tradition of mutual recognition and dialogue in employment-related matters, in Poland such social dialogue is much more volatile and fragmented, and dependant on contingent political conditions.

### ***France***

The French state has traditionally played a prominent role in defining and re-designing the various measures of income support and job seeking assistance in particular within a longstanding tradition of centralism and state control (*étatisme*). A centralized approach features unilateral decision-making in labour market policies field where the government acts as a pivotal player by issuing national legislative reforms and national plans.

Nevertheless, the social partners have historically been key actors within the economic and social policy arena through consultations, direct involvement and institutionalised forms of social dialogue. Trade unions and employer associations are generally informed and consulted on major issues concerning labour market reforms and activation policies. Under President Hollande, governments have given renewed impetus to social dialogue, as officially declared during the 2015 Social Conference for the Employment: ‘social dialogue is not a pure formality, neither an obligation, it is a condition to progress’.

A trade union representative from the CFDT confirmed such commitment:

there are some difficulties but social dialogue, I mean, is the trademark of François Hollande. Then the trade unions and the employers’ organisations may play or play not, but he has put social dialogue back to the centre (trade unionist-CFDT).

Since the beginning of his mandate, the Social Conferences for Employment (*Conférence Sociale pour l’Emploi*) is organised every year. The Conference constitutes a prominent national meeting where issues of employment, poverty, social assistance, training and labour market reforms are discussed and working plans are drafted. Social partners, as well as representatives of local governments and local communities are invited to take part, but the CGT union decided to boycott the conference in 2014 and 2015.

Despite a more cautious commitment, such approach of social partners’ involvement was present also during the previous Sarkozy government, as confirmed by trade unionists:



For instance Sarkozy, with a right-wing government, the first thing he made when he took office was to convene the trade unions. It is part of the political background here (trade unionist – CFDT).

Moreover, social partners are directly involved in institutionalised national bodies and committee that the government regularly convenes and consults. Trade unions and employers' associations have their seats within the National Council against Poverty and Social Exclusion (*Conseil national de lutte contre la pauvreté et l'exclusion sociale*), which has agreed two Multi-year Plans against Poverty and for Social Inclusion in 2013 and 2015. Social partners, together with civil society organisations, local communities' associations and stakeholders' representative, are members of the third French house: the Economic Social and Environmental Council (*Conseil Economique Social et Environnemental* – CESE). CESE is often consulted by the government on issues of social and economic relevance, including labour market related policies; it has moreover the possibility to put forward new policies proposal.

Furthermore social partners play a relevant role through collective bargaining. The Law no.130/2007 on the Modernisation of Social Dialogue (*Loi de Modernisation du Dialogue Social*) indeed entitled unions and employers' organisation to bargain upon issues relating to labour market reforms. When an agreement is reached, the government commits itself to taking into account what agreed by social partners.

Unions and employer association are also active in bipartite labour market administration bodies, such as the *Unédic* for unemployment insurance. Since 2008, a series of National Inter-professional Agreements (*Accord National Interprofessionnel* – ANI) have been signed by trade unions and employers' association covering a wide array of topics:

- The National Inter-professional Agreement on the modernisation of the labour market was signed in 2008 laid the basis for a reform of labour market towards the model of flexicurity, providing more discretion to employers and at the same time guaranteed employees protection. The agreement tries to ease the return to the labour market, improving employment paths.
- The National Inter-professional Agreement on the development of training throughout the working life, professionalization and securing career paths signed in 2009 aiming at reforming the vocational training system, addressing issues like skills development, equality and effectiveness in training.
- In 2011 eight National Inter-professional Agreements were signed by social partners after having agreed a joint social agenda between MEDEF and the five main trade unions. The national agreements dealt with: the supplementary pension scheme AGIRC-ARCCO (18 March); unemployment insurance (25 March); occupational security contract (31 May); the Association of Executive Employment (APEC) (12 July); employment prospects for young people (7 April); supporting access to housing (29 April); young people access to work-related training and work placements within companies (7 June); supporting young people in improving their chances to remain in employment (11 July).

- The National Inter-professional Agreement for a new social and economic model towards competition of enterprises, securing employment and career paths, signed in 2013 and aimed at establishing new employment rights as a mean to secure career paths, such as a personal account for long-life training and the rechargeable rights to unemployment insurance (art.3).

Overall, French experts evaluate that ‘social partners play a central role in the governance of public employment policies and services in France, through their contribution to employment negotiations as well as to the administration of PES institutions’ (Eydoux and Béraud 2011:46). The largely unilateral labour market reform of 2016, however, shows the limits of the French system of social dialogue.

### *Italy*

Recent Italian governments in Italy, and particularly the Renzi administration, have introduced significant changes in policies related to active inclusion. The government has played a more prominent role than in the past, when reforms tended to be negotiated. The practice of ‘social pacts’ of the 1990s has been all but abandoned, and the official tripartite institution, the National Council of economy and Labour (*Consiglio nazionale dell’Economia e del Lavoro*) has been emptied of any substantial function and eventually abolished with the constitutional reform of 2016.

The two areas where changes have been more important are labour market regulation and income support. Regarding the first, the declared objective of the government in the Jobs Act has been to reduce the segmentation that characterises the Italian labour market and make it more inclusive by closing gap in rights of workers with permanent and temporary contracts. Much less has been made in order to improve funding and effectiveness of active labour market policies. Whits regard to income support, the unemployment protection system has been reformed along more inclusive and generous lines, but conditionality has also been strengthened.

Trade unions and employer organisations have played a marginal role on these reforms, which have all been passed unilaterally by the government. However, social partners have played a more active role at regional and local levels in the implementation of these policies.

Trade unions have adopted a critical view of the recent active inclusion measures. They criticise the new contract ‘*a tutele crescenti*’ and consider that rather than reducing precariousness and segmentation, it will perpetuate it. The financial difficulties of governments contribute to the transfer of social risk to local governments and individuals, with a re-emergence of traditional forms of community and local solidarity, as well as increased space for new/old actors such as religious organizations (Caritas, Fondazione Misericordia, etc.), whose logic is however charitable rather than based on social rights.

