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Work, welfare and citizenship: diversity and variation within European (un)employment policy

Jochen Clasen and Wim van Oorschot

Not so long ago mass unemployment seemed to be a universal and typically European problem. From the early 1980s onwards most Western-European countries were plagued by unemployment figures that permanently and by far exceeded those of other industrialised countries, notably the US. Early socioeconomic policies, that tried to stimulate domestic demand, increase international economic competitiveness and redistribute labour, had no clear and lasting positive effects. The idea then took hold that unemployment in Europe was a structural phenomenon strongly connected to the relatively generous welfare systems of European countries and their rigid labour market institutions. This image of 'Eurosclerosis' – of European welfare states being caught in structures of inflexibility, preventing the solution of the problem of mass unemployment – contrasted sharply with the image of the liberal US welfare state, where flexible labour markets and low social protection fuelled the jobs machines of its service economy. In more detail, the standard interpretation of the European problem of structural unemployment saw two main causes: the gap between wages and productivity for low-skilled workers, and the inflexibility of and distortions to the smooth functioning of labour markets. Solutions advocated broadly in national and international policy discourses included increasing wage flexibility; increasing productivity levels and employability of workers; flexibilisation of labour contracts and working-time; and changing incentive structures for employers (subsidies, tax credits), but of course also for the unemployed (lower and shorter benefits, stricter work tests, workfare type obligations). At present ideas and dialogues of this kind, based on the standard interpretation of the unemployment problem and asking for a shift from equality and protection to employment, still dominate the work and welfare policy nexus.

However, as Chapters One and Two have illustrated, actual developments in European employment and unemployment rates since the second half of the 1990s defy the pessimistic Eurosclerosis image of structural mass unemployment. In recent years many European countries have experienced a decisive decline in unemployment, notably Denmark, the Netherlands, Portugal, Ireland, Austria,

Sweden and the UK. In fact, these countries of the EU15 outnumber those with still high and persistent unemployment, for example Germany, France, Italy, Finland and Spain, which means that the standard interpretation has no universal empirical validity. What is more, several European countries now have unemployment rates below that of the US (and poverty rates that have been persistently lower), which shows that adequate levels of equality and social protection can be combined with high employment levels.

It has been shown in Chapter Two that most of the expectations about differences in unemployment rates between types of 'employment regimes' and groups of unemployed, as derived from the standard interpretation of the unemployment problem, are not supported by empirical findings. With the exception of long-term unemployment, levels and structure of unemployment do not follow expected patterns; also non-market oriented welfare systems have positive employment records, and no structural or 'natural' levels of unemployment have been found.

The purpose of this book has not been to develop an alternative theory of (un)employment and its possible solutions. For now, casting grounded doubt on the standard interpretation that has been around for so many years, and which has been so influential, suffices as a first step. The sincere aim of the book, in fact, justified by precisely this doubt, was to have a closer and empirical look at what exactly happened in individual European countries in the last decade and to provide an updated overview of their unemployment and employment policies, specifically from a citizenship perspective. Since Marshall's famous essay on citizenship rights (1949) the central goal of the welfare state has often been formulated as to strive for the ideal of full citizenship, conceived of as full participation of all in all spheres of social life. In the context of high unemployment in Europe this rather broad view has been narrowed down to equating full citizenship with labour market participation. This relation, however, can be questioned in its generality and remains an empirical matter for which several indicators have been applied in the country-specific chapters (Chapters Three to Twelve).

There is clearly a high level of national diversity. Despite the existence of similar socioeconomic and political challenges and common pressures, the stories told in each of these chapters reflect national paths of reform which display a considerable degree of variation. Many chapters also illustrated the considerable recovery within these countries' respective labour markets which often began in the first half of the 1990s. They provide ample evidence that solutions derived from the standard interpretation of the (un)employment problem, such as further deregulation of labour markets, reducing employment rights and lowering standards of social protection, are but one type of strategy among several which can lead to lower unemployment and rising employment levels. From a citizenship perspective these countries also indicate that the path based on the standard interpretation might not be the most desirable. Clearly, there

are alternative ways to fight unemployment. Furthermore, relatively generous social protection does not appear to be a decisive obstacle to economic and employment recovery, and such recovery is compatible with quite different designs of social protection systems.

