Abstract
A litmus test of any welfare state today lies in its ability to sustain high employment levels. High employment helps reduce budgetary pressure on governments and, particularly due to more unstable families, addresses social risks of individuals as well. Reconciling work and welfare in Europe (RECWOWE), a project of the Sixth Framework Programme of the European Commission, set out to improve our knowledge of how the welfare state can and does adapt to this changed context. In doing so, it aimed to address four main tensions in the literature, the tension: (1) between the need for flexibility in the labor market and security for citizens; (2) between work and family life, fluidity in family patterns, and flexibility in the employment relationship; (3) between the number of jobs and their quality; (4) and between the need for policy reform and the political challenges in implementing reforms. RECWOWE brought together scholars in fields of demography, law, political science, and sociology from 30 institutions between 2006 and 2010 to leverage expertise in addressing these tensions and yielded considerable output, including 34 working papers, 20 books, and 5 special issues of journals. To summarize these findings, this State of the Art is divided into two parts. Part I explores why new welfare state policies are necessary and which policies or sets of policies are best suited to accommodate the present socio-economic context. Part II shifts from discussing problems and policy solutions to reviewing which reforms have indeed taken place and specifying the theories put forward to explain these changes.
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Introduction

A litmus test of any welfare state today lies in its ability to sustain high employment levels. High employment helps reduce budgetary pressure on governments and, particularly due to more unstable families, addresses social risks of individuals as well. Though the role of the state in providing social benefits has been circumscribed by a harsher economic climate, public policies retain an important role in ‘making work pay’ in terms of providing a living wage, enabling people to combine a healthy work and non-work life, and ensuring access to sufficient social protection in times of hardship or old-age.

Reconciling work and welfare in Europe (RECWOWE), a project of the Sixth Framework Programme of the European Commission, set out to improve our knowledge of how the welfare state can and does adapt to this changed context. In doing so, it aimed to address four main tensions in the literature, the tension: (1) between the need for flexibility in the labor market and security for citizens; (2) between work and family life, fluidity in family patterns, and flexibility in the employment relationship; (3) between the number of jobs and their quality; (4) and between the need for policy reform and the political challenges in implementing reforms. RECWOWE brought together scholars in fields of demography, law, political science, and sociology from 30 institutions between 2006 and 2010 to leverage expertise in addressing these tensions.

Though aimed at addressing the four tensions mentioned above, the project nevertheless followed a bottoms-up process whereby participants were at liberty to initiate projects, granted they included multiple countries and institutions, promoted cooperative activity, and stated clear tasks leading to completion. RECWOWE yielded considerable output, including 34 working papers, 20 books, and 5 special issues of journals.

To summarize the contributions from RECWOWE, the State of the Art is divided into two parts. Part I explores why new welfare state policies are necessary and which policies or sets of policies are best suited to accommodate the present socio-economic context. Part II shifts from discussing problems and policy solutions to reviewing which reforms have indeed taken place and specifying the theories put forward to explain these changes.

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Part I. In Search of a New Welfare State

Contributions from RECWOWE build on earlier findings that reforms to the welfare state are needed to increase employment. In a more stand alone contribution, the RECWOWE project demonstrates that work alone fails to address social problems such as in-work poverty, labor market inequality, and work-life tensions. Part I begins by reviewing barriers to employment and policies capable of improving access before detailing the insufficiency of paid employment and explaining how the concept of job quality and related policies can resolve this problem.

Given the interrelated nature of policy reforms, policy-makers and scholars alike often seek out policy solutions in the form of models or paradigms in an attempt to find a coherent and sustainable socio-economic approach. Overarching policy frameworks, consisting of policy mixes, have been conceived to provide such an approach and various contributions aid in defining the parameters of a new paradigm. The upshot of these recommendations is that the focus on jobs, jobs, jobs does not go far enough and the real priority of policy makers needs to become the promotion of quality employment.

The Need for Recalibration

Studies from RECWOWE lend insight into how aspects of the traditional welfare state stand in the way of achieving high employment rates. Passive policies, characteristic of the industrial period, provide income replacement during periods of unemployment or inactivity. Passive policies are mainly ill-equipped to expand employment because they are designed with the standard employment relationship in mind and only stand to benefit those already integrated into the labor market. Many people, however, face hurdles in finding and maintaining a decent job and cannot or do not want to work full-time for the duration of their professional careers. As such, new social policies and labor market regulations are needed that enable individuals to find and maintain good jobs despite temporary breaks from the labor market or only working on a part-time basis. In light of this change, scholars have voiced the need to ‘recalibrate’ the welfare state to bring it in line with socio-economic change (Ferrera and Hemerijck 2003; Ferrera, Hemerijck, and Rhodes 2000; Hemerijck 2006; Hemerijck). Recalibration implies more than simply cutting back existing policies but rather reenvisioning the functional, distributive, normative, and institutional dimensions of the welfare state.

Select reform of passive policies is in order. Income maintenance can improve the quality of the job search and protect skill investments, though policies may also deter labor market participation if they raise the reservation wage for an extended period of time. As case in point, generous short term unemployment replacement rates have been shown to lead to high levels of employment, where long-term unemployment replacement rates depress employment (Nelson and Stephens 2011). Employment protection also reduces employment by discouraging employers to hire in boom periods; these policies may also motivate employers to retain employees in slow periods, however, leading to ambiguous aggregate results (Viebrock and Clasen 2009).

The reform path of Christian Democratic welfare states in the 1980s and 1990s exemplifies the pitfalls of relying heavily on passive policies. Policy-makers predominantly responded to high unemployment by facilitating labor market exit, particularly for less productive workers (Palier and Thelen 2010). This strategy was inherently unsustainable since the number of those dependent on state policies...
increased while the number paying into benefits decreased. Hiking up contribution rates to absorb the cost burden only had the additional negative effect of reducing employers’ incentives to hire since their non-wage costs increased (Manow 2010).

Beyond curbing incentives for labor market exit, the need for recalibration is nowhere more evident than in the emergence of ‘new social risk’ groups (Armingeon and Bonoli 2006; Esping-Andersen 1999; Hemerijck 2002). Bonoli (2006a) details five personal situations which indicate a particular difficulty in earning a living wage: possessing low or obsolete skills, pursuing active engagement in both work and family life, being a single parent, having a frail relative, and having insufficient social security coverage. Focusing on youth, Knijn (2012a) adds three partly overlapping situations: leaving the parental home, becoming employed, and becoming a parent. Another collaborative study looks more specifically at immigrants and addresses the particular difficulties faced by various immigrant communities around Europe in finding work and avoiding both poverty and social exclusion (Mannila et al. 2010).

