

Activating social protection and employment insurance

Jean-Claude Barbier^{*}

October 2005

ISSN Nr. 15.72.3380-26

^{*} Directeur de recherche 'Centre National de la Recherche Scientifique' (CNRS)

CITATION:

Jean-Claude Barbier

Activating social protection and employment insurance

TLM.NET 2005 Working Papers No. 2005-26

Amsterdam: SISWO/Social Policy Research

CONTACTINFORMATION:

TLM.NET co-ordinator:
SISWO/Social Policy Research
Plantage Muidergracht 4
1018 TV Amsterdam
The Netherlands
T +31 20 527 0600
F +31 20 622 9430
E heuvel@siswo.uva.nl

Author:

Centre d'études de l'emploi
29 Promenade Michel Simon
93166 Noisy le Grand Cedex
France
Jean-Claude.Barbier@mail.enpc.fr

THE TLM.NET THEMATIC NETWORK:

The TLM.NET papers are published by the 'Managing Social Risks through Transitional Labour Markets' (acronym TLM.NET) thematic network. This network is funded by the Fifth Framework Programme of the European Commission and brings together scientists on the cutting-edge of labour market and social policy research. The author is solely responsible. The TLM.NET Working Paper series do not necessarily represent the opinion of the European Community, and the Community is not responsible for any use that might be made of the data in the paper. For more information on the network's programme and activities, visit the website www.siswo.uva.nl/tlm

Abstract

It has now been several years since the introduction of ‘activation’ into European political discourse. Presently, it is possible to identify several different types of reforms that initiate the restructuring and ‘activation’ of social protection through the implementation of various policy tools. It is also possible to analyse how ‘activation’ fits into the TLM approach, both analytically and normatively. The implementation of this approach, along with a comparison of different types of activation with the normative TLM message, leads to the conclusion that a ‘social-democratic’ version of activation fits best with TLM message. In a final section, remarks are made concerning obstacles that remain, in order to give more substantive content to the normative lessons drawn from the TLM perspective.

1. Introduction

Within the TLM network, research topics have been divided into work packages (WPs) that correspond to the five main types of transitions (Schmid and Schöman, 2003). The WP5 group deals with “activating labour market policies and escape routes from unemployment”, as reflected in De Lathouwer’s ‘position paper’ (2004). Yet, the domains of the various WPs frequently overlap. In our view, this is particularly the case for ‘activation’, which closely links employment with many areas of *social protection*¹ and guides unemployment insurance reforms with the goal of developing a new ‘Employment insurance’ in mind.

The research I have conducted in recent years dealt with ‘labour market policies’ and, at the same time, ‘employment policies’² more generally. As will be stressed later on, in *comprehensive* comparative research (Barbier, 2002b; 2005b), contrary to de-contextualised universalistic approaches, categories do matter. Indeed, as I gradually increased the comparative dimension of my initial research in the early 90s, I was led to devise a broader notion of ‘activation’, and to conduct various comparative surveys regarding national ‘employment policies’ in the context of the European Employment Strategy (EES). In the first section of this paper, I will summarise my main findings (Barbier – see reference list) and show how they can be closely connected to the TLM framework, concentrating on its *analytical* element. ‘Activation’ and the EES are notions that can be found in political discourse across Europe, but one should not take these political notions as given.

In a manner consistent with what is now an established literature, the TLM framework has acknowledged the existence of a variety of national institutional arrangements (a diversity which is here to stay) in the form of ‘three worlds of welfare capitalism’ (Schmid and Schöman, 2003, p. 1). However, these ‘three worlds’, although useful for capturing broad features, only tell part of the story when the current dynamics of the systems have to be accounted for theoretically and empirically, as we have shown in the case of France (Barbier

¹ It is very common to use the concepts of ‘welfare state’ and ‘welfare regimes’ in comparative literature. Because categories matter, we prefer to use the concept of a ‘system of social protection’, instead of welfare and ‘social security’ (for a detailed presentation of arguments see Barbier and Théret, 2001; 2003; 2004).

² In many European languages, there are differences between labour market and employment policies: see *politiques de l’emploi* in French; the difference in Italian between *politica del lavoro* and *politiche occupazionali*; in German between *Arbeitsmarktpolitik* and *Beschäftigungspolitik*, etc. For further details see Barbier and Gautié (1998).

and Th eret, 2003; 2004). Indeed, analysing the ‘activation of social protection systems’ across Europe does not end with the formulation of three ideal-types, each corresponding to one of the ‘worlds’ but, so far, with only two. In the continental (or conservative-corporatist) cluster, heterogeneity is too extensive to place Italy, Spain, France and Germany (to name only the larger countries involved) in a common category (section 2). In this respect, from *an analytical angle* that, for the moment, leaves aside the normative choices implied, it is interesting to see whether the ‘asset-based welfare’ and TLM approaches [following their description by Gauti e (2003), Gazier (2003) and Gazier and Gauti e (2003)] can be compared in the area of activation as we define it (section 3). Hence, it will be necessary to identify distinctive features for both perspectives and to see how they compare with our two ideal-types of activation. In a final section, we present some important topics for further discussion (section 4).

2. Activation of social protection systems and the TLM perspective

References to ‘activation’, ‘active labour market policies’ (ALMP), and the process of shifting from active LMPs in order to ‘activate transitions’ (Schmid, 2002b, p. 426) are ubiquitous in the various reference texts defining the transitional market’s analytical and normative framework. We will compare these approaches towards ‘activation’ with our own.

Activation in the TLM framework: , aktivierende Arbeitsmarktpolitik’

The most basic and comprehensive approach to ‘activation’ present in the TLM framework is the *activation of five types of transitions* (from education/training to work; between various forms of employment; between employment and the household or ‘civil’ activities; between employment and retirement/disability; and between employment and unemployment).

G. Schmid (ibid, p. 426) emphasises that this goal requires “a shift from an active to an activating labour market policy”. ‘Activating measures’³ – not to be mixed with classical ‘active’ measures – relate to the four ideal-typical forms of risk-management depending on whether risks arise from individual choices or larger circumstances, and who is accountable (Schmid and Sch oman, 2003, p. 20).

When reformed, traditional ‘active labour market policies’ are one of the instruments that can contribute to the actualisation of TLM policy goals. De Koning and Mosley provide a definition of such policies as a list of activities: “By active policies we mean government-financed activities in the field of job placement, job search assistance, training and employment subsidies that seek to integrate or re-integrate unemployed and disabled people into the labour market. Active policies also include measures for those at risk of unemployment” (2002, p. 365).

Normatively, the reforms suggested by the TLM approach comply with the requirements informing G. Schmid’s proposals regarding accommodation and adaptation to the flexibility requirements of contemporary economic systems: “Wie kann die Flexibilit at des Arbeitsmarktes unter den Bedingungen der Globalisierung und Individualisierung erh oht

³ See the German: ‘Aktivierende Arbeitsmarktpolitik’ (Schmid, 2002a).

werden, ohne das Bedürfnis nach sozialer Sicherheit und Gerechtigkeit zu beeinträchtigen?“ (Schmid, 2002a, p.175).

The introduction of ‘soziale Gerechtigkeit’ on the same level as ‘soziale Sicherheit’ is a distinctive feature of G. Schmid’s normative approach, and implies a substantially different perspective from the mainstream ‘flexicurity’ approach. However, ‘Gerechtigkeit’ is difficult to translate into other languages. It is certainly very different from the English notion of ‘fairness’ and is probably closely related to a particular understanding of one of the four criteria (*solidarity*) brought forward by G. Schmid, upon which ‘good transitions’ could potentially be promoted based on a ‘social choice’ perspective (2002b, p. 398; 2002a, p. 239).