Trade unions still welcome some of the new initiatives, such as the new unemployment protection system (NASPI), while proposing improvements in terms of levels and

duration. They remain critical of the strict conditionality criteria of the new income maintenance schemes.

As pointed out earlier, trade unions remain critical of any initiatives aimed at introducing a statutory minimum wage, whilst they are open to minimum income schemes, so long as they do not undermine existing schemes such as *Cassa Integrazione*. They believe effective policies to fight against poverty can be negotiated by social partners through binding sectoral agreements.

Italian social partners have been increasingly active in the negotiation of complementary health provisions, which have been called ‘negotiated occupational welfare’ (Pavolini *et al.* 2013).

### ***Poland***

Social dialogue in Poland after 1989 remained politicised and fragmented, with some similarities to the Spanish transition (Meardi, Molina and Gardawski 2015). Union density and employer density are very low and therefore organisations have limited power to influence policies. In 2013, the Tripartite Commission, that had been established in 1994, collapsed after the trade unions abandoned it in protest against the lack of implementation of agreements by the government. A new law was passed in 2015, still by the liberal government, to relaunch social dialogue through the creation of a ‘Social Dialogue Council’, which includes the guarantee of adequate government representation (in the Tripartite Commission, social partners complained when the government started to be represented by lower-ranking officers). In addition to national tripartite social dialogue, advisory boards including social partners and experts, the ‘Labour Market Councils’ operate at national and local levels assisting the ministry of labour and regional labour offices.

All respondents among social partners and experts state that social dialogue still had some effect despite the lack of formal agreements in the past, and that it is experiencing a strong revival since 2015. The revival is due to the creation of the Social Dialogue Council (SDC) at the end of 2015, but also to the attitude of the new conservative governments, where the labour vice-ministers are all former Solidarity officers. One of the vice-minister states:

It’s a strong start [of the SDC], as ministry we are strongly absorbed in social dialogue bodies. In comparison with the previous period, social dialogue looks impeccable, it’s very intensive [interview 70 – former vice-minister of work]

This opinion is not shared just by Solidarity, but also by the left-wing union OPZZ. Employers are also positive, although worried by some proposals, and in particular the proposed lowering of the retirement age from 67 to 65 for men and 60 for women. The conservative government’s engagement with social dialogue is rooted in the negative experience of 2007, when unilateral concessions for higher wages failed to be popular

and the government lost early elections: it now perceives the need for support from trade unions.

The different approaches of unions and employers are detectable in the different focus. Employers have stressed programs from youth, and in particular for human capital, as well as subsidies. Trade unions have focussed rather on the long-term unemployed, although they reject any criticism of focusing on older-age constituencies rather than on new generations. Solidarity, in particular, has a department for the fight against unemployment and a department for youth organising. The unions mobilised against atypical forms of employment, forcing the liberal government to introduce some restrictions on temporary work in 2014, and the current conservative government has more radical plans for limiting it. Notably, the government is proposing, against employer resistance, to extend union rights to agency workers and service contract workers, something that both government and unions state corresponds to an ‘active inclusion’ philosophy. While unions and employers still disagree on the merits of flexible forms of employment, even the employers now accept that some forms of precarious work are excessively insecure. The main disagreement between employers and trade unions involves retirement age and the radical government proposals, supported by the unions, to lower it by reversing the previous liberal reform of 2012. For the former, it goes against the idea of activation, while for the latter, it fits with the idea of inclusion, as a higher retirement age would lead to mass poverty. In a way, both sides do make reference to active inclusion, if in opposite ways.

The indirect effects of social dialogue on activation policies consist in the government approval of a number of policies that were first proposed by the social partners. The main example is the National Training Fund, created in 2015, which was first proposed by trade unions and employers, and which the government wanted to promote social dialogue on skills in a way inspired to the German association-based vocational system.

With the National Training Fund, for the first time we introduced in the area of labour market administration prerogatives for the social partners, who decide on the allocation of a reserve. I wanted this to be the beginning of the involvement of social partners in the management of skill creation and, in the future, the labour market, I am a fan of this, but I see that they are not ready in terms of competences, a lot of work is needed before they will be able to co-manage this system, but these are the European solutions. Organisations in Poland are rather weak, maybe the unions a bit stronger, employer organisations may have bigger contributions but have no assets. There were no programs to support the social partners and this is wrong, there should be a process to support them with national and European means, then organisations will be strong and interested in managing the labour market. Worst is at regional level, the Lewiatan employer organisation is quite strong but at regional level may only employ 2-3 people per region, the rest are volunteers. [former vice-minister for work]

A similar attempt at involving social partners occurred through the ‘public-social partnership’ principle in activation policies. The original version of the plan was to reserve 15% of activation plans to social partners, but as this would have been unlawful

according to the law on public procurement, the final version leaves social partners' involvement as voluntary.

The unions are not as enthusiastic on this involvement in the National Training Fund and in activation policies.

Social partners only have an advisory role. They can advise on the priorities for the National Training Fund, they can decide for 20% of the reserves, but that's very limited resources, it's marginal. At the beginning the fund was only for people aged 45 and above, and we changed it through social dialogue, to lower that threshold as there would be too few beneficiaries. But it was an obvious issue, there were reports proving it. [...] In the PAIs we have no role, and local labour market councils are façade institutions. [Solidarity officer]

Labour market policies have remained, in essence, a government prerogative that is generally played before elections (e.g. 2004, 2007, 2011, 2015). Trade unions not only abandoned the Tripartite Commission in 2013, but they also criticise the scope of advisory social dialogue bodies at regional and local level, the former 'Employment Councils' renamed in 2015 'Labour Market Councils'.