Secondly, despite the wide variation, however, there seems to be a common attempt to redraw the link between work and welfare. This attempt might best be summed up as 'towards activation'. There is, of course, diversity in the use of types and degrees of activation measures, and stimulating the unemployed to work and optimising conditions for their labour market integration has implications for citizenship rights to different degrees, but the common trend is there. Finally, attention will be paid in this chapter to the future prospects of work and welfare relations by discussing the sustainability of the various models of labour market recovery.

Towards activation

Within the past 10 years or so, the approach common in many countries in the 1980s – keeping overt unemployment down by diverting jobless people into alternative roles (early-retiree, recipient of sickness or disability benefits, care) has been superseded by the single most important goal of boosting employment and transferring benefit recipients to gainfully employed tax payers. A range of policies have been employed across western welfare states in order to achieve this goal, accompanied by an often bewildering phraseology such as 'activation', 'insertion', raising 'employability' or making benefits 'more employment friendly'. What these phrases have in common is their character of signalling a stronger emphasis on supply-side oriented labour market policies combined with a stricter degree of conditionality attached to the receipt of social security transfers for working-age claimants. At times these policies have increased the level of compulsion within benefit systems, in the sense that entitlement rights have been more closely linked to obligations on the part of benefit claimants to participate in training or work schemes. Some have interpreted this trend as the introduction of 'workfare' or of 'workfare-like elements' within social security policy for the jobless (Gilbert and Van Voorhis, 2001; Lødemel and Trickey, 2001).

There is some scepticism about the effectiveness of activation policies in particular, and labour market programmes as a whole. Indeed, applying a narrow measure of labour market integration, activation policies do not seem to be impressively successful. Also at times of a more favourable labour market development, it is certainly difficult to assess the degree to which activation policies have actually contributed to the decline in unemployment. As the Danish experience of the 1990s has shown, for example, a large part of the decline in open unemployment was reflected in the rising number of participants in various labour market programmes. In the Netherlands, there are doubts about the net contribution of activation measures particularly regarding the improvement of labour market chances of the weakest or 'hardest to place'

groups. However, activation policies seem more easily justified when unemployment is already declining and when policies are put in a broader context, which includes aims such as a reconnecting unemployed people with the world of work or raising human capital.

The stronger emphasis on activation (of working-age benefit recipients) has certainly brought with it a blurring of the traditional division between the policy areas of social protection and labour market policy (Esping-Andersen et al, 2001). This trend is perhaps the most common denominator found in the ten countries reviewed in this book. It applies to countries which have successfully overturned a previously bleak labour market situation (the Netherlands, the UK or Denmark), to those which always have had comparatively low levels of unemployment (Norway, Switzerland), to those with stubbornly high levels of unemployment in the 1990s (France, Finland and Germany) and to those where unemployment levels have fluctuated (Sweden, Slovenia).

It is tempting to connect such cross-national similarities to external influences such as EU guidelines on employment policies, for example, which at times formulate concrete policy aims and require member states to demonstrate steps of implementation towards reaching them. For example, the European Council meeting in Luxembourg (the 'Job Summit') in November 1997 stipulated that the age of 25 years should be a cut-off point in the sense that younger people should be offered new employment or training within six months of unemployment. However, the role of the EU should not be exaggerated. In this particular incidence, European countries outside the EU have also introduced policies depending on age. Young people under the age of 25 are a special target group for employment reintegration in Norway, for example. Moreover, individual member states had already singled out younger age groups for activation programmes long before 1997, such as young social assistance claimants in Denmark and the Netherlands in the early 1990s, for example.