His four criteria are: (i) freedom (or autonomy) of individuals; (ii) solidarity in risk sharing, which implies social inclusion by way of redistribution from the high-income groups; (iii) effectiveness of co-ordination and co-operation including a public-private mix in implementation; (iv) efficiency, including decentralisation and management based on objectives. For all their normative content, we will try to show that these criteria may also be used as *analytical criteria* to assess certain existing activation strategies against others. They can be contrasted with the approaches used by Gautié (2003), Gazier (2003), and Gautié and Gazier (2003).

Activating social protection

We have shown that an ‘activation’ rationale has increasingly informed not only national labour market policies, but also reforms of national social protection systems more generally. Accordingly, the ‘activation’ motto has consistently fallen very high on the EES agenda. Yet, at this level, the consistent and explicit mention of social protection systems as entities is generally absent: only the question of ‘tax and benefit systems⁴’ is dealt with in the EES guidelines. These serve to divide prescriptions for policies and programmes and often tend to restrict the use of ‘activation’ to guideline one (active and preventative measures). Clearly, this political presentation should be criticised (Barbier, 2005a).

In the 1990s, following the reforms in Denmark and the ‘New Deal’ strategy in the UK (after being popularised by OECD which was happy to popularise the Danish ‘aktivering’ programmes) the ‘activation’ slogan became fashionable in international political discourse. Little attention was paid, however, to the historical and societal conditions surrounding the implementation of reforms based on activation. Indeed, OECD recommendations for structural reforms remained de-contextualised and designed along a ‘one size fits all’ rationale.

Yet, at the EU level, one of the justifications for the introduction of the Open Method of Co-ordination (OMC) into the field of employment was that diversity needed to be recognised as a key feature of the Union. Nevertheless, the formulation of EES objectives and guidelines has been limited by the need for them to be sufficiently loose that they can apply to 25 different countries. Even EES recommendations, although supposedly tailored to particular

⁴ Again a problematic category for comprehensive comparative research: basically, ‘tax and benefit systems’ are Anglo-Saxon Beveridgean state systems, where social insurance and social partners play a marginal role; it is an over-simplification to use this notion as an equivalent of social protection. It is interesting to note that the introduction of the topic of ‘tax and benefit systems’ into the EES was also forced upon the DG Employment by the DG Budget (Barbier, 2004c). In the context of the TLM framework, where the ‘Employment Insurance’ plays a key prospective role, the category has to be handled critically.

member states, have constantly been coined in a fuzzy language that pays little attention to the actual *substance* of national strategies (Barbier, 2004c).

Hence, when it is explicitly acknowledged at all at EU levels, national diversity – for instance in reports which take into account different ‘welfare regimes’ (see, for example, the 2001 Esping Andersen et al. report for the Belgian presidency - 2002) – recommendations and general lessons tend to water down differences between national social protection systems.

Yet, diversity must be taken into consideration when devising policy, and this is particularly relevant for the TLM perspective, which is not a ‘one-size fits all’ device.

Our research shows that:

(i) ‘Activation’ is a concept which describes *tendencies* observable in the transformation of all national systems, and which covers a very broad scope. Indeed, it has gradually extended from assistance and labour market policies to pension policies, including reforms of *social protection* funding mechanisms⁵ and the complex and diversified interaction between taxation policies, ‘social insurance’, and other benefits and social services.

Our contention has been that when ‘active strategies’ are envisaged in the broadest terms - as wide-reaching reform principles - focusing solely on labour market policies is inadequate. Indeed, as Schmid notes (2002b, p. 396), reform “requires greater co-ordination between various systems” so that different “social security subsystems can fulfil the principle of complementarity”. It would thus appear that the co-ordination of transitional labour markets with *social protection systems as a whole* has to be understood (analytically) and has to occur (normatively).

Taking historical legacies into account also emphasises that ‘activation’ is not an entirely new phenomenon⁶ and that current evolutions have to be analysed in the context of national histories: for instance, in the Scandinavian countries, as well as in Germany and Austria, an important part of social policy has been devoted to vocational training, an active policy tool *par excellence*. Moreover, the policy goal of *full employment* has historically been deeply integrated into the social protection rationale of the Nordic countries. This is still the case today – albeit in differing circumstances. In contrast, the continental countries, which abandoned their Keynesian policies since the late 70s, continue to suffer from chronic underemployment.

Too often, activation is only seen as linked to a process of ‘re-commodification’; but this is not the only angle to consider. More broadly, the current ‘activation of social protection’ can be seen as a dimension of the ‘restructuring of welfare states’. This can take many different forms, including recalibration, updating, cost-containment, and re-commodification (Pierson, 2001). It is probable that, on a practical level, the TLM reforms will involve several of these dimensions.

‘Activation of social protection’ should also be distinguished from initiatives that have been implemented in many countries – mostly in the continental cluster of welfare regimes – to render labour markets more flexible by introducing de-regulation measures and new forms

⁵ We would advocate the adoption of a broad notion of ‘social protection’ here. In addition to a theoretical definition (Barbier and Théret, 2004), social protection can be seen, empirically, as a set of institutions and policies that encompass the area defined at the EU level as ‘social policies’. These are pragmatically defined as “covering expenditures on pensions, health and disabilities, family, unemployment, housing and inclusion policies, plus education and training” (European Commission, 2001, p.5).

⁶ Here also we may easily draw a parallel with the numerous observations made in the TLM reference texts about the fact that elements of the TLM approach have already been invented.

of employment relationships that differ from ‘standard’ ones⁷. The Italian example is a case in point: the main reforms introduced in Italy during the second half of the 1990s have failed to effectively ‘activate’ social protection systems. Italy introduced extensive measures designed to increase labour market flexibility by creating a new category of ‘employees’ - namely the *parasubordinati*- who suffer from broken and patchy occupational careers and only have access to second-rate social and employment protection entitlements (Barbier and Fargion, 2004). Such strategies aimed at fostering flexibility do not provide any new links to existing social protection: they simply downgrade the mainstream norm.

In sum, the concept of ‘activation’ is envisaged here as the introduction of an increased and explicit linkage between, on the one hand, social protection and, on the other, labour market participation (Barbier 2002a; 2005a; 2004a; 2004b). For the last decade, this dynamic has involved the redesigning of previous income support and assistance, but also the transformation of tax and social policies. This reformulation (in some cases, a complete overhaul) of social protection systems has displayed a common feature, i.e. enhancement the various social functions of ‘paid work’ and labour force participation, which have been seen as increasingly compulsory in certain national contexts.

Hence, the domains of social protection that can potentially be ‘activated’ are not only programmes for the assisted or the unemployed, and certainly go beyond traditional ALMP or French-style ‘insertion’ policies (Barbier and Théret, 2001). They comprise (i) benefit programmes [unemployment insurance and various ‘assistance’ schemes for working age groups (including disability and other family related benefits)]; (ii) pension systems, particularly early retirement programmes; (iii) employment (or active labour market – ALM) programmes; and (iv) policies involving traditional social and tax policy, which aim at reforming the ‘tax and benefits systems’ as the European Commission discourse would have it; such reforms may be aimed at invigorating labour demand or at “incentivising”⁸ job taking and the labour supply.