The previous government stated that dialogue on labour market policies doesn't work and that social dialogue institutions were just facades. The Employment Councils at local authority and regional levels have specific competences, they determine the occupations affected by labour shortages, prepare support plans, local solutions, but in the previous regulations they had only advisory functions, without real influence. Often the members were not prepared because they received materials too late. The big change of the former government was changing those Employment Councils into Labour Market Councils. The change was however only in presentation, organisational rather than factual. The law itself violates the principle of social dialogue, because the minister decides who sits there, social partners only present a list of candidates, and removals are also decided by the minister – the social partners should decide who represent them. [Solidarity officer]

However, social partners confirm that the negotiations and contacts during 2010-13 led to some social partners' proposals elaborated through national social dialogue or the advisory councils to be eventually adopted by the government. Besides the above-mentioned National Training Fund, this was the case for subsidies for jobs for the over-50, for training, for relocation. The situation seems to have markedly improved with the new conservative government, which relies on trade union support and stresses the importance of social dialogue. Tripartite negotiations are ongoing on a national qualification framework. Both trade unions appreciate the government attitudes, reflected in its rapid positive reaction to trade union proposals, e.g. on the regulation of seasonal work of foreigners (about 300,000 Ukrainians work in Poland on worse conditions than national standards).

## *Spain*

Three differentiated periods regarding social dialogue can be distinguished since the beginning of the financial and economic crisis:

- 2008-2009: The period of stimulus response in 2008-2009 was characterised by a significant involvement of social partners, though with little results in terms of agreements signed those years.
- 2010-2013: The 2010 debt crisis led to the adoption of a more unilateral approach to policy making with less room for social partnership. The only exception in this regard was the January 2011 Tripartite Social and Economic Agreement. The centre-right Rajoy government elected in November 2011 maintained the unilateral approach to policy-making. The erosion of social dialogue not only affected its tripartite dimension, but also to bipartite relations between trade unions and employer organizations.
- 2014-2015: More recently, with the first symptoms of economic recovery in 2014 there has been a timid recovery of tripartite and bi-partite social dialogue. However, it remains very fragmented and discontinuous.

The crisis in Spain has brought a number of changes in labour market regulations. Common to all these changes has been the introduction of greater flexibility in the labour market. According to the OECD, the result of these changes has been the reduction in labour market rigidities, as measured by the Employment Protection Legislation index (OECD 2014). However, tripartite social dialogue has played a marginal role in labour market reform during the economic crisis. The general rule over these years has been the exclusion rather than the involvement of social partners. Moreover, in those cases where there were tripartite negotiations, it was difficult to reach an agreement. With the recovery in the economy and the labour market there are some signs of revitalization of social dialogue around labour market reform but on marginal issues compared to the ones regulated unilaterally by the government in previous years.

The weakening of institutional social dialogue has contributed to the emergence of new social actors, also as a reaction from the civil to tackle the growing risk of poverty. Importantly social movements played a remarkable role, such as the Occupy movement, the Platform Affected by Mortgages and other social movements. Also the organization of the Third Sector, as Caritas, Red Cross, Voluntary Associations, NGOs and others had a growing role in brokering and trading locally to tackle long-term unemployment and the risk of social exclusion.

The Red Cross is particularly interesting. Its activation policies are aligned with the objectives of the European Social Fund, which manages a support package. It consists of a programme of ‘social inclusion’. These schemes are complemented by other financial support from regional governments, local and even corporate funds and equity.

The third sector is becoming an influential lobbying group in parliament as well because it covers transversally the political spectrum and unions. Third sector organisations took part to the tables of Social Dialogue on regional employment plans. The growing role of the Third Sector has been promoting a specific law (Law 43/2015) on the involvement of Third Sector in Social Action. In the Preamble reasons giving rise to the Act is warranted:

the persistence of structural economic and social problems generating inequality, the social fabric of organizations and associations that make today called Third Sector of

Social Action has postulated at all times as a means of citizen action alternative or sometimes complementary, with respect to public governance, with solutions born of social participation aimed at preventing certain social groups being excluded from some basic levels of well-being.

### *Sweden*

The government is the primary supplier of ALMPs, which traditionally adopts unilateral policy-making mechanisms. Social partners, who have a long tradition of bilateral negotiations, are formally consulted during the legislative process but then the policies are unilaterally approved by the central government.

Nevertheless forms of bilateral partnership and trilateral negotiations developed in the country, often at sectoral level, to tackle specific labour market issues. Various initiatives traced their origin back to bipartite agreements between trade unions and employers' associations, like in the case of the short-time working and temporary layoffs schemes.

Other programmes have been based on trilateral negotiations, where the government is also involved. Initiatives like the Fast-track and the 'vocational induction' scheme were launched thanks to the joint cooperation of the state, trade unions and employer organisations.

In autumn 2011 the government initiated the so-called three-party conferences with the social partners. The aim was to find solutions to identified problems in the labour market, such as youth unemployment.

Although the state is a primary actor, social partners have historically been key actors in the labour market policy arena through consultations, direct involvement and institutionalised forms of social dialogue. Trade unions and employers' associations are always informed and formally consulted on major issues concerning labour market reforms and activation.

Moreover, social partners are involved when the government launches public enquiries on labour market issues, to investigate the state of the art on a specific topic and to inform legislative intervention

A further form of social partners' involvement in ALMPs is through autonomous initiatives. Agreements have been signed between trade unions, employers' associations and the PES on behalf of the central government. Such agreements deal generally with specific sectoral issues, such as the 2009 one on temporary layoffs in manufacturing, the 2010 ones on 'vocational induction' and 'short-time working scheme', and the 2015 fast-track tripartite arrangement. Through these agreements, the social partners commit their organisation to the implementation of an agreed initiative, while the government offers financial support through taxation and organisational support via the PES offices and their personnel.

Until the 1990s social partners were also appointed in the managing board of the PES, but following the decision to withdraw from the commitment on the employers' side, also

unions followed the same path. Trade unions are however still involved in the management of unemployment insurance funds.

### ***England - UK***

The central government has traditionally played a pivotal role in active inclusion strategy, defining the political agenda and its policy priorities, drafting reforms and directly implementing them. The design of labour market strategies and, more specifically activation policies, represents an exclusive competence of central government, which decides the degree of possible consultation with stakeholders and social partners.

Social partners have played only a marginal role, limited to formal consultations set up by the government through Green Papers and White Papers, and rare occasions of informal consultation. Trade union influence is more directly visible during Labour governments, in particular through the Trade Union and Labour Party Liaison Organisation, as in the case of the government-unions Warwick Agreement of 2005, which included the New Deal for unemployed over-50. Overall, social partners do not constitute veto points in the UK system of policy decision-making (Wright 2011).