By the late 1990s it had become clear that activation policies (without using the same terminology) played a major part of actual policy making and policy legitimisation particularly in the 'success countries', that is those which turned a bleak employment situation into one of sustained improvement. The introduction of the New Deal programmes in the UK, for example, was the central element of the welfare reform policy which Tony Blair's Labour government heralded as one of its major policy aims during its first term of office after 1997. The approach was similar to the one adopted by previous Conservative Party policies of increasingly stepping up requirements on the part of the unemployed (job seeking, for example). The Labour government went further, however, by establishing a closer connection between labour market and social policy with the explicit aim of reducing the level of dependency on social security for working-age benefit claimants by increasing the labour market integration rate. Less geared towards long-term or young unemployed, 'work, work, work' was the slogan which accompanied many direct and indirect (for example directed at employers) Dutch measures aimed

at raising the employment rate. A special problem was, and remains, the high number of disability claimants, with an alleged high degree of hidden unemployment.

The British policy rhetoric, if not the policy detail, echoed very much the one which the Danish social democrats employed for justifying the introduction of labour market reforms after 1993. In turn, it can be argued that Denmark adopted the Swedish 'work line' which, having been in place long before the 1990s, might be seen as an 'activation forerunner' and which, consequently, did not undergo any major changes despite the upheavals in the Swedish labour market in the first half of the decade. This differs from Finland, where a range of measures were introduced with the explicit notion of making the unemployment policy regime less 'passive' and more 'active', such as tighter entitlement rules and lower benefit levels. However, also countries with low unemployment have introduced similar policies. Norway's policies amounting to the 'work line' explicitly expect claimants to be reintegrated in the labour market. Placement efforts have also been stepped up in Switzerland for example, where some unemployed groups are now expected to participate in labour market programmes.

Activation policies introduced in the remaining countries also indicate their relevance from a citizenship perspective. In Slovenia, for example, a trend has been identified which can be described as strengthening the 'activation' principle at the expense of the 'insurance' principle. More concretely, this implies that benefit entitlement is becoming less governed by past behaviour in terms of employment and contribution record (determining access to benefits, training, suitable job offers, and so on) and more by the current and future behaviour as job seekers (stipulated in individual employment plans which prescribe participation in labour market programmes, public work, and so on). Structurally, the Slovenian unemployment benefit system is very close to the German system. Moreover, the policy trend in Germany bears a close resemblance to Slovenia: the rights of job seekers (for example in terms of having to accept certain job offers) are decreasingly determined by their prior status and earnings and increasingly by the state of the labour market in general.

The French discourse on activation can be said to have started in the early 1990s when passive benefit expenditure was regarded as in need of being turned into active spending. However, there are two important differences to similar policy debates in other countries. First, the turn towards a more active approach in benefit policy has occurred in a much more adversarial policy environment compared with the Netherlands or Denmark, for example. Second, underlining the relevance of rhetoric and discourse in the French polity (see Hay and Rosamond, 2002) activation policies were introduced despite a general rejection of the notion of increasing flexibility, deregulation, or anything which might resemble the introduction of workfare. The latter in particular is regarded as an Anglo-American attempt of blaming the unemployed for their predicament, which is contrary to the French emphasis on a 'social treatment of

unemployment' based on the idea of unemployment as a 'systemic' problem beyond the control of the individual.

And yet, while not declared as such, French reforms during the 1980s and 1990s introduced labour market reforms which increased flexibility, made hiring and firing of employees easier, and raised the number of jobs which can be considered as insecure. There was even the implementation of a 'workfare logic' with PARE in the sense that, as in many other countries studied in this volume, the right to benefit was to be governed less so by past contributions and increasingly by contractual commitments between the unemployed and the employment office regarding steps to take for a return to paid employment.

Finally, as *Ervasti* illustrates, the Finnish trend towards activation has not so much resulted in 'workfare' but in 'training fare'. Particularly younger benefit claimants without qualifications have increasingly been required to make applications for training courses. While this might be regarded as a particular form of activation, it is the other end of the labour market where actual problems of reintegration can be found. For older unemployed workers with low education levels there seems indeed very little chance to return to paid work in the Finnish labour market.

