

Building inclusive welfare systems: A dialogue between research and practice

Policy Conference

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PRESENTERS & DISCUSSANTS

(COPE): Governance in the making? Europe 2020 and the fight against poverty and social exclusion

Presenter: Matteo Jessoula, University of Milan

Discussant: Sian Jones, European Anti-Poverty Network

The launch of the European Union's novel *grand strategy* "Europe 2020" was initially welcomed by social scientists as a promising step forward in the EU's anti-poverty strategy (Marlier et al. 2010) for two reasons: First, because of the full integration of the social dimension and especially the fight against poverty and social exclusion in the novel Europe 2020 governance structure for economic (and social) coordination; second, because the vague objective of "eradicating poverty" included in the Lisbon strategy was replaced by a less ambitious, but more realistic and potentially incisive, quantitative poverty target – lifting at least 20 million people out of poverty or social exclusion by 2020, which in fact represents the main (social) innovation in the Europe 2020 agenda. However, not only recent voices have cast doubts on the effectiveness of both the new strategy and more generally the EU in combating poverty and social exclusion (Copeland and Daly 2013; Peña-Casas 2012; Pochet 2010), as poverty is on the rise in Europe and recent austerity measures in several Member States (MS) might kill the "sick patient" (Frazer and Marlier 2012).

Based on findings from research in the EU-FP7 project COPE, the presentation aims to assess if/to what extent the EU's current social policy toolkit is well-suited for tackling the (most severe) social consequences of the recent economic crisis and austerity measures by promoting an *effective governance* of anti-poverty policies in a *multilevel* and *multi-stakeholder arena*¹. Accordingly, it the presentation will focus on:

¹ The underlying idea is that in order to evaluate the effectiveness of *soft coordination* tools such as European coordination mechanisms in the social policy field, *processes* rather than outcomes should be assessed – though the setting of a quantitative poverty target does not allow to fully disregard the latter. Also, it can plausibly be argued that, in the presence of soft non-binding governance mechanisms, the chance to reach such targets (here, the poverty target) depends on the emergence of a "policy arena" characterized by the following elements: i) de-facto and effective multilevel interaction; ii) steering ability of EU institutions; iii) effective stakeholder involvement at various levels of government.

1. Developments at the supranational level

We contend that the novel European anti-poverty toolkit has both weaknesses and strengths. Furthermore, different dynamics can be identified in two subsequent periods:

On the one hand, the social dimension of Europe 2020 suffers from ineffective design, especially with respect to its integration with the Social OMC. On the other hand, after the very weak implementation of the Europe 2020 anti-poverty component in 2011-2012, a number of measures have been taken since late 2012 in order to reinforce the European strategy against poverty and social exclusion. Within an unfinished social governance architecture, a multilevel and visible anti-poverty arena is gradually emerging, characterized by open stakeholder mobilization and political pressure at the supranational level as well as innovative policy proposals by EU bodies. We argue that the emergence of such a novel arena and the gradual reinforcement of the EU2020 social and especially anti-poverty component is the result of three main factors: i) increased problem pressure in many MS, ii) stakeholder mobilization – mostly supranational anti-poverty NGOs; combined with iii) reaction by more socially sensitive European institutions launching a number of initiatives aimed at achieving the Europe 2020 poverty and social exclusion target.

2. National developments within the Europe 2020 framework,

which show in particular how reactions to the introduction of the Europe 2020 anti-poverty target varied in the five COPE countries (Ger, Ita, Pol, Swe, Uk). These reactions have also greatly affected the national implementation of the novel European anti-poverty strategy.

(LOCALISE:) Bringing social and employment policies together: The importance of local policy coordination

Presenter: Martin Heidenreich, University of Oldenburg

Discussant: Dr. Wolfgang Müller, German Federal Employment Agency, Brussels Office

The EU-FP7 project LOCALISE investigated the challenges of integrated or at least interlinked social and employment policies at the local level in six European countries (France, UK, Poland, Sweden, Italy and Germany). Starting from the assumption that effective labour market activation needs a closer link between social and employment policies, especially at the local level where such policies are implemented, LOCALISE carried out 18 local case studies in order to depict the organisational dimension of activation in a multilevel context.

Empirically, we can observe five different organisational patterns of activation linking social and employment more closely:

1. Organisational integration (“systemic coordination”): requires a reorganisation of former structures towards a new organisation with new and integrated tasks (one-stop-shops). Primary examples are the German *Jobcenters* – joint ventures between the Federal Employment Agency and one municipality.
2. Cooperation between organisations: new forms of networks and cooperation/collaboration between public authorities and/or external organisations. An example is given by the Swedish coordination unions, where local branches of the Public Employment Service and of the National Social Security Agency cooperate closely with the municipalities in order to address specific problems afflicting many unemployed in the rehabilitation scheme.

3. Marketization (outsourcing): public-private partnerships, where specific services or a broader set of activation measures are not provided by the Public Employment Service but by private actors. The outsourcing of training and placement measures can be found to some extent in all countries under study, but we can observe a remarkably high level of marketization in the UK. Here, private providers play a central role in the activation of the long-term unemployed under the so-called Work Programme.
4. Decentralisation: new forms of cooperation between the central and the local level. Employment policies are a federally dominated policy field in all countries, while social policies are often designed and organised at subnational levels. Closer links between both policy fields therefore require new links between different political-administrative levels. An example of this are once again the German joint-venture *Jobcenters*, within which municipalities and the Federal Employment Agency cooperate.
5. Individualisation: individualised and targeted forms of support and control. Here, the focus is on non-standardized treatments for the unemployed as opposed to a one-size-fits-all approach. Individual action plans and individualised services can be observed especially in Germany, Sweden, the UK and France.