To be consistent with the broad definition of social protection used here, education and training policies should also be included because they are highly relevant to the articulation of the TLM framework.

From *the point of view of the individual*, activation programmes provide incentives (sometimes closely associated with compulsion and sanctions), but also, in some cases, a wide array of services (for instance, counselling, job search, training). They also - at least in theory - indirectly⁹ or directly extend the range of individual choices by increasing job supply in the conventional market (especially in the case of wage subsidies).

From *a system perspective*, social protection is ‘activated’ because the delivery of services and benefits mainly target *people of working age* in some sort of ‘work’ activity. It is

⁷ Indeed, it is debatable whether a ‘standard employment relationship’, which is in fact a direct translation of the German ‘Normalarbeitsverhältnis’, still applies to all EU member states. We have shown that this has not been the case in the UK, where the differentiation between ‘regular jobs’ and other ones is very difficult to establish. The distinctive feature of the continental countries (France, Germany, Italy and Spain) is that they have all constructed a *legal* standard employment relationship, and the UK has not (Barbier, 2004e). One of the consequences of this well documented fact is that comparative statistical analysis (for instance Auer and Cazes, 2000) encounters immediate difficulties. The main Eurostat indicator (opposing so-called ‘temporary’ or ‘fixed term’ contracts to open ended ones) is grossly irrelevant for comparing the UK and other countries, not to mention its structural weaknesses (Barbier, 2004d).

⁸ ‘Incentivising’ is one of the strategies for ‘activating’ transitions.

⁹ Here the question arises – see further – of the existence and the quality of ‘full employment’.

also activated in the sense that funding mechanisms and the allocation of resources are designed to *foster increased job creation* and to be ‘employment-friendly’.

In this reform process, EU Member states have adopted very different actual and substantive content, despite the fact that they all work with the same principle in mind. At the EU level, especially via the implementation of the EES, such reforms have thus far played a limited role that has mainly focused on the dissemination of broad common notions (cognitive influence). The EES has not yet had any significant substantive impact on programmes or policies (Barbier, 2005a; 2004c).

(ii) Drawing on analyses of assistance/labour market policies, activation strategies across Europe can be grouped into two ‘ideal-types’. These, however, can also apply to other domains of social protection. Comparison of these two types with TLM principles may help stress their main distinctive principles.

Despite some (often American) exceptions (Gilbert, 2002; Handler, 2003), the literature devoted to ‘activation’ has generally admitted that contrasted strategies do not result in any form of convergence (Barbier and Ludwig-Mayerhofer, 2004). As we have argued in previous publications (Barbier, 2004a; 2004c), convergence is mainly observable in processes and procedures and not in the actual substance or substantive outcomes of policies that are implemented.

It should be stressed that both ideal-types are linked to Beveridgean systems (whether it be the ‘rich’ Scandinavian version, or the ‘poor’ safety net British version). One can be described as ‘universalistic’, the other as ‘liberal’. The main features of the ideal-types are presented in table 1 and 1bis.

The *liberal type* chiefly enhances the individual’s relationship to the labour market. In the aggregate, this is assumed to yield social equity and efficiency. ALMPs and social policies thus take on a limited role, restricted to inciting individuals to seek work, providing quick information and matching services, as well as investing in short-term vocational training. Individuals in and out of the labour market are also the target of wide-ranging ‘tax credits’ and all sorts of ‘in-work’ benefits. Accordingly, activation manifests itself in the trend towards adopting measures inciting people to be as active as possible across their life-course (accepting any job on the market) and implementing pension reforms that do not include any fixed age for retirement. For individuals, having a conventional job in the market tends to be the normal way of accessing protection (both private and social) from risks, and work tends to systematically replace assistance.

Activation entails both the re-commodification of the system (already highly commodified in comparative terms) and efforts to reduce social expenditure (for instance in the case of the disabled). Activation reforms are implemented in the area of disability, early retirement, pensions, and all sorts of ‘assistance’ programmes. They are often linked to funding reforms of social protection systems, particularly through the increasing importance given to tax-credit mechanisms. Labelling the ‘liberal’ type of activation was sometimes restricted to the notion of ‘workfare’. We have shown, however, that this was a misnomer, not only because ‘workfare’ has remained embedded in the US tradition and has been overly politicised but, more importantly, because the term only applies to a small area of social protection (activating assistance recipients) (Barbier, 2005a).

In contrast, the *universalistic type* not only provides complex and extended services to *all citizens*, but also guarantees relatively high standards of living to individuals receiving assistance. Moreover, for the lower paid segments of the labour force, benefit levels amount to a generous proportion of the minimum wage. Hence, the role of the market is not unilaterally prominent (although some re-commodification may happen in already highly de-commodified systems – Kvist 2002). Because social policy is not systematically submitted to work requirements, it continues to contribute to well-being. Activation applies to all citizens in a relatively egalitarian manner and the ‘negotiations’ between the demands of individuals and those of society appears to be much more balanced. A fully active society seems to be able to yield employment opportunities tailored to a variety of needs and capacities. Activation applies to an already highly active population employed in relatively good quality jobs. It entails recalibration of the previous income compensation mechanisms, in the overall context of cost containment, but tax credits and subsidies only play a limited role.

Hence, a basic difference between both ideal-types pertains not only to the role of the state as an employer of last resort in the universalistic ideal-type, but also to the very question of full employment. In the liberal type, the state denies any justification for acting as an employer of last resort, whereas in the universalistic type, it considers it as part of its duty, albeit a marginal one in the context of a highly active society.

We have discussed the possibility of a third type of activation (Barbier, 2004a). True, identifying three types of activation would fit nicely with the now traditional tripartition of welfare regimes (Esping-Andersen et al., 2002). As a matter of fact, France has mixed elements from both types, which stems at least in part from its hybrid legacy of Beveridgism and Bismarckism (Barbier and Théret, 2003; 2004). Italy, on the other hand, seems to oscillate between both types, depending on the time period in question. Some of the measures proposed recently in Germany might seem to indicate a new ‘state-market mix’ (with the state giving money to individuals and firms to foster more choice, against a background of considerable regulation of specific conditions for receiving or for spending these monies) (Barbier and Ludwig-Mayerhofer, 2004). So far, no clear third ideal-type has emerged, even after the important Hartz reforms in Germany and the tentative reforms in France in 2004-2005: it is certain that, structurally, these countries are less prone to being ‘activated’ than Britain, the USA, or the Scandinavian countries.

Finally, it is important to note that the main body of literature about activation has concentrated on formal changes, but very seldom on actual ones.

Limited evaluation data have been provided and compared in-depth; in fact, it is very difficult to compare them and there are many pitfalls involved in attempting to do so. Nonetheless, this is a task that still needs to be completed. This is a task that goes beyond the state of the art of the evaluation of traditional ALMPs, which incidentally has yielded mixed results (see De Koning and Mosley’s 2002 synthesis).