Citizenship rights

From a citizenship perspective the examples of policy trends discussed earlier are important since they indicate a re-balancing and redefinition of rights and obligations on the part of unemployed benefit claimants. If one aspect of citizenship rights is predicated on the notion that all those who seek a job should be able to find employment, certain trends in many countries reviewed in this volume should be welcomed. In some countries, such as France, Finland or Germany, unemployment levels remained stubbornly high or declined at a much slower rate than elsewhere. Many other countries, however, witnessed an impressive decline of rates on unemployment and long-term unemployment and raised employment levels considerably, without deteriorating their commitment to high levels of social protection or compromising low levels of poverty (see *Gallie and Paugam, 2000a*). Denmark and the Netherlands, for example, have maintained relatively generous benefit levels for most unemployed groups, except for lower rates which might apply to younger claimants. As discussed, the *quid-pro-quo* has been a much more explicit degree of conditionality attached to the receipt of social security support. The terms have required a more pro-active job search, the enhanced willingness to participate in training and other labour market programmes and the introduction of a stricter work test in general. Sanctions for non-compliance have been toughened. In general, the 'work-relatedness' of benefit entitlement has also become more pronounced in many European welfare states during the 1990s (*Clasen et al, 2001*).

A potential effect of such policies could be an increase in the scope of benefit exclusion. However, such a risk is, for the time being, relatively small due to

favourable employment conditions particularly in those countries in which activation policies have been extended. For example, due to a tougher work line in Norway, any threats to citizenship rights are merely theoretical because of the low unemployment levels. In addition, policies are targeted at some groups only, such as younger people on social assistance benefit, or have not been implemented at local level. Also, there has been no erosion of labour market standards in Norway given that there are few workers with little protection, a very low share of 'non-standard' jobs and no flexibilisation of labour law. This is almost the reverse situation as in France where precarious forms of employment have grown despite a rhetoric that suggests otherwise. Equally, unless one considers the introduction of *Revenue Minimum d'Insertion* as the measure which fully preserved full citizenship rights, the effect of persistently high levels of unemployment and the much lower efficiency of the primary form of unemployment compensation have resulted in a decline of citizenship rights for job seekers in France.

By contrast, the much improved employment prospects and changes in patterns of labour market participation in the Netherlands from a household perspective (towards the 'one and a half earner couple') meant that changes to social protection have not been felt. However, should labour market conditions deteriorate, this situation might change. Also, citizenship rights for weaker and hard-to-place unemployed people (such as those with additional needs) have not improved due to the persistence of problems of entering the labour market. Nevertheless, the Dutch model, which is based on a proliferation of part-time jobs, is interesting from a citizenship perspective, not least because part-time employment is not discriminated against within the social security system. This is very different in other countries, such as Slovenia for example, where the expansion of part-time work is hampered by the concomitant decrease of citizenship rights for part-timers in terms of access to welfare benefits, benefit levels and also the types of job which are available.

Unlike the Dutch model of increasing part-time work (and not only among women), the Danish model rests on a declining share of women working part-time. From a citizenship perspective, a clear shift has occurred over the past two decades. In the 1970s and 1980s, keeping people integrated in society meant first and foremost maintaining social rights to insurance based benefit, preserving income levels and opening access to opportunities (for example, to training or leave arrangements). Such a quasi-universal system was replaced in the 1990s with a system with a high level of conditionality attached to benefit entitlement and much increased obligations on the part of job seekers. Benefit levels have remained generous in comparative perspective, but, as in the UK, the participation in paid work has become an explicit source of citizenship. As Goul Andersen states (in Chapter Eight), this policy shift amounts to the adoption of a 'communitarian notion' of citizenship with employment as an indispensable element.