Condensing these insights, one can identify two broad risk categories: those with difficulties competing on the labor market due to their skill set or other personal characteristics (i.e. social class, social inclusion) and difficulties combining paid employment with non-work life, particularly for those with dependents. The risk of having low or obsolete skills increased due to deindustrialization and the rise of the knowledge-based service economy (Abbrassart 2011). Despite often high levels of training, harsher economic conditions and increased labor market flexibility often disproportionately disadvantage youth (Knijn 2012a). Although the skills of immigrants vary (van den Broek, Messing, and Mannila 2010), as a group they face obstacles in entering the labor market. In the Nordic countries, immigrants have double the risk of unemployment as natives on average (Mannila 2010) and a somewhat similar trend is evident in Spain despite the fact that employment rates are higher than natives (van den Broek 2010). In Eastern Europe, the largest immigrant group consists of the Roma and their weak educational background is reflected in high rates of employment instability and poverty as seen in studies of Hungary, Slovakia, and Romania (Messing 2010; Vidra and Messing 2010; Vidra 2010).

The second dominant risky category arises from difficulties in combining work and non-work life, particularly in the context of high family obligations. The gendered division of labor between paid work outside the home by husbands and unpaid domestic work by wives increasing runs up against social and economic constraints. Not only have women’s labor market ambitions increased due to higher educational attainment but women also often need to enter the labor market since the breadwinner’s income no longer suffices to support a family. Moreover, less stable unions and changes in the institution of the family more generally (Kotowska 2012) motivate a stronger connection to the labor market among working age individuals.

While boosting economic growth, higher rates of female participation in paid employment create an enormous vacuum in the provision of unpaid care and in the related capacity of workers to start families and maintain their roles as both earners and carers, i.e. achieve a healthy work-life balance. Difficulties in combining both roles generate trade-offs between work and family life that, at the extreme, inhibit family formation and increase poverty among those who cannot afford care services.
parents face particularly sharp trade-offs between work and family life, which are sometimes so acute that single parents, predominantly women, cannot enter the labor market at all and remain dependent on social assistance (Knijn and van Wel 2001).

In sum, these studies underscore the continued difficulties faced by various groups in entering the labor market. To some extent, these obstacles derive from existing welfare state policies. However, the depressing effects of the welfare state pale in comparison to the range of other factors that impede labor market integration, such as lack of skills or non-work-related commitments. As such, there is room for public policy to help individuals enter and re-enter the labor market for the duration of their working careers. The studies reviewed above illuminate the particular difficulties faced by certain social groups.

**The Insufficiency of Paid Employment**

Participation alone often fails to address social risks. Speaking to this dilemma, the contributions of RECWOWE underscore the salient problems of in-work poverty, labor market dualization, and work-life imbalances.

The incidence of in-work poverty has increased and the problem has become a central concern addressed by the European Union (Guillén, Palacios, and Peña-Casas 2009; Gutiérrez, Guillén, and Peña-Casas 2009; Fraser, Gutiérrez, and Peña-Casas 2011; Fraser, Gutiérrez, and Pena-Casas 2011). Poverty is normally measured at the household level whereas working status is typically an individual level measure. Statistics on in-work poverty therefore typically count the number of workers in a poor household.

Goerne (2011) charts the landscape of in-work poverty in Europe and shows that working poor constitute between about 3 and 14 percent of European labor forces. Considerable variation exists between different social groups. Women are often found to exhibit a lower odds of in-work poverty although this reflects their higher odds of being with a high-earning partner; if their odds of in-work poverty is estimated using their resources alone, women reveal a higher probability of being working poor (Pena-Casas and Gailani 2011), which resolves the apparent paradox and corresponds to much research showing the precarious position of women in the labor market. In Poland, cohabitating with another worker does not stand to reduce the risk of poverty due to low wages and insufficient welfare payments (Safuta 2011). Immigrants, particularly those from outside the EU, also face a higher risk of in-work poverty (Alvarez-Miranda 2011).

Low earnings are a leading cause of in-work poverty though the strength of this relationship varies by context, with only 14.9 percent of those with low wages counted as working poor in the UK as compared to 21.3 percent in Poland (Fraser, Gutiérrez, and Pena-Casas 2011, 305). Besides low earnings, household size and low work intensity condition the prevalence of in-work poverty as well (Fraser, Gutiérrez, and Pena-Casas 2011; Crettaz and Bonoli 2011). On a positive note, the duration of in-work poverty does not seem very long, with one study showing that less than a third of those in in-work poverty remained there for three consecutive years (Gutiérrez, Ibanez, and Tejero 2011). The risk of in-work poverty can also be moderated by strong family policies (Crettaz and Bonoli 2010).

In addition to the issue of poverty, inequality within the labor market has been increasing and this phenomenon is referred to as dualization (Emmenegger,
Häusermann, et al. 2011; Davidsson and Naczyk 2009). Dualization refers to a growing distinction between two groups of workers, insiders and outsiders. Research often defines insiders as those on permanent, full-time contracts and outsiders as those on part-time or temporary contracts, although other definitions exist which define insiders and outsiders in terms of social protection and political representation (Davidsson and Naczyk 2009). Dualization is not an altogether new phenomenon (Seeleib-Kaiser, Saunders, and Naczyk 2011). The prevalence of dualization has, however, increased over the last few decades though considerable cross-national variation exists (Häusermann and Schwander 2009; Häusermann and Schwander 2011; Tomlinson and Walker 2011). The extent to which dualization translates into perceptions of job insecurity depend on further factors such as economic context (Chung and Van Oorschot 2011) and household characteristics (Emmenegger 2010).

Besides dualization in terms of labor market contracts, social protection, and political representation, Eichhorst and Marx (2011) identify dependent employment, wage inequality, and government-sponsored labor cost reduction as three additional mechanisms through which dualization comes about. Weak professionalization of care-giving jobs generates outsiders and thereby also contributes to the trend towards dualization (Kroos and Gottschall 2011). Moreover, higher conditionality, tighter eligibility criteria, and more demands on immigrants for access to social policies generates inequalities in terms of social citizenship (Emmenegger and Careja 2011; Breidahl 2011) and highlights the role of the welfare state in driving dualization (Betzelt and Bothfeld 2011a, 9).

The literature from RECWOWE disagrees on whether reforms disadvantage insiders. The dualization literature often proceeds as if insiders are well-protected. Bothfeld and Betzelt (2011a) however contend that the status of core workers is eroding in Bismarckian countries.

Aside from poverty and inequality in the labor market, paid work is also insufficient in addressing conflicts between work and non-work life. Enormous tensions arise in combining paid employment with caring responsibilities. Studies show that conflicts in combining work and non-work life are experienced by a significant proportion of European societies (Hobson, Fahlén, and Takács 2011; Chung 2011). Nordic countries tend to exhibit lower overall difficulties in realizing work-life balances (Beham and Drobnič 2011), and this trend likely stems from the abundance of daycare and child-related policies (Chung 2011). Employers supportive of work-life balance and flexible work arrangements also reduce the experience of work-life tension by workers (Fagan and Walthery 2011b), demonstrating how the workplace as well as the national context matters.