Table 1 - TWO OPPOSITE ACTIVATION IDEAL-TYPES IN EUROPE

		Liberal regime	Universalistic regime
(I) Societal coherence	National system of social protection	Liberal (residual) welfare state	Universal welfare state
	General values and norms (political discourse)	Individualism, self-reliance of individuals (on the labour market) Assistance is a 'safety net'	Demands of society and demands of individuals should be balanced. Welfare consists of universal services/benefits
	'Activation' of people : justification (labour market and social protection)	Work as a panacea for social needs Incentives are primary Sanctions are essential => the punitive (disciplinary) approach	Welfare policy is not only labour market policy Balance between incentives, sanctions, services and benefits => the reciprocal engagement strategy
	'Activation' of the system: justification (labour market and social protection)	A passive welfare state is not sustainable Too many people are 'welfare dependents' Work as a panacea for the system's effectiveness And sustainability	Actual efficiency, fairness and equality imply that all be active according to their possibilities The active society: an inclusive labour market for all ages and genders
	Employment standards and industrial relations (employment/job flexibility)	Extensive freedom for employers Firms-based agreements Limited say of 'social partners' in residual social protection institutions Limited control over the type of jobs: the jobs are those the market provides	Extensive freedom of employers High socialisation of the unemployment and poverty risks Extensive role of social partners Common in-built attention to the quality of jobs and equality of access to them
	Employment and activity regime (and life-course patterns)	High employment rates High prevalence of inactivity for certain groups (age, skills, gender); Part-time; gender inequalities in full time employment rates highly unequal exposure to 'bad jobs'	Very high full time employment rates across the labour force, equal opportunities for men and women in the labour market Relative homogeneity of jobs Significant proportion of the labour force in public jobs (the state: employer of last resort)

Table 1bis – THE COHERENCE OF LABOUR MARKET AND ASSISTANCE POLICIES

		Liberal regime	Universalistic regime
(II) Policies	Types of programmes and services	Social assistance programmes linked to work incentives Social or fiscal programmes: increasing the role of tax credits => the 'welfare to work' strategy	Universal services (not targeted) encompass various social (and employment) services, in an 'activation' perspective marginal use of tax credits => universalistic activation
	Target of programmes and policies	-The poor, the 'dependent on welfare' (lone parents, unemployed, workless households, disabled people) -The working poor (tax credits)	- Citizens - No working poor
	Benefits/Services tax credits provided	Low value and short term benefits (small proportion of market wages) Tax credits provide significant additional resources	Medium/long-term paths to integration are possible High value and long term, low differentials with market wages; 'wage-based' labour market programmes
	Sanctions' implementation	High unilateral enforcement of active job seeking controls	Negotiated enforcement of active participation
	Employment services and institutions	Central administration New Public management, benchmarking and targets	Decentralized, involving actors, including local authorities and social partners, new public management

Combining both approaches: TLM and the systems of social protection

We have argued elsewhere (Barbier and Nadel, 2000)¹⁰ that the implementation of TLMs is strongly dependent on wider social protection reforms, which go beyond the issue of unemployment/employment insurance (Schmid, 2002b) and implies both significant redistribution of resources and new compromises between relevant actors.

Indeed, *activation* (in the broadest sense) can be seen as one of the key elements of social protection reforms able to fit the normative goals of providing ‘good’ transitions in a changed framework, although it is probably not the only one. This leads to the necessity of not only identifying ideal-types but also systematically assessing them against specific criteria in order to rate one type as better fitting the TLM approach than the other. However, before this eventual stage of normative evaluation, the activation framework must be compared with the TLM perspective.

Table 2 – TLM and Activating Social Protection

	TLM	Activating social protection
Focus	LM transitions	Social protection systems and their linkage to employment/ labour market participation
Main mechanisms and instruments involved	Insuring risks by Providing rights to services, incomes Devising Incentive structures Opportunity structures	Restructuring the linkage of employment to Services Funding mechanisms Benefit eligibility Making systems ‘employment friendly’
Main social protection areas concerned	Employment insurance Training/Education	Assistance, family benefits, pensions, labour market programmes, unemployment insurance, training activities + social protection funding, and relations between taxing systems and social protection
Is the labour market link to pervade every area in the future? (centrality or universality of ‘paid work’?)	Are all social protection programmes potentially affected by the TLMs? Social services /welfare? Family benefits? only disability and pensions? what about assistance? Basic income?	Are all social protection areas to be affected by activating reforms? Social welfare? Health?

¹⁰ In this text we have insisted on separating the notions of ‘flexibility of work’ and ‘flexibility of employment’ (or employment relationships) in sociology and economics (see table below, Barbier and Van Zyl, 2002, p.17).

	Labour flexibility/Flexibility of work	Employment flexibility
Economics	Variability of wages and labour costs (cost of labour as a factor of production)	Variability of employment volumes (macro/micro), mobility of labour
Common ground	Flexibility of the overall productive structures, of learning abilities/skills, of hierarchical structures, of working conditions and working time	
Sociology	Adaptability of productive activities (collective and individual)	Adaptability of competences, skills and qualification of contracts; status and social rights attached

From table 2 it appears that there are many ways in which the TLM and activation frameworks connect.

In the TLM approach, the main programmes and policies (benefits and services) are active labour market policies and, possibly in the future, ‘employment insurance’. However, this leaves the question of what other fields of social protection should be addressed rather open.

Focusing on the activation of social protection has generally entailed paying very little attention to initial education and training and places no explicit emphasis on developing specific and sustainable support for transitions between ‘employment situations’. In the TLM approach, the state is seen as ‘employer of last resort’, which seems to be unilaterally conceived as pertaining to an ‘old’ model (Schmid, 2002b, p. 426): yet, in the universalistic model of activation, this dimension continues to play a prominent role.

Both in the TLM and activating approach assume that an ‘active society’ will gradually encompass more and more people in the future, including working age individuals who in previous systems would have remained outside the labour market/employment (women, early retirees, students, etc.). This raises certain questions about the limits of an active society. In other words, are there areas of society where work/employment does not (or should not) reach?

In this respect, the recent notion of ‘benefit dependency’, rooted in the normative and derogatory meaning attached to ‘dependence’ - at least in an Anglo-Saxon perspective (Sennett, 2003) - can be challenged. In the normative TLM perspective, access to benefits seems to be a key point in the future architecture of social protection, which can no longer be seen as ‘dependency’. This also raises the question of whether the notion of de-commodification, as a characteristic of social protection systems, has any validity in the context of TLMs.

3. TLMs connections to the ‘liberal’ and ‘universalistic’ activation ideal-types, and differences from Asset-based welfare (ABW)

Using the criteria that Schmid defined as essential to his general framework, the connections between activating social protection and TLMs can be further explored by comparing both ideal-types. Additionally, following Gautié and Gazier (2003) and Gautié (2003), we can determine the extent to which an ABW perspective can be contrasted with the TLM approach¹¹.

From a normative perspective, G. Schmid (2002b, p. 398; 2002a, p. 239-240) has suggested “four criteria that institutional arrangements have to fulfil in order to support ‘good transitions’ and to prevent ‘bad transitions’ ”, thus justifying a particular mix of *soziale Gerechtigkeit* and *soziale Sicherheit*. However, these criteria can be compared with both our activation ideal-types by using them as analytical instruments.

¹¹ Gautié and Gazier oppose a ‘Rawlsian’ perspective to one inspired either by Dworkin or Sen.