Frustration and discontent are openly expressed by trade unions:

We don't have the preferential voice that you would expect for social partners in other countries. So yes, I mean we are able to take part in open consultations and there is the social security advisory committee and we probably find it easier than other organisations to get meetings with government ministers and even though we're a lot weaker than we used to be we have still got 5.5 million members, we are an important voice so that means in consultations we are at least treated politely. (Union official-TUC)

Unions indeed remain just one actor among many other stakeholders without any formally institutionalised body or channel for social dialogue, and their actual impact on policy initiation and design has been described as minimal (Clasen 2007).

Unions call for the establishment of some kind of institutionalised machinery for social partnership, while conversely employers' organisations expressed a reluctant approach to social dialogue in the definition of activation strategies, coherently with the British employment relations regime.

we do not believe in a language of social partnership in that sort of way but what we would say is where there is community of interests between ourselves and the TUC we understand the role of wrapping ourselves in the flag and making decisions for British employers and workers and where it makes sense to do so we do so. [...] So very clearly for me is that not about standing body, it's about a case by case judgement over whether there is something additive in businesses and trade unions working together (CBI).

From the beginning of the recession until 2010, the Labour government in office adopted a more cooperative approach, for instance by holding an 'employment summit' with the social partners in January 2009 to announce a package of new labour-related measures (Eurofound 2009). After 2010, Conservative-led governments have marginalised the



unions, but consult business organisations such as CBI and EEF on policies such as apprenticeships

CBI and employers' associations ask for more involvement from the government, in particular in the design of training and apprenticeship programmes, as a way to meet employers' targeted needs and specific requests.

Unilateral policy-making represents the main, if not even the unique, method to set up active inclusion strategies. The only tripartite institutions are represented the Low Pay Commission, an independent body that advises the government about the National Minimum Wage, and ACAS (Advisory, Conciliation and Arbitration Service), which provides information and advice on workplace relations and employment law. Low Pay Commission and ACAS do not play any relevant role in the definition of active inclusion strategies.

Given its decentralised nature, collective bargaining does not have a substantial role in active labour market policies in the UK.

## **5. Coordination**

Vertically, the coordination between national policy strategies and European directives is weak and supra-national recommendations rarely translate into systematic programmes. The European Union is considered as a source of guiding principles and policy ideas to tackle common domestic issues, but without any stringent obligation. Often policies are imported through nationally customized strategies, reflecting internal priorities and traditional views on labour-related issues. Two exceptions exist, though: first, the initiatives funded by the European Social Fund, which are particularly important in Spain, Italy and Poland, involve co-ordinating control from the EU; second, the Youth Guarantee was implemented in all the countries.

In terms of horizontal coordination, many of the countries under focus seem to tackle active labour market policies independently from other policy areas such as education, vocational training or social policies. Where found, such detachment is partly due to fragmentation between government departments. In Sweden and France there is evidence of greater efforts for coordination across different policies, e.g. in the case of Swedish policies for the refugees, and French training policies. Overall, social partners feel that a higher degree of coordination would be desirable to make activation strategies more effective.

### ***France***

Activation policies are dominated by a centralized logic implying central steering and territorial implementation (Eydoux and Béraud 2011). Competencies and responsibilities transferred to local authorities were limited to vocational training and to the reintegration

into employment of income support recipients. Virtually no discretion is left to decentralized levels of government, required to implement locally what established at national level.

The influence of the European Union recommendations has been perceived by social partners as indirect, as well as mediated by national policy priorities and orientation. The increased emphasis on activation strategies in the French labour market policies is clearly coherent with the guidelines of the European Framework agreement on inclusive labour markets. Nevertheless 'in French social policy it is hard to attribute causal policy influence to the discourses and reform agendas promoted by international organizations or the EU. Rather, French policymakers appear to make use of international guidelines, recommendations, and best practices to help lever the reforms that they have already decided, independently, to pursue' (Clegg 2011: 18).

As reported by social partners, European directives translated into nationally customized strategies. French unionists report that the Framework Agreement on Inclusive Labour Markets inspired French negotiations such as on the National Plan on Poverty.

The two recent National Plans against Poverty and for Social Inclusion represent important steps towards more horizontal coordination. The Plans tried to address a wide array of labour market and social issues in a more integrated way. In particular the 2015 one introduced the transversal concept of 'support' (*accompagnement*) as a policy strategy to improve access not only in professional terms, but also in health, social rights, housing, and education.

### ***Italy***

One of the long-standing weaknesses of labour market and social policies in Italy is the low level of coordination across policy fields and policy-making levels.

In the field of income protection, several partly overlapping schemes have been created in the last fifteen years, leading to a very fragmented scenario. Recent attempts to rationalize this situation may facilitate coordination and the adoption of an integrated approach.

The last comments on the 2015 Italian NRP pointed at the potential overlap between the pilot scheme on the support of active inclusion (SIA) and the new unemployment assistance scheme (Assegno di disoccupazione - ASDI). In particular, the EC recommends:

Whether these tools will complement each other as a broader safety net against poverty will depend on the level and stability of funding to be found within the budgetary constraints, on the proper identification and coverage of relevant target groups, and on the quality of accompanying support provided by employment and social services across different regions, pending the long-awaited reform (European Commission 2015).

In the field of employment policies, there is a shared consensus among respondents on the need to achieve more coordination between active and passive policies. Two mechanisms have been pointed out to achieve this goal. First, to strengthen the

conditionality principle whereby access to benefits is dependent on participation in training and active job seeking. Secondly, to rationalize and improve the role of public employment services.