Various additional characteristics of the work situation have been found to influence the perception of tensions in balancing work and non-work life (Beham and Drobnič 2011). A stable finding is that longer working hours increase work-life tensions (Beham and Drobnič 2011; Fagan and Walthery 2011a; Fagan and Walthery 2011b; Drobnič and Guillén Rodríguez 2011; Den Dulk et al. 2011; Chung 2011). Job insecurity, demanding work, tight deadlines, long commuting time, low autonomy over the job, unsocial hours, dull work and dangerous work also tend to increase work-life conflicts (Chung 2011; Fagan and Walthery 2011a).
Individual and household characteristics matter as well. Women and those with young children perceive more work-life conflict (Chung 2011; Fagan and Walthey 2011a). A Finnish study illuminates gender differences in perceptions about being a negligent parent and issues related to time poverty (Salmi and Lammi-Taskula 2011).

Another central contribution of the RECWOWE project, however, is to illuminate how societal factors shape the take up of reconciliation policies and the experience of work-life fully conflicts more generally. In a special issue of Social Politics, various articles work within the capabilities approach (Sen 1999) to assess whether parents feel entitled and are otherwise able to combine work and family life. The capabilities approach “asks us what the opportunities to exercise “real” choice are” (Hobson 2011) and three sets of factors shape how individual aspirations are ‘converted’ into practice in terms of actual behavior and senses of entitlement: institutional factors (e.g. care leave benefits, sector), individual factors (e.g. social network), and societal factors (e.g. norms, public debate) (for an overview see Goerne 2010).

In this way, reforming the welfare state to expand facilities of care provision and actually capacitating individuals to use these policies calls for deeper normative changes in beliefs about care. Care-giving has been often conceived as an emotional as opposed to a rational activity and something provided out of devotion or love, rather than for economic gain (Pfau-Effinger and Rostgaard 2011). Developing public capacity in care provision depends on unraveling these apparent dichotomies in order to justify the public provision of care services by paid and often professional care-givers. As case in point, shifting care responsibilities to public authorities is often viewed as child neglect and participation in paid employment has indeed been shown to reduce time spent with children and elderly dependents (Rostgaard, Kangas, and Bjerre 2011; Bygren, Duvander, and Ferrarini 2011). Other studies show that time spent with children has actually increased over time (Bygren, Duvander, and Ferrarini 2011) which partially counteracts this trend. In any case, expanding public care services calls for adjustment to conventional understandings of care and acceptance of the fact that children will spend time with paid caregivers rather than parents.

In a related way, rigid understandings of gender roles frustrate individuals from assuming both earner and carer roles. The term time poverty has been coined to express tensions in the ability of workers to assume both roles. The experience of time poverty varies whereby women experience difficulties maintaining a job or starting a family and men experience difficulties engaging in active fathering (Hobson and Fahlen 2009; Kanjuo Mrčela and Černigoj Sadar 2011). Working women are often still expected to fulfill unpaid caring responsibilities at home, which create tensions between holding down a job and caring for children or an ill relative. Fathers experience difficulties in balancing work with home life, often due to the lack of recognition of their parenting responsibilities by their employer. The case of Hungary expresses the relevance of norms in shaping work-life reconciliation. Despite having a dual earner model as in the Social Democratic regime, Hungarian parents demonstrate greater ‘agency inequalities’ which was explained with reference to the institutional structure and social norms and this finding underscores the need to consider multiple aspects of any context in understanding the prevalence of work-life tensions (Hobson, Fahlen, and Takács 2011). Spain mirrors the Hungarian case in many respects (Ibanez 2010).
Trends in in-work poverty, dualization and work-life conflicts motivate research on job quality since employment is insufficient in resolving social ills. The issue of job quality has become broadly recognized over the past decade. While main policy objective in the 1980s and 1990s was to expand employment (Dahl, Nesheim, and Olsen 2009a; Dahl, Nesheim, and Olsen 2009b), the European Union recognizes a tension between expanding the quantity and quality of employment simultaneously though there is a general agreement that the achievement of both these aims is feasible (Guillén and Dahl 2009).

The definition of job quality remains a difficult task (Dahl, Nesheim, and Olsen 2009c). The concept is clearly multidimensional (Mustosmäki et al. 2011). Within the European Union, quality work and employment is defined with reference to ten dimensions listed in Table 1. RECWOWE contributions have made headway in defining each dimension and finding ways of capturing them quantitatively (Peña-Casas 2009; Dahl, Nesheim, and Olsen 2009a).

Table 1. Job Quality as Defined by the EU in the European Employment Strategy

<table>
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<tr>
<th>DIMENSIONS</th>
<th>KEY OBJECTIVES AND STANDARDS</th>
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<tr>
<td>1. Intrinsic Job Quality</td>
<td>Satisfaction, compatibility with skills, income</td>
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<tr>
<td>2. Skills, Life-Long Learning</td>
<td>Career development</td>
</tr>
<tr>
<td>3. Gender Equality</td>
<td>Equal opportunities over the life course</td>
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<tr>
<td>4. Health and Safety at Work</td>
<td>Conditions support physical and psychological health</td>
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<td>5. Flexibility and Security</td>
<td>Encourage mobility by reducing risk</td>
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<tr>
<td>6. Inclusion and Access to the Labor Market</td>
<td>Facilitated transitions into employment</td>
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<tr>
<td>7. Work Organization and Work-Life Balance</td>
<td>Working time arrangements</td>
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<tr>
<td>8. Social Dialogue and Worker Involvement</td>
<td>Involvement of workers in decision-making</td>
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<tr>
<td>9. Diversity and Non-Discrimination</td>
<td>Equal treatment of all</td>
</tr>
<tr>
<td>10. Overall Work Performance</td>
<td>High levels of productivity and living standards</td>
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</tbody>
</table>

Source: (Peña-Casas 2009, 49–50).

Various factors stand in the way of realizing job quality standards such as ongoing discrimination (D. Ghailani 2009) and changing modes of work organization, particularly in services (Clifton and Diaz-Fuentes 2009).

**An Emerging Paradigm...?**

As the previous discussion points out, welfare state reforms aimed at resolving social problems must simultaneously encourage labor market participation and improve job quality. In addressing new policy demands, scholars and policy-makers alike often think in terms of ‘policy paradigms’ (Hall 1993). Paradigms are “the overarching goals that guide policy in a particular field, the techniques or policy instruments used to
attain those goals, and the precise settings of these instruments” (Hall 1993, 278); and “a cognitive model shared by a particular community of actors and which facilitates problem solving. It provides a conceptual framework that helps actors interpret events and their causes, aides in their identification and definition of relevant problems and solutions, and suggests what kinds of criteria might provide useful measures of success or failure” (Carson and Burns 2010, 11). To state that a paradigm exists therefore implies a coherent framework for how a certain set of policies addresses a host of relevant criteria and the shared belief in this framework among relevant actors.

