

Introduction: European Labour Market Policies after the Lisbon Process – Results and Consequences¹

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On the European level, labour market policies are a politically highly sensitive topic. While the integration process in other policy fields, especially monetary policy, is almost completed, or has made considerable progress, as in the field of education, labour market policies are still mainly a national concern. Some progress was made by creating the European Employment Strategy in 1997 and introducing the Open Method of Co-ordination (OMC), but the common targets to be met remained at a rather vague level. The Lisbon Process – started in 2000 and amended in 2001 by the Stockholm European Council Meeting – may be seen as a “kick-off”, since concrete employment targets were written down and for the first time employment targets explicitly were formulated as “hard facts”, as concrete numbers to be reached. But the goals to be achieved still remained at a quantitatively and qualitatively low level. These targets comprised an overall European employment rate of 70% and an employment rate for women of more than 60% and a 50% employment target for older workers aged 55-64 (Weishaupt/Lack in this volume).

In 2010, the deadline for the Lisbon Process expired. As it turned out, member states performed very differently regarding the fulfillment of the employment quota as a whole, but also

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regarding quotas for women and the elderly. Therefore, it is necessary to take a close look at the concrete national results, and the reasons why some countries did better than others with respect to labour market performance. Hence, an examination of the instruments deployed, but also the implementation and transformation processes is needed. Such a discussion of the different national results and programs may help to understand the complex interactions between collectively agreed goals on the European level and the dynamics of national politics.

The core of this special issue volume is built around contributions dealing with the European integration process in the field of labour market policies concerning transition processes of different socio-demographic groups like women, elderly people, young people, unemployed and non-standard employees. Women and elderly are groups the Stockholm strategy dealt with, while for the integration of the other groups, no explicit targets were formulated in Stockholm, but it was a topic ranging high on the European employment policy agenda. The first contribution of the volume, however, is a more general contribution focusing on the origins and development of the European Employment Strategy, assessing the status quo and providing an outlook of the European 2020 strategy. The volume is completed by a discussion of European “hard law” in the field of labour market policies: the jurisdiction of the European Court of Justice that increasingly affects national industrial relation systems.

The first article by Timo Weishaupt and Katja Lack assesses the status quo of the European Employment Strategy (EES). Weishaupt and Lack underline that the EES is the European Union’s main instrument to co-ordinate Member States’ reform efforts in the area of labour market and social policies. They describe that since its launch in 1997, it has undergone various changes, both in its governance and its policy orientation. Their paper offers an overview of the EES’s origins, main functions and evolution. It also critically reflects on its development and closes with a succinct presentation and assessment of the EES in the context of the Europe 2020 Strategy that has replaced the expired Lisbon Strategy.

The following five contributions concentrate on the development of labour market performances of special target

groups as well as policies aiming at the labour market integration.

Christian Brzinsky-Fay aims at assessing both output and outcome effects of the European Employment Strategy on the transition from education to work. He analyses the youth labour market outcomes in the EU-15 countries within the recent decade. The main result of his article is that even though the EES has affected policy making processes, outcomes differ from country to country due to differences of labour markets and institutional frameworks, so in conclusion effects on the outcome level can hardly be detected.

The subject of the third contribution by Sigrid Betzelt and Silke Bothfeld is the transition from housework or care work to paid employment. They claim that the EES meant a shift from equal opportunity policies to approaches that put labour market participation in the first place. Their in-depth analyses of German labour market policies – being an example of a conservative gender regime affected by the EES – demonstrates in what terms the most recent employment policy reforms include contradictory and ambiguous incentives regarding the access and quality of women's employment. Betzelt and Bothfeld argue that the EU policy regime itself is inconsistent and incoherent, especially since the emergence of the activation paradigm.

The fourth contribution by Werner Eichhorst deals with the transition from work to retirement. He assesses the role of supranational policy initiatives and national political and economic factors in shaping the transition from work to retirement in EU member states, which he sees as being still governed by the national political economy. Taking the German case as an example, Eichhorst shows the dynamic interaction between policy changes, in particular in social security systems and activation measures, and changes in the approach of firms and workers to early retirement. Policy changes influence actors' behavior in the medium run and open up opportunities for subsequent reforms.

The next contribution by Janine Leschke focuses on the transition from unemployment to work and especially the role of active labour market policies during the Lisbon Strategy period and the economic crisis. She uses European labour force survey data in order to benchmark the development in employment and unemployment in European countries during the Lisbon period

and the first phase of the economic crisis. A specific focus is put on Denmark, Germany and the United Kingdom for which Leschke uses administrative data in addition to the survey data. As a result, the analyses of labour market outcomes, transitions, and the participation in active labour market policies show very diverse outcomes both for different national settings and for different labour market groups within countries with some groups being disadvantaged throughout.

Günther Schmid's article sheds light on the development of non-standard employment and the concept of flexicurity. Schmid argues that further increases of labour force participation – the bedrock of the EES – seems inevitably be connected with a greater variety of employment relationships. The aim of his article, therefore, is to test this assumption in a preliminary way through systematic descriptive work and conceptual reflections: first by comparing the development of non-standard employment in EU member states from 1998 to 2008; second by relating this development to the dynamics of economic welfare and labour force participation; third by exploring the main determinants to explain this development; and fourth by discussing the policy consequences aimed at ensuring a complementary relationship between flexibility and security rather than trading-off one against the other.