Regarding vertical coordination between different government levels, two contrasting tendencies are pointed out by interviewees:

- A trend towards more centralized coordination of active employment policies. The Jobs Act contemplated the creation in 2016 of the National Agency for Active Policies (*Agenzia Nazionale per le Politiche Attive* - ANPA), which would perform this coordination role between the central, regional and local governments. Moreover, the use of centrally determined quantitative indicators to assess the effectiveness of active labour market policies has also contributed to this centralizing trend.
- A trend towards decentralization in social policy, whereby the local level is becoming increasingly important in the implementation of certain policies, including those related to minimum income. The growth of occupational welfare schemes could also be interpreted as part of a wider trend whereby state retrenchment implies transferring responsibility for risk coverage to other levels and actors.

### ***Poland***

The European Commission evaluation of Polish active inclusion policies in 2013 concluded that vertical and horizontal co-ordination were weak. The situation is now in movement due to reforms of both local administration and labour market services, but has not yet improved.

The link between EU policies and social dialogue, in particular, is fragile. The European Employment Strategy failed to promote social dialogue on employment after EU accession: the Polish National Reform Programmes systematically neglect the social partners and in particular points related to industrial relations (e.g. collective bargaining).

A specific case is that of the European Framework Agreement on Inclusive Labour Markets of 2010. Unlike in most western European countries, where the agreement was basically immediately dismissed by national social partners, Polish social partners took it seriously and negotiations on its implementation lasted for two years at the highest level. The negotiations failed to achieve any formal outcome and were eventually abandoned by the unions, arguing that the employer organisation Lewiatan was refusing to make any commitment. That was the period when national tripartite dialogue was collapsing, and Solidarity respondents think that negotiations might restart now. However, that negative experience led the unions to become very critical of the framework agreement.

However, the framework agreement was not without effects in Poland. Both largest trade unions took part in international projects on it and increased their awareness of international policy solutions in this field. Moreover, the negotiations on national implementation were not without effect.

To conclude, it appears that Polish social partners, despite their weakness, pay more attention than their western counterparts to European patterns and models. The role of social dialogue has increased in the last year due to new legislation and to a new government. It is still early to say whether social dialogue on labour markets will be successfully institutionalised, but there is already evidence of its contribution to the elaboration and implementation of active inclusion policies.

### *Spain*

The policies' coordination seems complex and displays several trends:

- A trend towards centralization of public finances, incentives and objectives in the PNE;
- Result-focused coordination of active labour market policies, with decentralized implementation by regional governments.
- Decentralized coordination through regional governments' own projects, based on the criteria set out in the PAPE, but with actions based on the characteristics of the territory.

Horizontal co-ordination between social and employment policies has improved recently at the regional level, but in an uneven way (e.g. better in the Basque country).

### *Sweden*

The extent to which vertical and horizontal coordination characterises activation strategies in Sweden is much debated.

When horizontal coordination is at stake, different stances animate the debate. On the one hand the decision-making process is seen as highly coordinated, given the structural configuration of the government cabinet, as explained by the deputy head of employment issues from Employers' organisation in manufacturing:

I think there is quite a lot of coordination. As I said Sweden is a very strange country in some ways and this is another one: ministries are not allowed to make decision in Sweden. All the decisions are taken by the government as a body, all the ministers together, the cabinet makes decision. So they had to make an agreement before they take the decision, so they need to have an agreement before they leave that to the cabinet which then take the decision from a formal point of view. Of course it is difficult to coordinate all this in practice and of course the limit between formal education which under the ministry of education and the labour market policies and training are under the ministry of employment. Of course that's not a clear demarcation, it's going to be floating but in general since I have some international experience the Swedish government offices and the ministries are fairly well coordinated (Employer manufacturing organisation).

On the other hand, overlaps and mismatches are underlined at a more mundane level where

the different policies areas are not well coordinated, not well enough. You have too much overlaps, too many actors involved in this and also from the state level it's quite clear to me that you need to look at the education programmes much more with an holistic view and you need to coordinate this much better. Right now we have the Procuring Training Programmes for some groups, then you have municipalities procuring often the same courses but with different prices. Then you have the vocational training authority procuring different courses which sometimes also overlap. And then we have universities, people colleges, so many education programmes that sometimes it's clear there is synergic effect that you can reach quite effectively by coordinating these programmes better (Confederation of Swedish Enterprise).

Despite such opposite views, the degree of horizontal coordination is pretty high if analysed in the light of the policy programmes implemented since 2008. Taking for instance the ALMPs launched for newly arrived refugees and asylum seekers, the programmes are based on a fairly coordinated system between support in job seeking via the PES, education programmes, language courses and income support as part of an encompassing policy goal to help this vulnerable group to establish as fast as possible in the Swedish labour market and society. Similarly young people unemployment is tackled by adopting activation strategies that coordinate education and training with support in job seeking and incentives to employers for hiring young workers.

When vertical coordination is at stake between national and supranational ALM policies, the European level has generally represented an extra arena for the country to debate activation strategies. The official position is well summarised in the 'Final implementation report of the European Framework agreement on Inclusive Labour Markets (ILM)' jointly prepared by the Confederation of Swedish Enterprises and the main trade unions confederations (Sverige, LO, TCO and SACO):

The subject in the ILM-agreement, as well as the subjects in other different EU social dialogue instruments, Framework agreements and Framework of actions were already on the agenda for the Swedish social partners and Sweden. Thus the different EU social dialogue instruments have created an extra arena/platform to meet and work with different subjects and contribute with a positive, added value (p.2).

Most of the activation strategies promoted at EU level in fact were already in place in Sweden, a pioneer in this policy field and possibly a source of inspiration for the European agenda itself.

Employer associations appear more sceptical about the influence and the role of the EU.

And then we join the EU and we had a lot more legislation that came and what happened then was that the government did not abolished the Swedish legislation when it introduced the EC legislation for example looking at working time. What it did was taking the working time directive and adding that to the Swedish legislation on working time. So we have 2 legal systems at the same time which is very problematic for companies to operate within that framework. So yes it has a huge impact, not only bad though (Employer manufacturing association).