In the immediate postwar period, Keynesianism constituted such a paradigm whereby the 1980s saw a shift towards the neoliberal paradigm. The Keynesian approach legitimized passive policies by linking unemployment to the lack of demand and embedding policies in a larger socio-economic model (Hemerijck 2011; Jenson 2011b). Rapidly rising growth rates justified the use of public spending to boost consumption through downturns, which never lasted too long. The rise of the neoliberal orthodoxy undermined the logic of passive policies by permeating the belief that social spending reduces productivity. Rising unemployment and burgeoning budget deficits legitimated the neoliberal orthodoxy and a more heterogeneous and less organized labor force facilitated deregulation and retrenchment.

The period since the mid-1990s witnessed the growing view that markets alone do not allocate resources in an optimal manner. The free market dogma of the 1980s increasingly appeared too cavalier, and various governments and policy institutes began to voice the idea that there may be an alternative way to promote employment in a context of heightened competition and flexible labor markets. Ongoing disagreements reveal that a new paradigm has not yet emerged (Morel, Palier, and Palme 2011a, 14) although considerable headway has been made.

Realizing high employment constitutes the foundation of any new socio-economic model. Activation developed as an approach to address perverse work incentives. ‘Activating’ reforms involve cutbacks in passive policies or the expansion of active labor market policies. Concurrently, demand for more flexibility from firms precipitated the expansion of non-standard employment. Subsequent concerns about the changed employment relationship motivated the flexicurity approach. Although interpreted in diverse ways (Bertozzi and Bonoli 2009), flexicurity entails the view that social policies and labor market regulations should simultaneously augment labor market flexibility to address the needs of firms while expanding social policies to enable workers to find employment and provide income replacement during short periods of work interruption (Viebrock and Clasen 2009; Burroni and Keune 2011). The contributions from RECWOWE also stress the importance of considering flexicurity from a life course perspective. This view builds on the concept of the transitional labor market (Schmid 1997) and underscores the need to adjust the qualifying criteria for social policies (e.g. pensions) to accommodate more frequent transitions in and out of employment (Hinrichs and Jessoula 2011c). In sum, activation and flexicurity share the view that social policy and labor market regulations should at once increase work incentives while simultaneously improving capabilities to find employment and avoiding large risks in income losses as a result of more frequent transitions between jobs.

In both activation and flexicurity, policy reforms should presumably strike a balance between increasing work incentives or labor market flexibility on the one hand and
empowering individuals to navigate labor markets or cope with periods of absence from the labor market on the other. Ambiguities remain however in explaining how the realization of both prerogatives can reasonably be expected (Betzelt and Bothfeld 2011: 244). A final approach, the social investment perspective, shares the goal of high employment but goes further in explaining how to protect the welfare of individuals while increasing work incentives. It does so by placing individuals at the center of the model and elaborating on the role of various socio-economic actors in the social investment state.

An emphasis on the productive function of social policy stands as the distinguishing feature of the social investment perspective. From this perspective, workers are the principal source of all new productivity growth and the welfare state needs to be reformed to address this potential. Social policies such as education policy and active labor market policies enable individuals to find employment and therefore relieve dependence on state support while increasing national income.

Breaking with the Keynesian view of social policy as a tool to smooth consumption and the Neoliberal view that social policy hinders productivity (Morel, Palier, and Palme 2011b; Hemerijck 2011; Jenson 2011b), social investment judges policies based on their capacity to uphold the competitiveness of workers on the labor market over the course of their working life. For this reason, the social investment approach is particularly targeted at investment in children, since early developments in cognitive capacities are critical to develop a capacity to learn.

Anticipating skill needs aligns with a broader focus on preempting challenges by developing public policies. In doing so, the social investment perspective is future-oriented and related policies aim to prepare individuals, families, and societies to preempt various risks rather than simply repair damages after risks produce genuine losses. In practice, the realization of the social investment perspective involves a governance style predicated on a strong state and a citizenship regime dependent on active membership (Jenson 2011b).

Various scholars have criticized activation, flexicurity, social investment. Some claim that they are a sheep in wolf’s clothing, that is, they feign a commitment to a social agenda in the name of further neoliberal reform (Peck and Tickell 2002). Research suggests that the broad acceptance of activation was only realized because of its ambiguity and that the social dimension of activation is lacking (Betzelt and Bothfeld 2011a). In a similar way, contributions have questioned whether increased flexibility actually benefits workers. Whereas flexibility holds clear advantages for firms competing in a more competitive environment, the implications for work-life balance are not straightforward and flexibility might not actually translate into agency (Hobson 2011, 159) and while flexibility might be thought to lead to a greater capacity to resolve tensions between work and home life some studies challenge this expectation. Workers with high levels of autonomy often work longer hours (Hobson and Fahlén 2009) and may face a reduction in the right to separate working time from non-working time (Mustosmäki et al. 2011). Deumer (2012) also argues that the European Commission’s definition of flexicurity lacks attention to social protection and that the dignity of workers and policies related to job quality need to become a third component of the flexicurity concept. With regards to social investment, scholars question whether all
social groups benefit equally from reforms and view social investment as only truly available to the middle class (Cantillon 2011). Social investment is also largely silent on the issue of work-life balance given that it focuses predominantly on the role of people as earners rather than carers. In this way, the economic function of social policy is still dominant (Knijn and Smit 2009a; Knijn and Smit 2009b). Finally, some argue that social investment does not constitute a sustainable policy approach (Frericks 2012). In light of these criticisms, it remains an empirical question whether activation, flexicurity, and social investment are capable of promoting employment and reducing social problems, including in-work poverty, dualization, and work-life imbalances, simultaneously.

Part II: Charting and Explaining Reform Activity
Part II reviews reform activity and theories forwarded to explain this activity. Contributions focus largely on Western European countries, particularly Continental countries and predominantly on the thematic areas of labor market policy and pensions.

Labor Market Policy
Labor market policy has undergone substantial reforms in order to encourage employment growth. Income replacement policies were scaled back and active labor market policies expanded. Disaggregating active labor market policies helps discern differentiated approaches to activation across time and space (Vlandas 2011), and the orientation of active measures can be seen to have shifted from upskilling and occupation to employment assistance (Bonoli 2011d; Bonoli 2011b; Bonoli 2010b; Bonoli 2010a). Also, despite a shift towards employment assistance, the effectiveness of such policies, also referred to as public employment services, remains an issue because both employees and employers fear encountering only the worst jobs and job candidates, respectively, through such services (Larsen and Vesan 2011).