It could be said to some extent, that Denmark has adopted the Swedish model, not in the sense of employment protection, but in the sense that

citizenship rights are now as in Sweden based on a dual strategy of a comparatively generous benefit system coupled with a fairly strict work test. Indeed, compared with the radical change in Danish labour market policy since the early 1990s, the Swedish system has remained rather unchanged, with limited reforms in unemployment compensation and labour market efforts which have followed the business cycle. From a citizenship perspective, it is immigrants in both Sweden and Denmark who seem to be losing out as their disproportionate unemployment rates signify, while the rise in both underemployment and non-employment (for example due to early-retirement, sickness, and so on) during the 1990s has brought Sweden in line with many other European countries where hidden unemployment has grown since the 1980s.

Foreign citizens play a particular role in the Swiss labour market and it is not the recent trend towards activation which has affected their citizenship rights, but the very model within which the Swiss labour market operates. In short, because unemployment is heavily concentrated on non-Swiss workers, it is unemployment per se which affects the position on immigrant workers in Switzerland. On the other hand, and despite the recent rise and the increase in the unemployment baseline over time, unemployment has remained very modest in international comparison. The citizenship position of Swiss unemployed people also has been relatively unaffected. The level of social protection during unemployment is fairly generous and the chance of re-employment has remained almost unchanged, even though for some unemployed the wages might be below those in previous employment.

Elsewhere it seems that the social rights of those who, for one reason or another, cannot be placed within the 'first' (that is, non-subsidised) labour market seems to have been neglected within the overriding policy drive towards increasing participation in paid work as the major source of citizenship. Perhaps more so than anywhere else, this is the impression at least of the British case. As in Denmark, the communitarian notion of paid work as the core of citizenship and social integration has become all but omnipresent in social security policy generally and in benefit policy for working age claimants which has undergone a substantial degree of re-balancing of rights and responsibilities with introduction of 'workfare elements' in particular (Trickey and Walker, 2001). Almost in its shadow, and without parallel in any other country covered here, access to social security rights based on universal or social insurance principles has all but vanished for working-age citizens while targeted means-testing (in the form of cash benefits or tax credits) has become ever more dominant.

Finally, German society has long been portrayed by mainstream political parties and perceived by the wider public as a 'work society', with participation in (full-time and permanent) waged work (for men) as the central institution for securing family income and social rights, and as transferring status and fostering a sense of identity. Traditionally, welfare benefits and labour market policies were regarded as mechanisms for attaining or regaining secure jobs

within this 'work-based' citizenship model. However, the persistence of high levels of unemployment has threatened to turn this model upside down. Unemployed people, and particularly those claiming social assistance, are increasingly required to work for the public good or engage in labour market programmes in order simply to maintain their right to benefits. This is due to a number of policy changes introduced in the 1990s which imply that for some unemployed at least, the hope of a return to the labour market (work-based citizenship) has been replaced with a life on benefits, interrupted only with spells of participation in make-work programmes and community service. As Ludwig-Mayerhofer argues in Chapter Four of this volume, these might be considered as signs of the emergence of a new form of 'welfare dependency' citizenship, which includes 'a touch of workfare'.

Prospects for the future?

Perhaps the most sustainable models of labour market success are to be found in those countries which never have experienced high levels of unemployment, at least within the time span covered here and in relation to other countries reviewed in this volume. Nevertheless, the basis of their models might have changed, as well as actual or potential impacts on citizenship rights.

From the latter perspective, the Swiss model has remained volatile for foreign workers in two respects. First, economic downturns in the past, and in the 1970s in particular, were not reflected in rising unemployment because of redundant foreign workers dropping out of the workforce by ways of leaving the country (see also Bonoli, 2001). Today this option of absorbing unemployment is no longer available because of the increasing number of immigrants with permanent residency status. However, the on average lower skill level is the second reason why the degree of labour market and thus social protection which immigrant workers enjoy continues to be well below that of Swiss citizens. Half of all unemployed people in Switzerland are immigrant workers, yet they represent only one in five employees. In short, even if many would stay in the country, a sudden rise in unemployment is likely to affect non-Swiss national workers much more drastically than their Swiss counterparts.