## ***England - UK***

Active inclusion programmes generally embody a detached policy arena, horizontally disconnected from other potentially pertaining policy fields such as education, social policies and economic policies. A keynote interviewee outlined the pattern:

So we have Department for Work and Pensions which generally assists people in accessing the labour market if they don't have the necessary skills or out of work. We then have the Business Department which looks after labour market regulation. We then have the Ministry of Justice that looks after the tribunal, the court service. And then we have the Treasury which controls tax which can be a major lever to labour market behaviour. And they are all separate. We have the Education Department. So as an example of just how poor our coordination can be: The Education Department hopefully produces people for the labour market at 16. But then there is a crossover between 16, 17, 18 year old between the Department for Business Innovation and Skills and the Department for Education where they are co-responsible and that's not an easy balance we found in the UK. And that's between who is doing what and how do you do things that are complementary (Manufacturing employer organisation)

The various government departments are clearly separated, limiting the possibilities to dialogue on such issues. Their integration in fact is not only very limited but desirable from a social partners' perspective

I think there isn't this dialogue taking place, there are all these little silos. And even within government you've got the silos. You've got the Treasury doing things and you've got the Department for BIS doing another and sometimes they don't talk to each other so there are silos within government that need addressing. (EESC – employers' group).

Similarly, vertical coordination pattern is pretty similar, featured by a tight separation between the European and the national levels. British policy-making indeed traditionally addresses internal issues, with limited space for implementing European-driven initiatives.

I would say the general view of the UK government would be: well, we've got a reasonable system here. We're very happy to learn from any other individual countries on an individual basis, on a more collective basis through the EU, the OECD or ILO, whatever, but we're using that to decide what we think the right thing to do is. (Official from DWP)

The CBI defined the impact of EU legislation in Britain as 'additive and informative':

Europe produces a standing board which supplies ideas rather than a source of inspiration and rather than a source of initiation I think. We don't do things because of Europe, we do things because we want to do it and we pick some ideas and some of those answers.

The vertical relationship between national and local level is more articulated, with a legislative and decisional role for the national level and implementation responsibilities for the local level.

## **6. Conclusions**

Active labour market policies have increasingly taken roots across the six Member States under scrutiny, but this started well before the European Commission started promoting active inclusion strategies in 2008. National approaches, overall, do not reflect the comprehensive EU strategy closely, but combine its policy pillars in uneven and mainly nationally defined ways.

The analysis of narrative and policy discourse underpinning activation strategies mirrors indeed these fragmented approaches. Overall the topic has not been literally transposed within domestic policy agendas, where active inclusion translate in variegated reform programmes (see table 3). As described above, a relevant difference emerged between Italy, Spain and Poland on the one hand, and France, the UK and Sweden on the other. In the former countries the rhetoric on activation was combined with claims for labour market flexibilization, job creation and deregulation of employment protections. The latter countries instead developed their own country-specific narrative on activation, reflecting domestic features of the social-economic model.

**Table 3. The discourse on Active Inclusion**

	France	Italy	Poland	Spain	Sweden	UK
<b>Keywords and main rhetoric</b>	Social and professional insertion; support, but increasing conditionality	Labour market dualisation, unemployment, precarious work. Activation in social policy (less in labour market reform)	Individualisation Specificity of some groups (women, older workers)	Labour market dualisation, unemployment, precarious work.	Individualisation and link of work status to access to universal welfare measures	Making-work-pay; workfare; eliminating dependency from benefits; work first
<b>Core paradigm to explain unemployment</b>	Collective	Moving from the collective towards the individual one	Individualisation	Moving from the collective towards the individual one	Collective	Individual

Such segmentation and variance in the discourse is transposed in the actual implementation of policy strategies. As pointed out in section two, the generosity of income support schemes varies remarkably across countries where a major cleavage lies between UK and Poland (with the lowest percentage of GDP spent for income support measures), the more generous French and Swedish systems, and the intermediate Spanish and Italian ones.

The comparative perspective sheds light on similarities and differences (see table 4). Except for Italy, all countries established a national minimum income scheme, complemented by further unemployment benefits and allowances to low-income workers. Fragmentation in income support schemes emerged in several countries. As an ambitious alternative attempt to fragmentation, the UK has designed, but not yet realised, a unique system of means-tested benefits and tax credits, replacing all previous allowances.

Increased conditionality represents a common characteristic, despite different degrees of rigidity. Active search for employment, regular visits at Public Employment Services offices, training and other kinds of formal commitment (such as the signature of an

individualized contract with the PES) have been required in all countries, with the UK as forerunner.

With the exception of Italy, countries moved towards a one-stop shop for the provision of public employment services: job seeking assistance and unemployment benefits are thus managed and delivered by a single organisation, leading to a greater simplification and easing access for job seekers/benefits claimant. Overall marketization processes have affected PES across five out of the six countries: outsourcing of job seeking support tasks has remarkably increased giving rise to the so-called drawback of ‘creaming and parking’. Private contractors indeed have focused on more employable job seekers, neglecting those groups more difficult to allocate in the labour market who, as a consequence, remain ‘parked’. While France has introduced some form of diversification in employment service providers, the control has remained strictly public-led.

**Table 4. Active labour market policies**

	France	Italy	Poland	Spain	Sweden	UK
<b>National minimum income scheme</b>	yes	no	yes	yes	yes	yes
<b>Income support programmes</b>	Generous unemployment insurance and tax credit. Growing conditionality	Unemployment insurance and marginal income support schemes	Rather low and limited in time	Fragmented system of several means-tested schemes	Unemployment insurance under ‘work first principle’	Universal credit , declining generosity
<b>Conditionality</b>	Increasing, especially since 2009	Increasing (Service Pact)	Not linked to activation	Increasing	Increased conditionality especially for sick benefits	Markedly increasing and widened to new groups (i.e. disabled)
<b>Public Employment Services</b>	One-stop shop <i>Pôle Emploi</i> . Low degree of marketization	Dual system for benefits payment and job-seeking support. Market competition for employment services	Dual system social security/labour market, Open to private and social providers	One-stop shop PES	Public Employment Services; ‘New Start Offices’ ( <i>Nystartskontor</i> ) in areas of high social exclusion and unemployment	One-stop shop Job Centre Plus. Highly outsourced

As far as more inclusive labour markets are concerned, the six countries focused their priorities in terms of reform agenda and public expenditures on different kinds of programmes (see table 5). France and especially Sweden are the countries that spend more in active labour market programmes, ranging from PES, training and direct job creation. In Sweden PES are pivotal services for job seekers as well as benefits claimants. In France a more inclusive labour market has been promoted through Insertion Contracts for both Young and older unemployed, personalised plan to access to employment administered by PES and important public investments in training and vocational programmes. At the opposite end, Poland and UK display low public expenditure for training, employment incentives and direct job creation. In the UK, expenditure is concentrated on Job Centre Plus services. Italy has directed much of its economic effort



towards employment incentives and Public Employment Services Spain has directed resources mainly to employment incentives.