Table 2. Triple Integration in Contemporary Labour Market Policy

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<tr>
<td>homogenization</td>
<td>• Fewer tiers of unemployment protection</td>
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<td>• Emergence of dominant tier of unemployment provision</td>
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<td>• Dimishing differences between benefit tiers</td>
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<td>Risk re-categorization</td>
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<td></td>
<td>• Dimishing differences in entitlement and conditionality between unemployment and other benefit schemes</td>
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<td>• Transferring claimants to unemployment benefit systems</td>
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<td>Activation</td>
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<td>• Merging benefit programs</td>
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<td>• Creating a single benefit for working-age people</td>
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<td>• Merging employment services (active LMP) and unemployment benefit provision (passive LMP)</td>
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<td>• Tightening requirements to engage in supported job-search</td>
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<td></td>
<td>• Providing labor market advice and support systems for unemployed and other working-age benefit groups (‘one stop shops’)</td>
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Clasen and Clegg (2011) talk about a ‘triple integration’ involving unemployment benefit homogenization, risk re-categorization, and activation. Unemployment benefit homogenization implies the reduction in the administration differences between tiers of unemployment protection, whereas risk re-categorization refers to the removal of differences the conditions of entitlement among these tiers. Finally, activation implies a closer collaboration between benefit providers and public employment services as well as stronger conditionality for passive support. With attention to twelve countries, they find clearest trends towards integration in the UK, the Netherlands, Germany, Denmark, and Belgium. Modest integration exists in France, Sweden, and Italy, whereas no integration and even such evidence of growing segregation is apparent in Switzerland, Spain, Hungary, and the Czech Republic.

Merging or eliminating differences between tiers of employment benefits constitutes a central element of ‘triple integration’. In Denmark and Belgium, wage proportionality was never very strong to begin with (Andersen 2011; De Deken 2011). In the UK, differences between unemployment insurance and social assistance, also narrower than in other countries, were reduced from the 1980s and finally merged to form the JSA system in 1996 (Clasen 2011). The Italian system stands apart for having only an unemployment insurance tier. Reforms in Italy have increased inclusiveness and made the once quite differentiated treatment of recipients more equal (Jessoula and Vesan 2011).

Other countries retained more differentiated systems, which, despite some reforms, continue to distinguish strongly between at least two tiers. In Switzerland, stricter eligibility rules and decreased generosity were the preferred solutions to higher unemployment though a distinction between unemployment insurance and social assistance remains (Champion 2011). Both Germany and the Netherlands kept the unemployment insurance tier intact but merged their unemployment assistance and social assistance schemes (Dingeldey 2011; Hoogenboom 2011). In Sweden, powerful center-right governments have largely emptied unemployment policies of their substance due to reforms increasing conditionality, generosity, and duration, despite leaving the institutional structure of voluntary state-subsidized insurance unchanged (Sjöberg 2011). Reforms in Hungary were mixed, exemplifying at times a shift towards integration and at others towards segregation (A. Duman and Scharle 2011). Revealing less integration, France retained its three-tier system. Despite cutbacks in social assistance and unemployment assistance, unemployment insurance actually became more generous over time (Clegg 2011b). Also moving against the tide, the Czech Republic saw increasing differentiation between unemployment insurance and social assistance schemes (Sirovátka and Hora 2011) and the Spanish system moved away from homogenization due to the proliferation of programs within unemployment assistance (Mato 2011).

Reforms in the administration of unemployment benefit schemes reveal more homogenization. In the UK, Finland, Sweden, Germany, the Netherlands, France and the Czech Republic, the administration of systems providing unemployment benefits were merged with those for social assistance (R. V. Berkel 2011) in attempts to streamline governance of these programs and therefore improve effectiveness. Beyond policy changes, activation implies changes in the governance structure, towards more
decentralization, marketization and competition, inter-agency cooperation, and new public management (R. V. Berkel, Graaf, and Sirovátka 2011).

Another central component of ‘triple integration’ includes increasing conditionality, reducing benefit generosity and expanding active labor market policies in order to promote labor market participation. In the UK, a restart interview was required of the unemployed since 1986 and sanctions for failing to attend interviews increased over time (Clasen 2011). In Germany, the Hartz reforms increased the number of benefit recipients classified as unemployed as well as making many ineligible for further benefits due to their savings (Dingeldey 2011). In the Netherlands, reforms increased the employment requirements of the disabled, single mothers and older workers (Hoogenboom 2011). Conditionality and job search requirements were tightened in Denmark and Sweden (Andersen 2011; Sjöberg 2011).

Less change in conditionality, eligibility, and activation is apparent in other countries. While reflecting a broader trend towards reliance on social assistance among unemployment benefit recipients and recognition of the employability of disabled people, Switzerland and Spain reveal few integration measures among social assistance recipients (Champion 2011; Mato 2011). French reforms long exhibited the aforementioned dilemma of welfare without work. Only in the early 2000s and then with Sarkozy did French labor market policy stop protecting insiders and focus on reintegration (Clegg 2011b). Belgium exhibits some reform activity, with the duration of unemployment no longer exempting individuals from the work requirement. Workers over 50 do remain exempt however and the low activity of older cohorts is the Achilles heel of the Belgian system (De Deken 2011). Though the need for reform has been pushed by international advisors, Hungary has also been very slow to enact reforms (A. Duman and Scharle 2011). The Czech case also reveals limited reform. Although work requirements of older workers have increased, enormous differences exist between them and younger workers who are not even eligible for social assistance and unemployment insurance (Sirovátka and Hora 2011).

In order to facilitate activation, reforms in the governance of unemployment benefit regimes promote greater decentralization, marketization and competition, inter-agency cooperation, and new public management characterize activating reforms (R. V. Berkel, Graaf, and Sirovátka 2011). Even where insiders remain protected by strong insurance policies, reforms expand and enhance mechanisms to reintegrate workers quickly into the labor market in all countries. The trend towards greater marketization is most pronounced. Contracting out integration services and expanding temp agencies are strategies widely followed in European countries. Marketization has often but not always increased the number of actors involved in the governance of unemployment benefit regimes. While increased cooperation between different levels of government has increased in all cases, the relative shift in competencies towards different levels varies by country. Decentralization in the administration of active labor market policies aimed increasing effectiveness, partly by responding more closely to local demands. The UK remains the most centralized system along with Finland (Sharon Wright 2011; Karjalainen and Saikku 2011). The Netherlands has moved towards the opposite extreme (R. Van Berkel and de Graaf 2011), while Switzerland has always been a highly decentralized system (Sager and Ehrl er 2011). Germany and Sweden initially decentralized and then later recentralized (Minas 2011; Dingeldey 2011).
Further variation exists in whether the social partners retain a role in the governance of unemployment benefits and active labor market policies. Social partners remain deeply involved in the administration of the system in France (Eydoux and Beraud 2011), whereas a diminishing role of the social partners is apparent in Germany and the Netherlands (Dingeldey 2011; R. Van Berkel and de Graaf 2011).