Table 3 - Activating social protection and the TLM criteria

G. Schmid's criteria	Activating social protection (ideal-types) (see table 1 and 1bis)	
	Liberal	Universalistic
Freedom/ autonomy [Entscheidungsautonomie (Freiheit)] [empowering people and establishing entitlements not only to transfers but also to participation in employment decisions – in exchange, individuals accept greater risks, duties and obligations]	Individualism, self reliance Disciplinary approach Incentives primary Sanctions essential	Demands of society/individuals balanced Reciprocal engagement strategy Incentives, sanctions, services and benefits Sanctions marginal
Solidarity [Förderung der Solidarität] [generality and inclusiveness in risk sharing; some ex-ante redistribution from high-income groups]	Market provision primary Safety net assistance and welfare Welfare dependency [welfare to work] Unequal exposure to risks of 'bad jobs'/ working poor/unemployment/gender and age	State provision /high socialisation of risks High commodification/high de-commodification Universal provision of services and benefits [universal activation] High degree of equality (income/access to employment) (including state as employer of last resort)
Effectiveness [Effektivität] [improving effectiveness: specialization, coordination and cooperation; public-private mix]	Underemployment when quality is not achieved (collective and individual) Social partners not involved Public-private mix	Quality full employment Reciprocal engagement means individual success of contracts Social partners involved Public-private mix
Efficiency [Effizienz] [increasing efficiency through risk management techniques; evaluation and self-regulation, decentralisation and management by objectives]	NPM (re-commodification) Dominant: central state	NPM (cost containment, updating, re-commodification) decentralisation

From table 3, it appears that G. Schmid's four criteria are significantly more compatible with the universalistic type of activation¹² although, to a lesser degree, they also fit with the liberal type.

Concerning the freedom/autonomy criterion, things are fairly clear. In the TLM approach, entitlements and rights (*Bürgerrechten*) are either maintained, reformed, or extended in many new areas, which is not the case in the liberal type of activation where entitlements tend to be only residual or available as a last resort. Hence, with respect to rights, benefits, and, most importantly, services, the liberal type of activation tends to contradict the choice and freedom of a 'contract' where sanctions are prominent. Accepting risks, duties and obligations cannot mean the same in a context where entitlements are available, which is not the case in the liberal model.

It is probably more relevant, however, to use the first two criteria (freedom/solidarity) together. Comparison of the liberal and the universalistic types of activation demonstrate that, because of poor collective (aggregate) outcomes (inequalities of access to income replacement

¹² It is remarkable that, of the group of 20 or so examples chosen to illustrate existing positive cases by G. Schmid in his concluding chapter (2002b, p. 393-435), none were taken from the UK. In Schmid and Schöman (2003), however, one example is taken from the UK (page 24) and one from the US (page 27).

and employment) and because of great pressure put on individuals, inclusiveness in risk sharing is not achieved in the former type. At the same time, redistribution from the high-income groups is problematic (Korpi and Palme, 1998) and the targeted system consistently lacks sufficient backing in society.

A comparison of both types of activation highlights the key question of what the entitlements involve as well as their conditionality, and of the forms and degree to which they imply risk sharing. Here we find the difficult question of the distinction between ‘active’ and ‘passive’ benefits. In the liberal type of activation, all benefits are seen as second best to an absence of ‘dependency’ and are consequently disqualified as ‘passive’. This is not the case in the TLM perspective. However, the crucial question is where to draw the line between ‘active’ and ‘passive’ or, in the context of the more precise term, ‘activating’ versus ‘passive’. For instance, Esping-Andersen and his colleagues (2002) have noted that even in its present form, unemployment insurance can be a very positive activation instrument because it allows individuals a choice of good quality employment positions.

It must be stressed here that the question is not only one of ‘income compensation’ but of a *special* type of compensation, organised through insurance, which implies trust and solidarity across society or even some form of social nexus. This represents a very different way of addressing what the Anglo-Saxon approach calls ‘welfare’ or ‘assistance’. G. Schmid has insisted on this aspect, which can also be linked to the premise of French school regulation (the ‘wage labour nexus’): speaking about the *Solidarität* condition, he explicitly writes: “Eine zuverlässig solidarische und gerecht empfundene soziale Sicherung ist daher eine zweite Anforderung an eine moderne Arbeitsmarktpolitik” (2002a, p. 239) and he comments in a foot-note: “Diese Maxime ist zentral etwa für die Beurteilung, ob die soziale Sicherung nur (“gezielt“) den Bedürftigen oder berechenbar allen Bürgerin/innen (oder zumindest einer qualifizierten Mehrheit) gewährleistet wird. Davon hängen beispielsweise die Legitimation und Unterstützungsbereitschaft für eine solidarische Arbeitslosenversicherung ab“.

When applied to the two ideal-types, we can interpret G Schmid’s criterion of ‘effectiveness’ as having an additional dimension: effectiveness, we suggest, could also include the overall effectiveness of social and employment policy actually linked to the effectiveness of solidarity, including the capacity of policy to effectively deliver public goods.

Only in the universalistic type are citizens able to fully rely upon their implicit contract with society, because when they abide by collective rules reciprocal engagement will be met by provisions of some sort in the context of quality full employment. In this regard, the TLM approach still has to explore the *distinctive nature of the full employment* it envisages and promotes. In passing, one hardly sees why the logic of ‘employer of last resort’ should/could be discarded: indeed, in actual terms, the universalistic type continues to rely on high public employment and temporary state or non-profit employment.

An additional feature of the nature of effectiveness in the TLM approach is also closer to the universalistic type, as long as the collective role of social partners is acknowledged. Concerning the efficiency criterion, the main difference between both activation types lies in the degree of decentralisation they promote.

Gautié and Gazier have outlined a comparison of scenarios for the future, combining normative and analytical approaches. They help to contrast two models of activation and

discuss the substantive orientation of the TLM approach. Gauthier explicitly includes the TLM project as a dimension of his ‘neo-social democratic third way’ scenario.

Table 4 – Activation of social protection and Gauthier and Gazier’s criteria

Gauthier and Gazier’s criteria		Activating social protection	
ABW	‘Neo-Social democratic’	Liberal	Universalistic
Asset based individualism ¹³ (human capital) [Rawls]	Capabilities individualism Participating citizen [Dworkin, Sen]	Self-reliance	Balance individual/society
Asset based welfare state [workfare]	Post-Beveridgean welfare state [individually tailored social investment services; special drawing rights]	Market dominant +Safety net (targeted)	High socialisation of risks/ Generous welfare state Social investment services
Market employability ‘Portfolio worker’	Negotiated and collectively ‘co-organised’ employability Securing occupational trajectories/transitions	Employability on the market as it is	Employability in quality full employment, including state employment

As Gauthier and Gazier present it, ABW seems similar to current American conservative thought, exemplified by, for instance, N. Gilbert (2002, p. 44). Gilbert also combines a normative and analytical approach, and argues that a convergent form of the welfare state is emerging: the ‘enabling state’. Closely comparable to the ABW perspective, the enabling state’s characteristics include: privatisation (delivery by private agencies, transfers in cash and vouchers, increasing indirect expenditure); the promotion of work (social inclusion; the recommodification of labour; the use of incentives and sanctions; selective targeting (restoring social equity); solidarity of membership (cohesion of shared values and civic duties). This redefinition of the previous ‘welfare state’ is clearly based on the premises underlying asset-based welfare individualism.

If Gauthier’s ‘neo-social democratic’ model based on capabilities is considered as a prospective scenario for both continental and Nordic welfare regimes (2003, p. 16), then it appears closer to the universalistic type of activation.

One of the most important aspects of the discussion lies in the criterion of ‘universality’. *Effective universality* is an important foundation of the universalistic model of activation. This tends to be achieved in terms of access to employment (quality full employment) and the effective delivery of universal social protection, which can combine universal access to services and benefits with conditionality. This is of course true of the model as an ideal-type and it is well known that even among the highest performing countries of the Nordic group, failures such as the inability to address problems of ‘marginality’ are observed (Jørgensen, 2000).