Norway is the other non-EU country with a remarkable low unemployment record. Here, wage moderation, high unionisation, strict employment protection and generous benefits are counterbalanced by central wage coordination and the application of a strict work test. Ideologically similar to Sweden in combining generous welfare benefits with a tough 'work line', Norwegian policies have emphasised 'commodification, de-commodification and re-commodification' (Halverson in Chapter Nine of this volume). For example, the policies promote a high employment rate, various options for temporary leave from work (for example for education or child care), and a range of programmes aimed at reintegrating those who have become unemployed. Oil reserves seem to be a major factor which should help to secure the medium-term sustainability of this particular model, having enabled the public sector to

become a large employer and, through subsidies for public and private child care, allowed women in particular to reconcile working careers with family life.

The UK is one of the success stories of the 1990s in the sense that an answer seems to have been found to what appeared to be intransigently high levels of unemployment, interrupted by brief recoveries accompanied by strong inflationary pressure. The labour market recovery which began in 1993 has not only continued for almost ten years now, but has not been accompanied by rising inflation or public deficits out of control. Unlike in the 1980s and early 1990s, some of the contributing factors behind this development are now based on a broad consensus across the two major parties. That is, the need to create a flexible labour market with relatively little employment protection, buttressed by a modest level of minimum wage combined with the use of tax subsidies paid to low paid workers. Apart from the potential problems of poverty traps, the emphasis on labour market integration has done little to address the problem of those for whom the labour market is not an option and have to continue to rely on welfare state benefits as their main or even only source of income. Within European comparisons, levels of inequality and poverty remain high, even though there has been some improvement in recent years (Howard et al, 2001). The concentration of unemployment and inactivity at individual and household basis in particular geographical areas are major factors here, as international comparisons show which demonstrated that the link between unemployment and risk of poverty is very strong in the UK (Gallie and Paugam, 2000a). There are signs that the New Deal programmes have made an impact, but the effect of accompanying policies facilitating labour market participation for some groups (for example provision of or subsidies towards childcare) has remained relatively small (Millar, 2002).

One of the longest and apparently persistent revivals of labour market performances has occurred in the Netherlands. Recently there have been positive assessments as to the sustainability of this models which rests on a strong expansion of part-time work (Visser, 2002). Whether the labour market recovery is sustainable in the long run, however, might be questionable since the external factors that have contributed to the success of the Dutch 'miracle' might easily change and have strong negative effects. Wage moderation, for example, which may have helped to turn things round, has been succeeded by currently strong wage demands and high inflationary pressure. The Dutch labour market has become a bit more flexible, however, with people adjusting more easily to working part-time, which might result in a buffer against suddenly increased high unemployment. From a citizenship perspective, a marked increase of unemployment would quickly put the spotlight on the issue of social rights given that most newly unemployed people would have to resort to social assistance fairly quickly.

Both the Dutch and the Danish 'welfare-to-work' approaches have been identified as core elements in increasingly coherent third-way supply-side strategies (Green-Pedersen et al, 2001). Both economies have attempted to

mesh an increased degree of labour market liberalisation with maintaining high levels of social protection and avoiding poverty and inequality ('flexicurity'). Each has also implemented innovative labour market policies, such as particular job creation schemes in the Netherlands or various labour market sabbaticals and job rotation programmes in Denmark. While questions have been asked in both countries about the effectiveness of such approaches in a narrow job generating sense, from a wider perspective (raising employability and reconnecting people with paid employment) some of those programmes have been truly innovative, creating interest also in other countries. But there are also crucial cross-national differences. There is no Danish equivalent to Dutch neo-corporatism, and while female part-time work is on the decline in Denmark it has risen considerably and become a crucial cornerstone for the success of the Dutch model. After little net employment growth in the Danish labour market in the first half of the 1990s, the further recovery in the second half of the decade combined with a sound public budget (despite the continuous use of public sector employment) seems to have put the Danish model on a sustainable path, at least for the time being.