The exclusion of the social partners is often justified in political debates by their antipathy towards reform. Many studies show that this picture is not so straightforward. Unions do tend to defend existing policies. Most French unions fought to protect the status quo with the exception of the CFDT which supported the idea of reintegration (Palier 2010a). In France and Sweden, trade unions strongly defend employment protection legislation due to an instrumental incentive to protect their ‘institutional resources’ and therein their involvement in and subjection to collective dismissals (Davidsson and Emmenegger 2011). At the same time, trade unions do not always protect insiders at the expense of outsiders. Unions can also be pro-active in shaping reforms in ways that promote the collectivization of risk rather than privatization (Johnston, Kornelakis, and d’Acri 2011; Bernaciak, Duman, and Ščepanović 2011). While manufacturing and corporate unions may protect insiders (Peng 2011; Palier 2011), encompassing union organizations tend to include more outsiders and therefore represent their interests as well (Obinger, Starke, and Kaasch 2011). Another study seconds this view by showing how unions became proactive in addressing new social risks in collective agreements once broad recognition of the problem was achieved (Johnston, Kornelakis, and d’Acri 2011; Constanza Rodriguez d’Acri, Johnston, and Kornelakis 2010). The stance of unions towards reforms remains highly contingent on contextual factors (Clegg, Graziano, and van Wijnbergen 2010), meaning that they conceded to recalibrating reforms at some points and attempted to block reforms at others (Clegg and van Wijnbergen 2011).

A question that remains to be answered is whether reforms make headway in addressing new social risks and issues of job quality. Along these lines, Bothfeld and Belzelt (2011a) also invoke the concepts of individual, social, and political dimensions of autonomy and various contributions rely on these understandings of autonomy to analyze how activating reforms influence peoples’ welfare. Along these lines, activation has been argued to threaten social citizenship (Belzelt and Bothfeld 2011b) and the individual, social, and political autonomy of the unemployed (Belzelt and Bothfeld 2011c). Activating reforms in the UK, for instance, are found to impinge on the autonomy of lone parents by failing to fully address their constraints in combining care and earner responsibilities (Susan Wright 2011). Even in more successful cases of reform, activating reforms are found to reduce individuals’ ability to act autonomously (Kildal and Nilsson 2011; R. Van Berkel 2011). Other studies criticize active labor market policies in these countries as leading to low quality employment (Graziano 2011; Beraud and Eydoux 2011) or restricting access (Belzelt and Bothfeld 2011d; Perez and Laparra 2011; Graziano 2011).

**Pensions**

Population ageing and lower growth prompted widespread reform in pension systems. Countries responded to initial financial difficulties by increasing contributions or transfers from the state budget (Hinrichs and Jessoula 2011a). A strong trend
towards development of funded pensions, the third pillar of pension policy, is apparent throughout Europe, even in unexpected cases such as France (Naczyk and Palier 2010). The role of funded pensions is particularly developed in the Netherlands, Switzerland, and Iceland. Efforts to improve the regulatory framework of funded pensions have been strengthened to improve resistance to shocks, though the current crisis reveals the insufficiency of these measures (Hinrichs and Jessoula 2011a).

Many countries have shifted from defined benefits to defined contributions (Ebbinghaus 2011a). Summarizing Bismarckian reform patterns, Ebbinghaus also denotes a trend towards decentralization and the enactment of social governance reforms to the social partners’ involvement in consultation, concertation, self-administration, and self-regulation (Ebbinghaus 2010).

Reform trajectories depend largely on the historical structure of pension policies. Countries with single public pillar pensions have followed a staged reform process (Bonoli and Palier 2007e). In Italy, access to the basic pension increased while other reforms expanded voluntary pensions between 1992 and 2010 (Jessoula 2011). An exception to the trend of gradual reform, Poland shifted from a single-pillar pension system to a multipillar system through a watershed reform in 1999 (Guardiancich 2011). Multipillar systems in Denmark, the Netherlands, and Switzerland are broadly recognized to have transitioned well to the changed context (Häusermann and Schwander 2011; Anderson 2011; Ploug 2011), with the exception of the UK which has always confronted financing and coverage issues (David Natali 2011).

Moreover, reforms are often pursued in a somewhat haphazard manner, leading to perverse effects of reforms. In Germany, for instance, the growing emphasis on means-testing reduces incentives to invest in funded pensions (Hinrichs 2011). Pension reforms often do not take into account non-standard employment histories (Ebbinghaus 2011a; Hinrichs and Jessoula 2011c). An erosion of the standard employment relationship and hollowing out of the first pillar weakens the income support provided to those who do not participate in the labor market for the duration of their working lives.

In ‘segmented’ labor markets, the position of non-standard workers is particularly poor (Hinrichs and Jessoula 2011b). In Germany, various reforms lowered the benefits for low-wage and atypical workers through revaluation and the elimination of pension credits during periods of education or long-term unemployment (Hinrichs 2011). Estimates predict massive reductions in pensions, for instance a male pensioner in East Germany born after 1960 may receive no more than 30 percent of average earnings (Hinrichs 2011). This situation holds particular implications for women and one study shows that non-employed spouses of stably employed workers may earn better pensions than women having held a flexible employment position (Leschke 2011). While credits for periods of labor market absence remain intact, low levels of actuarially strict mandatory provision and weak protection of women undermine the pension rights of non-standard workers in Poland (Guardiancich 2011). The Italian case is criticized as promoting flexibility without security (Jessoula and Alt 2010).

Even in countries broadly recognized as successful cases of pension reform and ‘homogenous’ labor markets (Hinrichs and Jessoula 2011b), atypical workers face greater risk today as a result of reforms. In the Netherlands, although part-time
workers receive access to normal occupational pensions, temporary and on-call workers face gaps in coverage (Anderson 2011).

Despite the consensual nature of many reforms, even in this reform period, the nature of social governance had shifted towards growing privatization, decentralization, and a shifting role for the social partners in reform process (Ebbinghaus 2010; Ebbinghaus 2011b). In terms of the influence of reforms on power resources, Ebbinghaus (2011b) notes how unions remain relevant in regulating pension systems and explains how this role improves their bargaining position vis-à-vis the government. Moreover, though often contentious, retrenchment of pension policies may in fact be an exercise in credit claiming if there are perceived benefits to cutbacks. For instance, Bonoli (2011c) demonstrates how the Italian 1995 pension reform buoyed support for the government. More than rolling back workers’ rights, retrenchment in this case was seen to restore economic stability and pave the way for entry into the Euro-zone.

**Bismarckian Welfare States**

Another contribution detailed welfare state reform in Bismarckian welfare states, which, as mentioned in Part I, faced particular challenges. Policies areas covered in the country chapters include pensions, health, labor market, and family policy and the volume included chapters on nine countries, including Austria, Belgium, Germany, Hungary, the Netherlands, Poland, Slovakia, Spain and Switzerland. These countries share many characteristics in terms of both the structure of their welfare states (Palier 2010b) and, in a related way, their particular reform paths.