All in all, the TLM normative framework appears to be more closely in line with the ‘universalistic’ type¹⁴ of activation than the liberal type. It also seems, as Gauthier has shown,

¹³ ‘individualisme patrimonial’ in French (Gauthier, 2003b).

contrary to a pure ABW model, although it may advocate the use of principles (for instance individual risk taking) or instruments (for instance, vouchers and tax credits), which are also consistent with an ABW approach. Yet, as has been mentioned already, most actual examples of existing TLM-inspired practice collected by Schmid and Gazier are drawn from Nordic or continental countries (Germany, Belgium, the Netherlands, France). This fact justifies considering the overall TLM approach as a blueprint for reforming both continental and Nordic systems, but less so for Anglo-Saxon ones (the US and the UK¹⁵, in particular). This raises questions regarding the articulation of the EES and the TLM normative approach.

4. Implications: important points for thinking about Employment insurance in the TLM context

1 – Categories, notions and concepts (analytical/normative)

As a comprehensive cross-European approach, the TLM framework is mainly discussed in English. Hence, we have to use notions, categories, and concepts in this language which comply with two requisites: (i) they must be sufficiently understandable across nations and easily translatable into other national languages; (ii) they must be carefully chosen so as to accurately express the distinctive substance of the TLM approach.

Certain concepts have increasingly been imported from European political discourse into international research. This has different consequences for the analytical and the normative aspects of the TLM approach, as well as for different disciplines. Mainstream economics uses many categories and concepts which have been taken up in mainstream political discourse, but whose actual adequacy for the discussion and elaboration of the TLM debate should be carefully examined. In some areas, it may well be the case that specific notions have to be chosen so that (i) all TLM members understand one another clearly in English; (ii) they use categories designed to accurately express the distinctive elements that pertain to the TLM (normative and analytical) approach. At this stage of collective TLM work, we would contend that such typologies require further clarification (Barbier, 2002b; 2005b). In my view, some notions surveyed in the present analysis, such as ‘Employment insurance’, merit in-depth discussion.

The TLM perspective goes beyond a traditional conception of ‘unemployment insurance’. At first sight, the term ‘insurance’ (see G. Schmid’s remark – 2002a, p. 239) conveys a special meaning that differs from ‘unemployment compensation’, ‘assistance’, and ‘benefits’ as they exist in Anglo-Saxon systems. It is important to carefully specify the characteristics of this distinction in the TLM framework. In other words, can we use the same notion of ‘employment insurance’ for the three ‘employment and income insurance contracts’ that are analysed in Schmid and Schöman’s seminal paper, as long as one of the variants (the liberal) is ‘residual’ but also targeted and flat rate (p. 16)?

Other terms that need to be more clearly defined include: ‘social security’; ‘social protection’ (which can be opposed to ‘welfare’); the problematic use of the notion of ‘tax and

¹⁴ This is particularly true of the insistence on one key condition of the TLMs, i.e., “new civil rights” (cf. Schmid, 2002a, p. 232: ‘Neue Bürgerrechte’).

¹⁵ However, it is certainly true that programmes or actions can be identified that manifest features that are easy to interpret in terms of the TLM perspective (particularly in Britain): the ‘intermediary labour market’ is one of this instances. However, such initiatives are not only marginal in the UK, they are residual in the entire system.

benefit systems' (not in economics, but in sociology and political science), and the traditional distinction between 'active' and 'passive' policies – which is widely used in both political and economic discourse. For instance, the notion of 'dependency' has recently been used to measure the percentage of people of working age who are 'dependent' on social protection.

From an analytical point of view, it has often been remarked that the distinction between 'active' and 'passive' is weakly defined¹⁶ and often implies implicit, normative assumptions. From a normative TLM perspective, 'Employment insurance' may include equivalents of traditional 'unemployment insurance' which, even if reformed, cannot logically be seen as 'passive' or as leading beneficiaries into 'dependency'.

The following vocabulary should also be clarified, for both normative and analytical reasons:

- 'employment policy', as opposed to 'labour market policy'
- 'flexicurity'
- 'full employment' and 'employability'
- the notion of activation (see above)
- social justice (Soziale Gerechtigkeit, solidarité, solidarity)
- 'standard employment relationship' (Normalarbeitsverhältnis)
- tax and benefit system
- social protection/ welfare

2 – The relationship between the broad TLM framework, 'welfare regimes', national situations and the European Employment Strategy

Assuming that ideal types of social protection and welfare regimes exist, and that institutional frameworks help to shape and construct problems in a historical perspective, 'answers' and restructuring strategies are bound to be different across regimes (see Pierson).

For instance, in 'social-democratic' Denmark, hire and fire regulations are relatively flexible and high levels of employment have been achieved for both men and women in all age groups. At the same time, a high degree of risk socialisation results from universal unemployment benefits (with generous assistance for those who do not qualify for insurance). Consequently, the problem of introducing 'employment insurance' is of a completely different nature than in a country like France, where about 50 to 60% of the unemployed are eligible for either unemployment insurance or the '*allocation de solidarité spécifique* – ASS'. In contrast, other unemployed (or assisted) persons are only covered by safety-net benefits.

This brings to the fore the question of the relationship between the TLM approach, the EES, and different types of social protection systems; discussed here on the basis of Gauthier's and Gazier, and Gauthier's contributions.

It has been observed that the EES chiefly addresses the reform requirements of the continental cluster of EU members (Barbier, 2005a; 2004c). Yet, this is an oversimplification in empirical terms: since the introduction of the EES, all EU countries have received specific recommendations, which are based on the difference between their performance and the EU guidelines. However, the recommendations formulated for the United Kingdom and the Nordic countries generally appear to be milder than those written for continental countries

¹⁶ See Barbier and Gauthier, 1998; see also the issue of distinction between 'active' and 'activating' [*aktivierend*], mentioned in the attached draft paper.

(and even more so for Southern countries). On the other hand, in some political science research, continental countries have been described as institutionally ‘unfit’ to adapt to EES recommendations. Nevertheless, the EES framework is supposed to apply to the liberal, continental, and social-democratic clusters. If the EES have been able to group various and conflicting models of activation together, what about the TLM approach?

The analysis presented above supports the thesis that the institutional gaps present in countries like the United Kingdom make it unlikely that the TLM framework could be used there. As we have noted, there is a de facto substantive difference in the very notion of ‘employment relationship’¹⁷, in the UK compared to most other EU member states. Key principles, like ‘solidarity’ or ‘soziale Gerechtigkeit’ are part of the basic TLM normative foundation and seem to have been rather alien to mainstream debates in the UK, which draw more on analyses *à la* Giddens. Accordingly, Gautié (2003) has convincingly shown that they fit best with an ABW orientation that he deems to be incompatible with the TLM approach.

One can also note that, at least so far, the EES has shied away from linking recommendations or objectives to introducing new directives or regulations (hard law). The OMC is seen as not spilling over into EU level regulatory production. Yet, this facet of the impact of the EES should also be explored in the context of the TLM project. Inasmuch as the TLM normative project entails a reorganisation of rights (Bürgerrechte), the role of law is bound to differ across the various countries involved. Another question is whether there is room for EU legislation to be connected with the EES, and whether TLM norms would be included.