Despite some similarities in the use of active labour market policy and 'activation' strategies, and the ability to largely stem increasing rates of poverty and social exclusion, the Swedish model differs considerably from the Danish in many other respects. Most of all, the Swedish labour market is much more regulated than the Danish. The experience with mass unemployment in the 1990s has not been as prolonged as in other countries, yet it could be argued that the Swedish model has proved to be one which is compatible with both low and high unemployment. After a traumatic economic and labour market turmoil in the first half of the 1990s, Sweden has also recovered considerably in recent years. Hence, ten years after the sudden and steep increase in unemployment, and against pronouncements of its demise, the Swedish model (that is, the combination of generous welfare rights with principles of a 'work line') seems to be alive and kicking. It appears to be an alternative to the 'flexicurity' approach adopted in Denmark or the Netherlands on the one hand, and the Anglo-American deregulated low-wage strategy on the other. The same cannot be said about Finland where cutbacks have been deeper and unemployment has declined somewhat, but remains stubbornly well above the EU average.

Apart from Finland, France and Germany are the other two countries reviewed here where unemployment levels have remained high or declined at a much slower pace than elsewhere. A recent rise in unemployment in Germany indicates that the country is somewhat out of step with many other European countries. Irrespective of the unique implications arising from German unification, high non-wage labour costs, payroll taxes as the funding basis of large parts of social protection and other problems of expanding service sector employment have frequently been mentioned as major problems for a more sustained adaptation to a changed socioeconomic environment (Manow and Seils, 2000b). In contrast to the Netherlands, radical reforms are much more difficult to implement because

of institutional constraints and the different set-up of corporatist structures (Hemerijck et al, 2000). As a result, for better or worse, welfare state institutions have largely remained intact. Nevertheless, small incremental changes have started to erode the previous citizenship model of social security and labour market support for unemployed people.

Despite some changes with respect to financing welfare and steps towards labour market liberalisation the French policy repertoire has remained rather traditional with massive expansion of early retirement, tax cuts and subsidising low wage employment. In the 1990s, this was complemented by major efforts in terms of working time reduction and temporary job guarantees for younger people. It is clear that, at this macro-economic level, the French model is very different from the one in the UK. However, from a citizenship perspective, and despite much French rhetoric to the contrary, the French and the British model have also much in common as far as the rights and obligations on the part of the unemployed are concerned (Clasen and Clegg, forthcoming).

Conclusion

This volume has shown that high levels of unemployment are no longer a universal and typical European phenomenon. Many countries, especially the smaller economies, have recovered remarkably well and sometimes surprisingly rapidly. The paths they followed seeking a way out of unemployment differ to a great extent, but their success has two important implications. Firstly, the diagnosis of structural 'Eurosclerosis', of European welfare states being caught in structures of inflexibility leading to 'natural' mass unemployment, has proved to be invalid generally. And secondly, recovery has in most cases been attained without social 'dumping', implying that it is possible to combine high employment levels and adequate social protection. To what extent policy experiences are transferable from successful countries to less successful ones remains an open question. The detailed information from the country-specific chapters (Chapters Three to Twelve) seems to indicate that not only the effects of measures are highly dependent upon national social, economic and institutional contexts, but also the possibility or feasibility of certain types of measure. Typically, what are known as 'conservative' welfare states, such as Germany and France, are the least successful, as are the 'Mediterranean' welfare states of Italy and Spain. At the same time these are larger economies and larger countries; what is it exactly that makes them more vulnerable to higher unemployment? The character of their social protection systems, the structure and nature of their economies, or scale-effects regarding governance potentials?

Although it seems by all means justified to speak of a successful recovery of employment in case of the smaller European economies, honesty would not mistake this with downright success in terms of citizenship rights. It has been shown that even in the most successful countries there remains considerable levels of hidden unemployment, non-employment, large differences in unemployment rates along dimensions of gender, age, health status, ethnicity,

and educational level. And although ruthless social dumping has not been a path followed by any of the countries analysed, there are countries in which the balance between rights and duties of unemployed people has been restructured quite drastically.