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**The activation of minimum income recipients in eight
European nations:
A decade of reform and early impacts of the economic
crisis**

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1. Introduction

In the short time-span of two decades, activation has become a key feature of European minimum income. At the onset of the economic crisis in 2008, activation had not only spread to all EU-nations, but also undergone a gradual change that increasingly impacts on the nature of European safety-nets. In most of the nations covered here, this change has been away from an emphasis on developing the skills of the participants, often described as a Human Capital Approach and towards an activation strategy where the emphasis is on incentives, motivation and stronger obligations to work, often described as a Work First Approach.

Given the impact of the 2008 financial crisis, the issue of the activation of minimum income benefit recipients has returned to the top of the agenda (see OECD 2011). Activation — here, the policy of designing benefit rules and employment/training services with the view of moving unemployed income benefit recipients into work – is not to be confused with workfare. Unlike workfare, where individuals are required to become self-sufficient through unsubsidised paid employment or to participate in work-for-benefit schemes (see Lødemel and Trickey 2001: 6-7), activation considers a broader variety of options for retuning income benefit recipients back to work, including training, education and the provision of job-search assistance services. This is also not to be confused with active labour market policies (ALMP) that, despite being part of the policy-mix used to activate minimum income (MI) recipients, do not place eligibility conditions on the right to income protection and have a broader aim of dealing with more structural imbalances in the labour-market - such as structural unemployment and assisting debilitated industrial sectors or geographic areas (Hvinden 1999, p. 28-29; Kildal 2000, p. 5). Moreover, unlike workfare, activation is not solely restricted to individuals on social assistance (Lødemel and Trickey 2001: 9-11) and applies to various types of income benefits – such as unemployment insurance, unemployment assistance or, in some cases, disability benefits (Eichhorst et al 2008: 7-8).¹

This paper tries to understand the impact of the 2008 financial crisis and subsequent events on the activation of minimum income benefit recipients in Europe. In the first two sections we report on the results of a project we have been conducting on activation reforms in the last decade. In Section 2, we identify two waves of activation reforms. The first dates back to the late 1990's and is marked by the introduction of activation requirements as a condition to an entitlement to minimum income protection and by the introduction of activation programmes for minimum income recipients. The second has taken place (more or less) in the first decade of the 21st century and involves a number of measures aimed both a strengthening the focus on work in the activation of MI recipients and at improving the delivery of services. In Section 3, making use of the heuristic potential of two-step cluster analysis, we look at the map of the governance of activation in Europe that, to a certain degree, results from the second wave of activation reforms. In Section 4, we map the set of reforms introduced as part of the reaction of EU governments to the 2008 crisis and to the subsequent sovereign debt crises that have followed. We end with a discussion of how these reforms may continue or reverse the previous developments in this area.

¹ In addition to this we should also differentiate between activation policy and activation programmes. In some countries, such as the UK or the Netherlands, policy-makers opt for creating activation programmes that offer a specific set of activation options and (sometimes) apply a specific set of rules and sanctions. However, as a policy activation covers interventions in other areas of public policy, such as the structuring of the tax system to create financial incentives to take-up work or the organisation of the delivery of employment and training services to jobless income recipients.

2. The two waves of activation reforms in Europe

Looking at developments in the activation of minimum income recipients in eight European nations (UK, Germany, France, Netherlands, Czech Republic, Norway, Denmark and Portugal), we can identify two more or less clear waves of reform. The first wave, which coincides with the last decade of the 20th century is marked by introduction of activation requirements as an eligibility condition to minimum income benefits, as was the case of the 1998 Act on Active social Policy in Denmark, or the introduction of the Guaranteed Minimum Income scheme in Portugal, in 1996; and the introduction of activation programmes – as was the case of the introduction of the New Deal for Young People and the New Deal for Long-Term Unemployed in 1998, in the UK (see Eardley et al 1996, Lødemel and Trickey 2001, Hanesh and Baltzer 2001, Moreira 2008).

This first wave of reforms sets the institutional background for a second generation of activation reforms. Not only because these reforms try to deal with the implementation problems that emerged during the implementation of the first set activation measures (see Van Berkel 2009), but also because it sets the institutional rationale that shapes the set of institutional reforms that follow. Hence, it is not surprising that this second wave of reforms, rather than lightening, is actually about the strengthening of the importance of work as an obligation for minimum income recipients, and about the improvement of the delivery of services - in line with New Public Management thinking. In the paragraphs below, we describe in more detail these developments.

2.1. Strengthening the importance of work

As noted, underlying this second set of activation reforms is a clear preoccupation of strengthening the importance of work as an obligation for minimum income recipients. This is visible in attempts of structuring the framework of minimum income protection by reference to individuals' ability/availability to work. A good example of this, is the reform introduced in Germany, in 2005, where social assistance recipients deemed able to work at the least 3 hours per day are moved to the new unemployment assistance scheme - *Arbeitslosengeld II* (ALGII) (Eichhorst et al 2008b: 30-4; Mosley 2007: 1-3).

This is also visible in reforms that redefine the content of the activation requirement that delimits the right to minimum income protection. This is the case of the introduction of the RSA, in 2009, which replaces the RMI. In the RMI, in order to be eligible to minimum income benefits, recipients are required to engage in a set of activities that should help them in their social insertion. In this sense, the obligation of looking for work is on par with other activities/obligations, such as improving one's education or health situation. The new scheme establishes a clear hierarchy between professional and social forms of insertion, where the latter form is reserved for a minority of beneficiaries that are considered as not job-ready and must be seen as a first step towards professional insertion (Clegg and Palier 2012).