**Table 5. Labour market expenditure (as % GDP)**

		2006	2007	2008	2009	2010	2011	2012
<b>PES and administration</b>	France	0.24	0.22	0.2	0.25	0.3	0.25	0.25
	Italy	0.08	0.08	0.1	0.11	0.1	0.11	0.12
	Spain	0.13	0.12	0.13	0.16	0.16	0.14	0.08
	UK	0.27	0.26	0.29	0.35	0.31	0.2	..
	Sweden	0.21	0.20	0.19	0.24	0.27	0.25	0.27
	Poland	0.09	0.09	0.09	0.04	0.04	0.01	0.01
<b>Training</b>	France	0.28	0.29	0.28	0.35	0.37	0.34	0.33
	Italy	0.01	0.01	0.02	0.02	0.02	0.01	..
	Spain	0.16	0.15	0.17	0.18	0.19	0.19	0.15
	UK	0.01	0.01	0.02	0.02	0.02	0.01	..
	Sweden	0.20	0.10	0.06	0.06	0.10	0.09	0.10
	Poland	0.10	0.10	0.12	0.04	0.04	0.01	0.01
<b>Employment incentives</b>	France	0.1	0.09	0.07	0.06	0.07	0.03	0.03
	Italy	0.18	0.15	0.15	0.15	0.15	0.15	0.18
	Spain	0.32	0.27	0.23	0.22	0.26	0.26	0.21
	UK	0.01	0.01	0.01	0.01	0.01	0.01	..
	Sweden	0.54	0.48	0.38	0.39	0.50	0.56	0.64
	Poland	0.03	0.05	0.06	0.16	0.21	0.08	0.09
<b>Direct job creation</b>	France	0.19	0.2	0.15	0.15	0.21	0.14	0.13
	Italy	0.01	0.01	0.01	0.01	0.01	0.01	0
	Spain	0.07	0.08	0.09	0.1	0.09	0.08	0.03
	UK	0	0	0.01	0.01	0.04	0.01	..
	Sweden	0	0	0	0	0	0	0
	Poland	0.02	0.02	0.02	0.03	0.04	0.01	0.01

Source: OECD

Social dialogue institutions and actors have played a very diverse role across the six Member States, but overall central governments play an increasingly decisional role in the definition of activation strategies. The relevance of social dialogue is notable in France where it has known a recent institutionalisation through the issue of the Law no. 130/2007 on the Modernisation of Social Dialogue. Vice versa, in Italy and Spain social dialogue tradition has undergone an opposite process of erosion under the pressure also of the economic crisis. Finally, social dialogue has traditionally been absent in the English tradition of decision-making, where the central government unilaterally establishes reform programmes in the labour market. In Sweden tripartite dialogue has been

traditionally important, while in Poland it is only lately emerging under government promotion.

Social partners' involvement in the definition of active labour market programmes therefore differs by country. French unions and employer organisations have been deeply involved through both government consultations (social partners are represented indeed in the National Council against Poverty and Social Exclusion and in the Economic Social and Environmental Council) and bilateral negotiation. Social partners signed several National Inter-professional Agreements since 2008 dealing with labour market reforms, training, employment rights and career paths. Similarly this applies to Sweden. In Italy and Spain consultation and tripartite concertation became rare and weak, while new actors emerged in the form of third sector associations and social movements. In the UK the voice of unions and employer organisations is practically absent and governments unilaterally define policy strategies. In the case of Poland, social partners are formally involved, but this does not necessarily lead to joint decision making.

**Table 6. The role of social dialogue**

	<b>France</b>	<b>Italy</b>	<b>Poland</b>	<b>Spain</b>	<b>Sweden</b>	<b>UK</b>
<b>The relevance of social dialogue</b>	Very high: recent institutionalisation of social dialogue	Decreasing: erosion of social dialogue	Fragmentary, recently increasing	Decreasing: erosion of social dialogue	Traditionally strong social dialogue	No relevance: absence of social dialogue
<b>Role of the state</b>	Prominent	Prominent	Prominent	Prominent	Prominent – but in consultation	Unique
<b>Role of social partners</b>	Consulted and involved by the government. Bipartite agreements	Marginal. Emergence of new actors from the third sector	Consultation but often only formal	Marginal. Emergence of new actors from the third sector and social movements	Substantial consultation and involvement	Very marginal: some bilateral informal consultation
<b>Representative bodies for negotiation</b>	National Council against Poverty and Social Exclusion; Economic Social and Environmental Council		Tripartite Commission	Economic and Social Council		

Finally, coordination presents some degree of similarities (see table 7). Overall the link between domestic activation programmes and supra-national recommendations is weak: national policies turned out to be unrelated or only indirectly connected with the European Commission recommendations. The EU appeared as a source of policy ideas and funds which were transposed in country-specific programmes shaped by policy priorities and goals within national boundaries. Internally, the degree of vertical coordination between national and decentralized levels of government is low as well. This is particularly the case of Italy and Spain where a process of centralization of spending decisions came along decentralization of responsibilities for social risks and poverty. In Poland, the accession to the European Union led to more attention to European initiatives.

At the opposite end, in Sweden national actors consider their domestic policies as a role model, rather than the EU's.

Horizontally, coordination between policy programmes and reforms is very limited: different policy areas - such as education and training, employment, social policies - refer to different ministries and departments which constitute detached arenas of decision-making. The analysis points to the need to boost horizontal links between policy areas: the issue of national plans might address social and employment issues jointly and more efficiently. While this is relatively less problematic in well-established systems of welfare and active measures, like in France and Sweden, horizontal coordination seems more urgent in cases such as Poland and the Southern European countries.