From the mid-1970s to the late 1980s, ‘first-order’ changes are apparent in small changes in contributions and benefit generosity and countries broadly pursued labor shedding as a coping strategy with high unemployment (Hinrichs 2010; Palier 2010a; Obinger and Talos 2010; Hemerijck and Marx 2010b; Jessoula and Alti 2010; Cerami 2010) (Hinrichs 2010; Palier 2010a; Obinger and Talos 2010; Hemerijck and Marx 2010b; Jessoula and Alti 2010). Spain dealt with financing difficulties by raising taxes rather than contributions (Guillén 2010). Switzerland swiftly recalibrated various policies, reducing benefit levels for unemployment insurance and pensions (Häusermann 2010). In all countries, these ‘first-order’ reforms were largely consensual.

The early 1990s saw the first wave of retrenchment which included ‘second-order’ changes and therein adjustments in instruments. More mobilization against retrenchment developed during this period. In Germany, a ‘reform blockade’ emerged and few reforms were carried out. Step-wise reforms in France slowly reduced the coverage and generosity of social insurances, despite resistance over the most visible retrenchment attempts. Reforms in Austria, the Netherlands, and Switzerland were more incremental and negotiated and Italy and Spain saw the emergence of social pacts. Belgium stands apart by continuing with labor shedding policies.

The 1990s and 2000s witnessed ‘third-order’ paradigmatic, structural reforms, based on the recognition that previous reforms had not fully addressed problems of unemployment and fiscal imbalance. Reforms were implemented in all countries which represented a fundamental break with Bismarckian principles. Shifts in financing were met with relative consensus, whereby governance reforms were more conflictual.
The consensual nature of reforms also stems from the multidimensional nature of reform proposals. Multidimensional reforms create opportunities for compromise since parties with different priorities can be appeased through side payments. As case in point, reforms coalitions often encompass large numbers of actors (Häusermann 2011; Häusermann 2010).

Other contributions have pointed to the role of the state. A strong state capable of intervening unilaterally has also been identified as a facilitating factor in Dutch reforms (Hemerijck and Marx 2010a). At the same time, the state may also block reforms if it is beholden to special interests. In the case of France and Germany, the state colluded with insider unions for a long time to protect the status of the core workforce at the expense of an ever larger group of marginalized workers (Palier 2011). Other influential factors in shaping reform trajectories including traditional policy structures (Hinrichs 2009)(Clegg 2011a) and federalism (Hoogenboom 2011)(Clegg 2011a)(Häusermann 2010).

Social Investment

A final set of studies assessed the prevalence and promise of the social investment perspective. One study of National Action Plans identifies a clear trend towards social investment (Knijn 2012b) and perhaps unexpectedly in the continental states in particular although another study of the European Employment Strategy finds little evidence that countries go beyond activation to pursue social investment (de la Porte and Jacobsson 2011). Studies analyzing spending data also find that there is not a clear shift towards social investment (Nikolai 2011; de la Porte and Jacobsson 2011). Nevertheless, a downward convergence in social spending has also not occurred (Bouget 2009).

Despite sometimes a lack of attention on the national level, various international organizations have set about promoting a key component of social investment, job quality (Vielle and Borelli 2012; Caillaud, Ghailani, and Pena-Casas 2012). The literature illuminates many ways in which workers could have a voice in workplace conditions (Gonzalez 2009a). For instance, employees could play a more active role in the European Social Dialogue at the company level, sectoral level, or across sectors (Kohler and Begega 2009) and data exists which with to assess how much employee participation is indeed taking place (Gonzalez 2009b). Various tools developed on the European level could also be improved to ensure high quality standards (Vanhercke 2010; Daly 2010; Frazer and Marlier 2010).

Despite weak evidence that social investment is being broadly pursued by all European governments, other studies nevertheless demonstrate that the policies, if put in place, do fulfill their expected objective. Strong investments in education lead to higher skill acquisition, particularly among those at the lower end of the capability distribution, and increase employment levels, particularly in knowledge intensive industries (Nelson and Stephens 2011). Moreover, those countries that have adjusted to a social investment approach in terms of work organization reveal higher levels of social cohesion and employment (Lundvall and Lorenz 2011; Nelson and Stephens 2011), suggesting that social investment, if implemented, creates high quality jobs.

Various contributions elaborate on the conditions under which social investment policies are implemented. The Christian Democrats in Germany, for instance, underwent a large-scale transformation in their position on childcare due to the
emergence of a new gender cleavage and the economic framing of the childcare issue (Nauman 2011). The emergence of work-family reconciliation policies in the ‘path-shifters’ of Germany, the Netherlands, and the UK has also been tied to the growing competitiveness of the female vote (Morgan 2011). In a similar way, parties may fail to propose reforms if they lack a vote-seeking motivation. For instance, where left parties support more middle-class voters, typical insiders, they stand to lose support from outsiders (Lindvall and Rueda 2011). With a focus on education and daycare in Eastern Europe, Bernaciak, Duman, and Šćepanović (2011) show how public sector unions have retained their ability to prevent major restructuring. These unions were also successful in upholding work standards, although only in core sectors (Tepe 2009). Unions in exposed sectors, in contrast, cannot fend off the introduction of greater flexibility (Bernaciak, Duman, and Scepanovic 2010). Even though many actors retain an interest in stalling reform, state bureaucrats are identified as professional puzzlers and therefore capable of generating progressive solutions to policy needs (Jenson 2011a).

**Work-Life Reconciliation and the European Union**

Another volume concentrated on explaining the role of the European Union in addressing work-life reconciliation in eight countries including Italy, France, Spain, Portugal, Finland, Hungary, the Czech Republic, and Turkey. By bringing in the role of the European Union, the volume also addresses quite directly the political determinants of reform and the role of the European Union in particular. Whereas European integration is often argued to be a constraint leading to negative integration, these contributions take the view that European integration provides new opportunities (Graziano, Jacquot, and Palier 2011). In particular, the authors identify four types of resources provided by Europe including legal resources, budgetary resources, cognitive resources, and political resources (Jacquot, Ledoux, and Palier 2011a). Between the 1950s and the 1980s, the EU created various resources in the domains of equal treatment, equal opportunities, and childcare, and country chapters or articles traced the usage of these resources in domestic reforms debates. The extent to which national reform processes use resources from the EU depends on EU membership, the relation of the country to Europe, and the goodness of fit between the EU perspective and the care and welfare regime of the country (Graziano, Jacquot, and Palier 2011).

Despite limited reforms in work-life reconciliation policies, the positive inclination towards Europe among Italian parties, and trade unions led to an exploitation of legal and cognitive resources from the EU (Graziano and Madama 2011). In addition to exhibiting a favorable position towards Europe, Spain reveals a strong fit with the EU welfare reforms, which explains the use of cognitive, strategic, and legal resources (Guillén Rodriguez, Begega, and Moreno-Manzanaro García 2011). Also favorable and exhibiting a close fit, Portugal used primarily cognitive and financial resources (Zartaloudis 2011). Conversely, despite small misfits and a reticence towards Europe, the French conciliation regime is strongly in line with EU approaches and some actors relied on usage of cognitive resources in reform processes (Jacquot, Ledoux, and Palier 2011b). Despite developing conciliation policies relatively early on, close alignment with the EU welfare state approach and the European project more generally has led
Finnish policy-makers to draw on financial and legal resources from the EU to enact new, labor-market oriented reconciliation policies (Eraranta 2011).