3 – The scope for activation of social protection and the ‘active society’ norm

Technically, as well as normatively, the question arises of whether there are limits to the areas of social protection that can be targeted for ‘activation’, and how to treat these limits. These questions, in turn, relate to complex value debates pertaining to the treatment of individual and collective choice as well as the development of regulations and rules.

Explicit examples – concerning various types of transitions – lead to possible value conflicts:

For instance, is an ‘activated’ education or training policy always preferable to a ‘traditional’ one, where students are only partially active or even completely inactive in the labour market, according to their choice and needs?

Are early retirement programmes all to be terminated in the future or are there circumstances where they might be useful to maintain – do situations exist which are economically and politically viable but, at the same time, correspond to TLM norms?

Are all family benefits systems to be reformed in the sense of being allocated exclusively or preferentially to active people?

¹⁷ Or, more widely and theoretically, the substance of the ‘wage labour nexus’ (to use a concept from the regulation school). In matters related to ‘employment relationships’, for instance, the respective role given to law varies enormously. For instance in Latin countries and Germany, a clear juridical substance separates the existing contracts between ‘standard’ and ‘non-standard’ [Barbier, 2004d].

Are housing programmes to be activated, for instance, as has recently been documented in New York City (in one extreme case, the tenants of social housing are obliged to perform ‘community work’)?

Is the combination of a high level of women’s participation in the labour market, high levels of public social services, and the employment of women in the social service sector (a situation advocated by some academics as optimal) both feasible across all Member states and normatively better, according to the criteria proposed by G. Schmid (see table 3 in the attached paper)?

4 – The question of ‘the state as an employer of last resort’

In the majority of EU countries, temporarily subsidised jobs in the public or non-profit sector have existed for a long time (for instance, the ABM in Germany, the LSU in Italy, corresponding schemes in Denmark, the *contrats emploi solidarité* in France, etc.). Such temporary jobs have also been documented in American TANF programmes, although very rarely when compared to Europe. In certain countries and at certain times, reliance on such programmes has been abandoned (for example, in the UK after the cancelling of the community programmes initiated 1986). Due to generally negative evaluations of such programmes based on certain criteria (de Koning and Mosley, 2002), it is important to clarify which programmes, if any, are compatible with activation strategies. This question is also linked to the question of ‘full employment’ and to the necessity of defining the latter more precisely in the context of the TLM approach. It is often overlooked that, when activation strategies (for the unemployed or the assisted, etc.) are implemented, the fact that jobs are or are not available on the market makes a crucial difference.

For instance, activation strategies implemented in France over the last 20 years have always resorted to creating temporary jobs in a context of low employment creation. The probability of the unemployed being eligible for such temporary jobs has been curtailed by their limited number vis a vis the number of potential candidates. In contrast, in countries like Denmark the legitimising process of universal activation is based at the same time upon the availability of jobs on the market *and* additional ‘transitional’ jobs or employment opportunities in the public and private sector (Denmark’s public employment is also the highest in Europe).

6 – Funding social protection, redistribution and restructuring of unemployment insurance and other benefit systems

Many new rights are envisaged in the TLM framework (for example, access to continuous training and ‘drawing rights’). It is envisaged that incomes in a future ‘employment and income insurance contract’ will be guaranteed during transitions. Or, for ‘statuses’ where today no income is available, as a compensation for taking risks. Private and public resources are seen as being complementary in this respect. Reflection on this area of future reform implies examining whether universal basic employment insurance should provide a certain level of income, which would allow individuals to take risks (possible dimensions could include relatively generous benefits, open conditions of eligibility, and long periods of duration). Employment insurance, from the normative TLM approach is *active per se* (see my previous remarks about the distinction between passive and active approaches).

For obvious reasons and for the sake of overall efficiency, it is probable that actual implementation of such initiatives will entail the re-orientation of certain funding sources to other types of benefits, supplemental income, insurance, and compensation. This also raises the question of what social actors should be part of these future reforms, and how to ‘interest’ them. The fact that ‘high income groups’ are intended to be full participants in the potential reform – a feature stressed by G. Schmid – tends to orient future reforms towards universalism.

It is very difficult to imagine the details of such transformations on a large scale. One interesting way to make progress on this path is to analyse a broad range of existing projects – not only those put forward by academics. One such instance is the proposal of the French CGT. The CGT and CFDT are the main unions in France. In the box below, the CGT approach is briefly outlined (CFDT has also published some proposals). However, although the idea was introduced two years ago, no significant progress was made in France in regards to adding further substantive content. In a way, a similar task lies ahead for the TLM perspective and its conception of ‘Employment insurance’.

A project devised by Confédération générale du travail – CGT in France

This brief exploratory summary does not assume that the type of proposals which have recently been presented and discussed within the CGT are compatible with the TLM perspective. It is much too early to assess the actual impact of this project. However, it is interesting to note that the discussion echoes the TLM approach in several ways. A more in-depth analysis of the proposals is necessary.

The project’s context, the necessary reform

At its last two congresses (2002 and 2003) CGT discussed and adopted two proposals .

One is the idea of a ‘*sécurité sociale professionnelle*’ (occupational social security), which is closely linked to the second, i.e., a ‘*statut du travail salarié*’ (wage labour statute). At the present stage, it is difficult to see in detail how both could be implemented, because they are essentially a set of prospective claims and demands.

Although the 2003 Congress adopted the ‘*statut du travail salarié*’ as a key priority for the entire CGT confederation, some unions in certain professions, occupations, or branches are sceptical about the proposals or even opposed to them. This debate has only recently emerged within the CGT and it will be interesting to follow new developments.

CGT official documents (47th Congress, May 2003) note that despite existing labour law in France, two negative aspects have developed: the negative effects for employees and workers of retrenchments and ‘precarious employment’, i.e. special types of contracts¹⁸.

The necessity of devising individual guarantees and guarantees against new risks has been acknowledged because of the need to facilitate mobility when employees/workers choose to be mobile¹⁹.

Essential substance of the proposals

Statut du travail salarié

The project is presented as complementary to the existing French *Code du travail* (Labour Law Code).

It should be noted that inequalities are important in matters of employees’ rights and employment statuses. Hence, the project has been conceived from a cross-sectoral/cross-occupational perspective (‘*interprofessionnelle*’). The goal is to construct a basic set of rights for all employees, regardless of whether they are public or private sector employees.

A basic limitation of the present employment contract – *contrat de travail* – lies in the fact that once the contract is terminated, the wage earner loses the previous rights attached to the contract, as well as the particular rights linked to the collective agreement of his/her sector or profession (in matters of vocational training, access to qualifications, wages, voluntary social protection).

Devising a basic set of employment rights (universal for all wage earners) is seen as a way to counter the tendency to use present inequalities attached to the various collective agreements.

Rights should be individual and transferable from one firm to another.

¹⁸ On this debate see Barbier, 2004d.

¹⁹ In the proposal and more traditionally, CGT does not address the question of mobility at the request of employers, except in the case of when mobility is *imposed* on employees, in which case CGT contends that the worker’s rights should be maintained when he/she refuses mobility.

One of the ingredients of the prospective new 'statute' lies in the fact that the employment contract would be '*pérennisé*' (made permanent) through a mechanism which would pool resources between firms organised at a certain level (sector, branch, local, etc.) so that the rights attached to the contract would not be lost when one employer defects.