**Table 7. Coordination**

	France	Italy	Poland	Spain	Sweden	UK
<b>Horizontal coordination</b>	Limited (e.g. National Plans against Poverty and for Social Inclusion)	Limited	Weak	Limited	Embedded in the link between activation and access to welfare	Policies disconnected horizontally
<b>Vertical coordination</b>	Weak: EU recommendation mediated by national priorities	Weak	Formally strong with EU	Weak Centralization of finances and decentralization of risks	Strong between national and local	Very weak: limited implementation of EU recommendation

### Interviews list

No./code	Country	Organisation	Role
1	France	CFDT and member of EESC (union group)	Trade unionist at national level
2	France	CEE – Centre d'études de l'emploi	Expert in labour market and social policy reforms
3	France	CFDT and member of CESE	Trade unionist at national level
4	France	CEE – Centre d'études de l'emploi	Expert in labour market reforms
5	France	CGT and member of CESE	Trade unionist at national level and president of employment section at CESE
6	France	CFDT and member of CESE	Trade unionist at national level. Representative of all French unions during the preparation of the European Framework on Inclusive Labour Markets
7	France	CAPEB	President of the artisan employers' association
8	France	IDRH	President of IDRH; member of MEDEF and of vice-president of employment section at CESE
9	France	Representative office in France of European Commission	Economic attaché
10	France	FO	Trade unionist and member of EESC
11	Italy	CGIL Toscana	Secretary
12	Italy	CGIL Toscana	Development Activities Department Coordinator
13	Italy	Camera del lavoro di Milano	Responsible of the Labour Market Observatory

14	Italy	Assolombarda	Employment, welfare and human capital Department Director
15	Italy	Assolombarda	Employment and welfare responsible
16	Italy	University of Bologna	Expert in Employment Policies
17	Italy	IRES Toscana (Economic and Social Research Institute)	Expert in employment orientation
18	Italy	University Sapienza of Roma	Expert in Welfare System
19	Italy	University Sapienza of Roma	Expert in Active Policies
20	Italy	Third sector: Expert in labour market	Expert in Active Policies
21	Italy	Fondazione San Carlo	Director
22	Italy	Fondazione San Carlo	Training responsible
23	Spain	CCOO Catalunya	Socio-economic Secretary
24	Spain	CECOT	Labour Studies Department Manager
25	Spain	SOC (Employment Catalan Services)	General Coordinator
26	Spain	Diputació de Barcelona (Province Administration)	Labour Market Policies Responsible in
27	Spain	SEPE (Spanish Employment Services)	Deputy Director
28	Spain	SOC (Employment Catalan Services)	Director of Occupational Network and Responsible of the Youth Guarantee Strategy
29	Spain	CCOO Catalunya	Socio-economic Secretary
30	Spain	CECOT	Labour Studies Department Manager
31	Spain	SOC (Employment Catalan Services)	General Coordinator
32	Spain	Diputació de Barcelona (Province Administration)	Labour Market Policies Responsible in
33	Spain	SEPE (Spanish Employment Services)	Deputy Director
34	Spain	SOC (Employment Catalan Services)	Director of Occupational Network and Responsible of the Youth Guarantee Strategy
35	Spain	City Council of L'Hospitalet	Responsible of Employment Promotion
36	Spain	Barcelona Activa (Local Employment Services)	Director of Professional Training and Occupation
37	Spain	City Council of Castell Bisbal	Employment Promotion Specialist
38	Spain	Employment Services of Canary Islands	Active Employment Programs Specialist
39	Spain	Barcelona Activa (Local Employment Services)	Director of Economic Promotion
40	Spain	City Council of Barcelona	Innovative and Strategy Director of Social Services Department
41	Spain	City Council of Barcelona	Social Services Director
42	Spain	Universitat de Barcelona	Expert in Minimum Income
43	Spain	Universitat Autònoma de Barcelona	Expert in Labour Law
44	Spain	Director Social Programs	Fundació "La Caixa" (Foundation linked with Bank Sector)
45	Spain	Caritas	Responsible of Occupational programs
46	Spain	Cruz Roja (Red Cross)	Responsible of Occupational programs
47	UK	Smith Institute and previously TUC official	Expert on labour market policies
48	UK	Confederation of British Industry (CBI) and Low Pay Commission member	Head of Employment policies
49	UK	European Economic and Social Committee (EESC) - employers' group	

50	UK	CIPD (Chartered Institute of Personnel and Development)	Chief Executive
51	UK	EEF - The Manufacturers' Organisation	Head of Employment and Skill
52	UK	Trade Union Confederation (TUC)	National official
53	UK	GMB and member of EESC – unions' group	National official based in Brussels
54	UK	Department for Work and Pension (DWP)	Official
55	Sweden	<i>Teknikforetagen</i> – Employers' organisation in manufacturing	Deputy head of employment issues
56	Sweden	European Commission – Office in Stockholm	Head of political reporting and policy issues
57	Sweden	European Commission – Office in Stockholm	Financial advisor
58	Sweden	TCO – trade union confederation	Analyst on labour market policy
59	Sweden	LO – trade union confederation	Expert in labour law, contract issues and EU law
60	Sweden	LO – trade union confederation	Analyst in unemployment insurance, labour issues especially related to class and gender.
61	Sweden	<i>Svenskt Näringsliv</i> – Confederation of Swedish Enterprise	Labour market expert
62	Sweden	University of Stockholm	Professor, expert in labour market reform
63	Poland	Government	Vice-minister of labour (previously Solidarity expert)
64	Poland	Ministry of work, Institute for Work and Social Policy	Labour market expert
65	Poland	Institute for Public Affairs think-tank	Polish Eurofound correspondent
66	Poland	Solidarity – trade union	Director of experts department
67	Poland	Solidarity	Director of department for the fight against unemployment
68	Poland	Solidarity	Junior expert in the Youth policies department
69	Poland	OPZZ – trade union	Director of social policy department
70	Poland	Lewiatan – private employers' confederation	Labour law expert, former vice-minister of labour

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