Though faced with similar pressures due to the accession process, the experiences of Hungary, the Czech Republic, and Turkey vary considerably. Hungary exhibits broad reforms that drew heavily on cognitive, legal, and financial resources (Anil Duman and Horvath 2011; Anil Duman and Horvath 2010) and various policy-entrepreneurs drew on political and financial resources in Turkey (Duyulmus 2011). In the Czech Republic, however, policy-makers have largely ignored reform pressure from the EU and pursued a path of re-familialism (Sirovátko and Tomesova Bartakova 2011).

**European Union as a Key Player?**

The European Union has developed many recommendations for member states in how they can best combine work and welfare. The Lisbon Strategy aimed to make Europe the most competitive knowledge economy in the world and the new Europe 2020 aims at directing Europe towards smart, sustainable and inclusive growth. Through these strategies, the European Union has a fundamental role to play in generating ideas and disseminating information. As mentioned in the previous discussion, the European Union has played an important role in defining job quality, identifying which steps to address different components, and deriving mechanisms through which to assess progress and therefore monitor reform (Vielle and Borelli 2012; Borelli 2012a; Vielle and Borellii 2012; Borelli 2012b). Europe 2020 also holds the potential to build on ideas and instruments created as part of the Lisbon Strategy, such as the Horizontal social clause, to strengthen the ‘social complements’ to the internal market (Ferrera 2010; Ferrera 2011). In a study of employment policy in France and Germany, domestic processes of Europeanization are shown to depend largely on existing institutional structures (Zirra 2010).

While ideational leadership by the European Union has led to many real policy effects (Vanhercke 2010) greater visibility of European instruments, such as the Open Method of Coordination (for an overview see de la Porte 2010), is needed to strengthen the social dimension of European integration (Daly 2010). Although the role of the social partners in coordinating on the European level remains limited, rights to collective bargaining in European labor law could be one mechanism to realize better quality employment (Dorssen 2012) (E. Marlier and Natali 2010). The crisis has only increased the need for European solutions (Liddle et al. 2010; Diamond and Liddle 2011; David Natali 2010).

**Conclusion**

RECWOWE aimed to better understand various tensions which can be largely summarized as the challenges faced by many in becoming a worker, earning a living as a worker, and balancing work and non-work life. Many contributions illuminated the ongoing difficulties faced across European societies and among certain groups in particular in realizing these aims. Illuminating the prevalence of in-work poverty, dualization, and work-life tensions represents a more stand-alone contribution of the project. Research also provided careful insight into the policy mixes appropriate for addressing these problems. Contributions closely considered the value-added of activation, flexicurity, and social investment in addressing tensions between work and welfare.
A final ‘tension’ of the RECWOWE project involved analyzing the extent to which countries have implemented necessary reforms and why. This goal is ambitious, not least because the appropriate policy mix to resolve ongoing problems remains a topic of intense debate. Moreover, reforms are incredibly complex and their consequences only apparent in the medium to long term. The multidimensionality and overall complexity of reforms defies easy quantification and the rich case studies are therefore invaluable in understanding welfare state reforms.

The findings of RECWOWE are not particularly optimistic about how well European countries are reforming to address new social risks. Activating reforms oftentimes focus solely on improving work incentives without enabling people to find jobs that accommodate their particular situation. Pension reforms are often found to neglect the needs of workers with non-standard employment histories, increasing the probability of a reemergence of old-age poverty as a social risk. Finally, there does not appear to be a clear shift towards social investment in Europe, although those countries that have moved in this direction appear successful in combining work and welfare in the expected manner, exhibiting high employment and strong social cohesion.

To sum up, RECWOWE provided much valuable information on how to promote work and welfare simultaneously and made considerable headway in explaining the extent to which reforms have been pursued across Europe. Further research could continue the agenda in three ways. First, more attention to Eastern Europe and the Baltics in particular is needed to understand how these countries are adapting to the problems illuminated in Part I.

Second, the contributions from RECWOWE on welfare reform focused largely on traditional forms of social protection. While these policies are important, the discussion here has also highlighted the need for new social policies, such as family policy and flexible working time arrangements. Indeed, these policies constitute core components of the highly important concept of job quality. Much more empirical work is needed to understand the quality of employment across European countries and ways in which deficiencies in job quality can be resolved.

Finally, and in a similar line of thought, further research could strive to square the circle by exploring how the reforms reviewed in Part II feed back to the problems reviewed in Part I. The volume on flexicurity and pension reforms did precisely this, but more work is needed to flesh out whether welfare state reforms ameliorate, disregard or worsen difficulties individuals face in entering the labor market as well as trends in in-work poverty, dualization, and work-life imbalances.
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ABOUT NEUJOBS

“Creating and adapting jobs in Europe in the context of a socio-ecological transition”

NEUJOBS is a research project financed by the European Commission under the 7th Framework Programme. Its objective is to analyse likely future developments in the European labour market(s), in view of four major transitions that will impact employment - particularly certain sectors of the labour force and the economy - and European societies in general. What are these transitions? The first is the socio-ecological transition: a comprehensive change in the patterns of social organisation and culture, production and consumption that will drive humanity beyond the current industrial model towards a more sustainable future. The second is the societal transition, produced by a combination of population ageing, low fertility rates, changing family structures, urbanisation and growing female employment. The third transition concerns new territorial dynamics and the balance between agglomeration and dispersion forces. The fourth is a skills (upgrading) transition and and its likely consequences for employment and (in)equality.

Research Areas

NEUJOBS consists of 23 work packages organised in six groups:

- **Group 1** provides a conceptualisation of the socio-ecological transition that constitutes the basis for the other work-packages.
- **Group 2** considers in detail the main drivers for change and the resulting relevant policies. Regarding the drivers we analyse the discourse on job quality, educational needs, changes in the organisation of production and in the employment structure. Regarding relevant policies, research in this group assesses the impact of changes in family composition, the effect of labour relations and the issue of financing transition in an era of budget constraints. The regional dimension is taken into account, also in relation to migration flows.
- **Group 3** models economic and employment development on the basis of the inputs provided in the previous work packages.
- **Group 4** examines possible employment trends in key sectors of the economy in the light of the transition processes: energy, health care and goods/services for the ageing population, care services, housing and transport.
- **Group 5** focuses on impact groups, namely those vital for employment growth in the EU: women, the elderly, immigrants and Roma.
- **Group 6** is composed of transversal work packages: implications NEUJOBS findings for EU policy-making, dissemination, management and coordination.

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