Sécurité sociale professionnelle

For CGT, implementing the new status would entail reform of the social security system in two directions: (i) organising a collective financial responsibility of firms (at national, sector or local level) by way of systems of pooling resources, which would allow for the wage earner to continue earning his/her wage in the case of redundancy and in periods when he/she is waiting for a new job; (ii) reforming social contributions and the tax system so that they would be more employment-friendly (would help create more jobs). Social contributions would be made variable, as well as taxes (for instance *taxe professionnelle*), according to the contribution of firms to employment, and particularly small and medium size firms. Regional funds for employment and development would be created and managed by employees.

References

- Auer P., Cazes S., 2000, "The Resilience of the Long-Term Employment Relationship: Evidence from the Industrialized Countries", *International Labour Review*, Vol. 139 (N°4), pp. 389-408.
- Barbier J.-C., 2002a, « Peut-on parler d' « activation » de la protection sociale en Europe ? », *Revue française de sociologie*, n° 43-2, avril-juin, p. 307-332.
- Barbier J.-C., 2002b, « Marchés du travail et systèmes de protection sociale : pour une comparaison internationale approfondie », *Sociétés contemporaines*, n° 45-46, novembre, p. 191-214.
- Barbier, J.-C. (2004a) « Systems of Social Protection in Europe: Two Contrasted Paths to Activation, and Maybe a Third », in J. Lind, H. Knudsen, and H Jørgensen (eds.), *Labour and Employment Regulation in Europe*, Brussels: PIE-Peter Lang, p. 233-254.
- Barbier, J.-C. (2004b) "Activation policies, a comparative perspective", in A. Serrano Pascual, ed., *Are Activation Policies Converging in Europe, The European Employment Strategy for Young people*, ETUI, Brussels, p. 47-84. [see also, 2001, "[Welfare To Work Policies in Europe, the Current Challenges of Activation Policies](#) ", Document de travail, CEE, n°11, novembre, 24p.]
- Barbier J.-C., 2004c, « La stratégie européenne pour l'emploi: genèse, coordination communautaire et diversité nationale », rapport de recherche pour la DARES, miméo, janvier, Centre d'études de l'emploi, 121 p.
- Barbier J.-C., 2004d, "A Comparative Analysis of 'Employment Precariousness' in Europe", in Letablier M.T., ed., 'Learning from employment and welfare policies in Europe' [<http://www.xnat.org.uk/Seminar%203%20Learning%20from%20Employment%20and%20Welfare%20Policies%20in%20Europe.pdf>], p.7-18.]
- Barbier, J.-C. (2005a) « The European Employment Strategy: a channel for activating social protection?» in J. Zeitlin and P. Pochet with L. Magnusson, eds., "The Open Method of Coordination in Action: The European Employment and Social Inclusion Strategies", Brussels: PIE-Peter Lang, p. 417-446.
- Barbier J.-C., 2005b, « Dealing anew with cross-national comparison: when words matter » in Barbier J.-C. and Letablier M.T., (eds) *Cross-national comparisons : epistemological and methodological issues*, Brussels: PIE Pieter Lang, p 45-70.
- Barbier J.-C. and Fargion V., 2004, "Continental inconsistencies on the path to activation : consequences for social citizenship in Italy and France", *European Societies*, (6) 4 : 437-460.
- Barbier J.-C. and Gautié J., 1998, *Les politiques de l'emploi en Europe et aux Etats Unis*, Cahiers du CEE, Paris : PUF.
- Barbier J.-C. et Ludwig-Mayerhofer W., 2004, « The many worlds of activation », *European Societies*, Introduction to the special issue (eds) (6) 4: 423-436.
- Barbier J.-C. and Nadel H., 2000, *La flexibilité du travail et de l'emploi*, Domino, Paris: Flammarion [2003, *La flessibilità del lavoro et dell'occupazione*, introduzione di L. Castelluci e E. Pugliese, Roma : Donzelli,]
- Barbier J.-C. and Théret B., 2001, " Welfare to Work or Work to Welfare, the French Case " in Gilbert N. and Van Voorhis R., *Activating the Unemployed : A Comparative Appraisal of Work-Oriented Policies*, Rutgers, New Jersey: Transaction Publishers, p. 135-183.
- Barbier, J.-C. and Théret, B. (2003) 'The French Social Protection System :Path Dependencies and Societal Coherence', in N. Gilbert and R. Van Voorhis, eds, *Changing Patterns of Social Protection*, Rutgers N.J.: Transaction Publishers, pp. 119-167.

- Barbier J.-C. and Théret B., 2004, *Le nouveau système français de protection sociale*, Paris : Repères, La Découverte.
- Barbier J.C. and Van Zyl E., 2002, *Globalisation and the world of work*, Paris: L'Harmattan.
- de Koning J. and Mosley H., 2002, "How can active policies be made more effective?", in Schmid G. and Gazier B., eds, *The Dynamics of Full Employment*, Cheltenham: Edward Elgar, pp. 365-392.
- De Lathouwer L., 2004, "From passive to active management of the unemployment risk: what can we learn from transitional labour markets?", position paper for the TLM network, WP5.
- Esping-Andersen, G., Gallie, D., Hemerijck, A., Myles, J. (2002) *Why we need a New Welfare State*, Oxford: Oxford University Press.
- European Commission, 2001, Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions – "Employment and social policies: a framework for investing in quality" COM/2001/0313 final.
- Gautié J., 2003a, « Which Third Way ? : Asset Based versus Capability Based Citizenship », paper presented to the final Cost a 13 conference, Oslo, 9-11 October.
- Gautié J., 2003b, « Quelle troisième voie ? repenser l'articulation entre marché du travail et protection sociale », *Document de travail CEE, n°30*, septembre.
- Gautié J. and Gazier B., 2003, « Les marchés transitionnels du travail: à quel paradigme appartiennent-ils ? », communication au colloque « Conventions et institutions », Paris, 11-13 décembre 2003.
- Gazier B., 2003, *Tous sublimes*, Paris : Flammarion.
- Gilbert, N. (2002) *Transformation of the Welfare State, The Silent Surrender of Public Responsibility*, Oxford: Oxford University Press.
- Jørgensen H., 2002, *Consensus, Cooperation and Conflict, the Policy Making Process in Denmark*, Cheltenham: Edward Elgar.
- Handler, Joel (2003) Social citizenship and workfare in the US and Western Europe: from status to contract, *Journal of European Social Policy* 13: 229-243.
- Korpi W., Palme J., 1998, « The paradox of redistribution and strategies of equality: welfare state institutions, inequality, and poverty in the western countries », *American Sociological Review*, vol.63, n° 5, October, pp. 661-687.
- Kvist, J. (2002) 'Activating welfare states. How social policies can promote employment', in J. Clasen ed., *What Future for Social Security? Debates and Reforms in National and Cross-national Perspectives*, Bristol: Policy Press, p. 197-210.
- Pierson P., (2001) ed., *The New Politics of the Welfare State*, Oxford: Oxford University Press.
- Schmid G., 2002a, *Wege in Eine Neue Vollbeschäftigung, Übergangsarbeitsmärkte und aktivierende Arbeitsmarktpolitik*, Frankfurt: Campus Verlag.
- Schmid G., 2002b, "Towards a New Employment Compact", in Schmid G. and Gazier B., eds, *The Dynamics of Full Employment*, Cheltenham: Edward Elgar, p. 392-435.
- Schmid G. and Schöman K., 2003, "Managing Social Risks Through Transitional Labour Markets: Towards a European Social Model", TLM paper, Berlin conference.
- Sennett R., 2003, *Respect, the formation of character in an age of inequality*, London: Allan Lane, The Penguin Press.