At the local level, the LOCALISE research has identified different forms of organising integrated social and employment policies. The research shows that cooperation between organisations is the most common form of linking social and employment policies more closely. Personal relationships and established networks seem to be of much higher relevance for efficient policy coordination than top-down regulations. However, such person-based policy coordination requires a clear and well-structured framework regarding the objectives, rules of procedure, membership criteria, and responsibilities of policy networks. Within such a clear framework, high discretion in resource-pooling, data-sharing and the usage of instruments is necessary in order to achieve commitment from the partners and a high-quality and efficient co-production of activation measures. A strength of local policy coordination networks is that local specificities can be taken into account, both in terms of actors, target groups, and the requirements of the local/regional labour market.

(FLOWS:) Can EU policy increase the labour force participation of women?

Presenter: Per H. Jensen, Aalborg University

Discussant: Claire Courteille, Director of the ILO-Brussels Office

Since the turn of the millennium, increasing women's employment rates has been high on the agenda of the EU and other international organisations. Increasing women's employment rates is supposed to enhance social cohesion and minimize social inequalities while at the same time contributing to the sustainability of the European Social Model. Therefore, when the EU leaders met in March 2000, the Lisbon European Council agreed on the overall target to raise female employment rates to more than 60 % by 2010, while the Europe 2020 Strategy sets the goal of a labour market participation rate of 75 % among women and men aged 20 to 64 by 2020.

Within the EU institutions, there is a strong belief that higher female employment rates can be promoted by a social investment and life cycle approach to work, i.e. by investing in growth-enhancing areas like R&D and human capital. Social investments include high quality early education, lifelong learning and the provision of care services that facilitate combining paid work with care responsibilities etc.

However, in the implementation of such policies, the EU is faced with two problems:

I: Is vertical governance efficient?

In many EU countries, local governments have some autonomy regarding policy formation as well as the design and implementation of welfare policies in areas such as child care, elderly care and lifelong learning. Therefore, to reach the EU's target of higher female employment rates, it would be necessary to achieve policy coordination, communication, and vertical governance between the supra-national and local level. Unfortunately, though, the EU's targets and recommended policies in the form of directives or guidelines are most often unknown to local political actors. In-depth studies in 11 FLOWS cities have shown that policy makers are unaware of the EU's employment targets as well as the EU targets concerning gender equality and equal opportunities in a broader sense. Furthermore, we found that the attentiveness of local political actors towards EU targets is affected by the way in which horizontal and vertical governance is orchestrated at the local, national and international level.

II: Do policies and institutions affect the behaviour of women?

In the EU, it is a predominant belief that institutions and policies, elderly care policies, child care policies, life-long learning and vocational training policies are major factors helping women to enter, re-enter or remain in the labour market throughout the life course. In-depth studies in 11 FLOWS cities, however, have shown that the three fields of the local welfare systems are not horizontally integrated nor designed primarily with an eye to women's labour market integration or their informal care responsibilities. Our in-depth studies furthermore show that it is important to consider that welfare policies and actual local service offers do not determine women's labour market behaviour, since women's employment patterns are shaped by a complex framework of cultural, institutional, social and economic factors. The local welfare system is only one, albeit an important, variable in supporting or limiting women's labour market integration.

(WILCO:) (How) do social innovations promote local welfare?

Presenters: Taco Brandsen, Radboud University Nijmegen & Adalbert Evers, Giessen University

Discussant: Dr. Iphigenia Pottaki, European Commission, DG Research & Innovation

1st presentation:

Social innovation and growth:

- An assumption of several studies and public statements is that economic growth and social innovation in cities are part of a single strategy to make cities more attractive, competitive and liveable.
- Our evidence bears out that this is only partially the case.
- Social innovation does not necessarily complement strategies for economic growth, nor is it necessarily an adequate substitute for existing welfare policies.

Scaling social innovations:

- There is a tendency in publicity on social innovation to discuss only successful cases and those that are scaled up to a system-wide level.
- Yet most social innovations are short-lived and remain small in scope.

- Public policy should not focus singularly on the selective group of innovations that can be mainstreamed.
- Instead, it should pay more attention to the capacity of cities to continue generating new initiatives.

Diffusing social innovations:

- Diffusion, again often misrepresented, as a straightforward transfer of best practices
- Approaches or projects will in some way need to be adapted to the context in which they are adopted.
- The concept behind a social innovation is less important than the collaborative relationships needed to implement it in a local context.

Governance:

- Innovations can more easily gain recognition and sustainability where there is an open governance style.
- To some extent, such openness derives from the structural features of administrative systems, but policy-makers and officials in all types of systems have proven capable of achieving it.

2nd presentation:

Complementary to the presentation of Taco Brandsen, mine will concentrate on innovative hallmarks in the cities and policy fields we studied, and policy conclusions to be drawn from that. We have found out that across Europe, there are recurrent patterns of innovative approaches and instruments in areas of local social services with a role for social cohesion. These innovative approaches concern ways to address users, the local organisational forms and (self)-governance of innovative attempts, the modes of working and financing, and rules and benefits. Hence, the innovations we encountered are not only special solutions for special groups and places, but they also entail hints and messages concerning the direction of development of a future culture of social services. Public authorities should therefore develop some consent about what they find "innovative" and "useful" rather than establishing a special programme line for separate, "proven" social innovations, putting much emphasis on such points as criteria for service design, development and support. In this way, a mainstreaming of social innovations can be achieved whereas otherwise, mere "additions" to service systems, benefit systems and forms of governance are likely to emerge that develop independently in their very own ways.