The final contribution by Reingard Zimmer has a somewhat different focus: Instead of discussing the EES and EU “soft law”, she writes about “Labour Market Politics through Jurisprudence”, i.e. the judgements of the European Court of Justice (namely Viking, Laval, Rüffert and Luxembourg) on labour market policies. Zimmer shows how member states, which were the trigger for the respective European Court of Justice (EJC) decisions or which are particularly effected by the judgements, respond to the ECJ jurisprudence. She concludes that following the ECJ, member states nearly only have the possibility to either expose their social standards to free competition from low-wage providers or to set up a system of general binding collective agreements.

We do not want to anticipate the results of the authors' analyses and to go into more detail concerning the arguments of the single articles. Rather, we would like draw the readers attention to two points referred to in some of the articles which

seem of importance to us. These points refer to the character and prospects of European labour market policies as a whole.

First, it has often been noticed that European integration has focused more on promoting market efficiency – “negative integration” – rather than “positive integration” associated with regulative measures and social policy (Scharpf 2002; Taylor-Gooby 2003). The policies discussed in this volume and the OMC occupy a strange place in-between these two approaches to European integration and often resembles what Majone (1993) called social regulation: policy measures that react to market failures – only that the OMC is not regulative policy in a strict sense by definition. The contribution by Weishaupt and Lack documents the different approaches to European labour market policies that oscillate between economic aims and social goals. They warn that the EES could be “hijacked” by actors who are not committed to the goal of – inter alia – inclusion and which could turn labour market reforms into “zero-sum games”. Likewise, Leschke comments that “[B]y setting overall employment rate targets, the employment strand of the Lisbon strategy, as well as the follow-up EU 2020 strategy, are strongly focused on employment growth and much less on more qualitative aims such as job quality or social cohesion, albeit with some improvements in regard to the latter in the EU 2020 strategy”. This in-between situation may be a characteristic of all labour market policy (and social policy) measures on both European and national levels for the pure contrast of protective and market-supporting policies may always have been a bit over simplistic. The distinction of market-affine and protective measures has to be made within policy fields and is connected to questions concerning the value and price of labour market integration and whether ideals such as autonomy are to be realized through the labour market, against it or by regulating it (cf. Betzelt and Bothfeld). This observation may seem somewhat commonsensical. It points, however, to a more multi-faceted picture of European integration and the OMC: European approaches to economic *and* social issues are what the involved actors make of it.

Our second point refers to the debate on the uses and consequences of the OMC: Which difference does Europe make? To come to terms with this question, Brzinsky-Fay’s distinction of consequences for outputs (policy making and the resulting

policy measures) and outcomes seems very helpful. Concerning the output dimension and the question why national actors should act according to European proposals and non-binding measures, Weishaupt and Lack describe possible causal mechanisms. Looking on the outcome dimension, “the European effect” is dubious (Brzinsky-Fay). This is due to both methodological problems (how to detect a causal mechanism) but more fundamentally to the problem that EU initiatives meet policy fields where national institutional frameworks were created often a long time ago. Hence – as Brzinsky-Fay observes –, national labour markets and institutional frameworks differ as much as the effects of the EES, the national policies resulting from it and – finally – the outcomes. The problem gets even more pronounced if Leschke’s point is taken into consideration that the interactions between different labour market related policies and institutions are far from clear. EU-inspired policies – one could add – are just one more detail in an already crowded field where the comparative assessment of outcomes is notoriously difficult. Equally, Betzelt and Bothfeld argue that the “[t]he EES represents for the EU member states a dominating normative and political reference for domestic employment policy making. Of course, due to the lack of ‘hard’ instruments in the field of employment, the ‘activation paradigm’ has been transferred in fairly different ways to the national levels”.

Again we have to conclude that Europe is what actors make of it – but with a different twist: the European proposals are what national actors make of it. This point is of interest because it reminds one of who is responsible for working (and not working) as well as social (and not so social) policies. If it is hard to detect an influence on outcomes – and often even on outputs – of EU “inspirations” which are interpreted and implemented in national discourses and settings, it does not wonder that Eichhorst warns “one should not overestimate the harmonizing influence of the European Employment Strategy and the Lisbon Process on national policies and performance”. If influences are hard to detect – if they exist –, then a harmonization would be an unexpected consequence indeed. Eichhorst points out that a general trend – in this case: towards later retirement – “is not a strong piece of evidence in favour of convergence induced by European level activities”. He stresses the importance of politico-economic factors “deeply entrenched in the national political

arena” as being “essential when it comes to explaining policy persistence and reversal”. EU targets and policy recommendations could be seen as “selective amplifiers” in this context. “However, the national policy arena is the most dominant forum when it comes to explaining policy change”. The contribution of Zimmer represents in a certain way the flipside of the coin: dealing with hard law (ECJ judgements) she discusses European measures that aim at an outright convergence, leaving little space for manoeuvre for national actors. These examples of the labour market politics through jurisprudence again confirm the evidence for the Janus-face of European integration, featuring both economic goals and social aims, “negative integration” and “positive integration”, soft law and hard law, convergence and national idiosyncrasies, and therefore being conflictive and sometimes contradictory.

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