Another example of this increased focus on work can be seen in attempts at tightening the type of jobs recipients can refuse without losing the right to minimum income protection. This was the case of France where the RSA (2009) introduces rules as to the jobs recipients can refuse. Thus the new legislation requires that job offers that are compatible with the qualifications and professional competencies of the jobseeker. Not only that, after 3 months, there are an increasing set of restrictions on the type of jobs a recipient can refuse. Thus, within the first 3 months on RSA, a recipient can refuse a job that pays less than his or her previous job. In the following 3 months, the recipient can only refuse an offer that pays less than 95% of his/her

previous one. After 6 months, he/she can refuse an offer that pays less than 85% of his/her previous job. After 12 months, a recipient cannot refuse a job that pays more than the benefit he/she receives.²

A third and increasingly popular way of strengthening of importance of work, consisted in the introduction/strengthening of financial incentives. Reflecting on the reforms introduced during the first decade of the 21st century, we can identify two different approaches to the use of financial incentives. In some cases, the financial incentives are used to increase the financial gain of making the transition to work. This is done through in-work benefits, such as income disregards, integration allowances or tax-credits. A good example of this is the introduction of the Working Tax Credit, in the UK (in 2003), which replaces the Working Families' Tax Credit (Griggs et al 2012). Another good example here is the introduction of Mini and Midi-Jobs in Germany (in 2002), which replace the previous mechanism of social insurance contributions reductions for low wage jobs (Fertig and Kluge 2004: 24).³

In other cases, policy-makers opt for imposing benefit cuts/reductions as a way of reducing the attractiveness of being on benefits. The best example of this is the introduction of the Danish 2002 More in Work Act, which introduces a ceiling on benefits after 6 months on social assistance. Moreover, in a move to de facto target non-Western ethnic minority families, the Act introduces a series of additional benefit reductions. Thus, married couples receiving social assistance for more than 6 months will have their benefits reduced. Not only that, if one of the spouses (normally the women) is considered not available to work, social assistance is withdrawn and replaced by a homemaker supplement (Goul-Andersen and Pedersen 2007: 16).

Another visible evidence of this increased focus on work, albeit less evident, can be seen in the decreasing importance given to training and education in the activation of MI recipients.⁴ A good example of this is the introduction (in 2009) of the Flexible New Deal (FND) in the UK, which replaces the New Deal for Young People (NDYP), ND25+ and Employment Zones. Unlike the NDYP or ND25+, where (amongst other offers) participants would be entitled to a training and education offer, with the FND the offer of training or education depends on the decision of local Job Centre Plus offices (Griggs et al 2012).

Curiously, this increased focus on work was not, as some would expect, accompanied by a wide-ranging harshening of sanctions. Whereas in some cases, there was an effective strengthening of sanctions⁵, in others, reforms are and more about making sanctioning regimes more flexible and easier to apply. In France, this was done through the introduction of (temporary) partial suspensions of MI benefits for individuals who refuse to sign, or discharge the responsibilities inscribed in their insertion contract (Dujol and Grass 2009: 306). In the Netherlands, the option – consecrated in the 2004 WWB – was to give local authorities full power of discretion in the application of sanctions to beneficiaries.⁶

2.2. The restructuring of the delivery of services

As mentioned earlier, besides a strengthening of the focus on work, this second wave of activation of reforms is focused on the improvement of the delivery of the provision of activation services. As we show below, these reforms are fundamentally shaped by what scholars have deemed as New Public Management (NPM), and how this has developed over the years. Originally NPM was about:

² See France Questionnaire.

³ See Section 3.

⁴ The exception here are is Germany, where the introduction of ALGII and the consequent strengthening of the role of BfA (the public employment service) in the activation of MI recipients, signifies a strengthening of the importance given to education and training. Thus, whereas previously, help-towards work did not (typically) include a training/education offer, now MI recipients can take part in short term (typically 4-8 weeks) courses that, typically, include qualification and counselling and job-search support components. In addition to this, they are entitled to a training voucher that they can use to participate in vocational training courses. See German Questionnaire.

⁵ In the Czech Republic, for instance, the period of benefit suspension for MI recipients who refuse a (suitable) job offer was increased (in 2004) from 3 to 6 months (Sirovatka 2012).

⁶ See Netherlands Questionnaire.

- A focus on issues of efficiency and outcome accountability, rather than on issues of universalism or equity;
- The separation between policy-making/funding/monitoring and the delivery of service;
- A preference for the devolution of responsibilities and management control to lower levels of the policy system (i.e., decentralisation);
- A preference for specialised, 'single-purpose', organisations in the delivery of services;
- A preference for the privatisation of certain public services, or the outsourcing the delivery of services to private providers;
- A preference for the use of market-based mechanisms - such as, financial incentives, contractual relations and quasi-markets in the public sector - for securing higher levels of effectiveness in the delivery of services;
- An increased focus on measuring/monitoring performance (Pollit 2002: 474; Boston 2010: 20-1).

As a product of the (perceived) failure of NPM in delivering on the efficiency gains it promised, and the (vertical and horizontal) coordination problems it generated (Christensen and Lægheid 2011: 22-31), a new wave of public-sector reforms emerged during the 1990's - which some labelled as 'post-NPM' (Christensen and Lægheid 2011: 395). Rather than replacing the full range of NPM ideas, this new set of reforms seems to be mostly targeted at addressing the vertical and horizontal coordination problems that emerged with the first generation of NPM policies. Thus, in order to improve vertical coordination, there is a move towards the introduction of strategic units, reviews, public service agreements and the enhancement of central control mechanisms – such as stronger audit systems, tightening financial management, and strengthening accountability. In order to improve horizontal coordination, there is a move towards the integration of services - going from the creation of one-stop-shops to the merger of government agencies - and the creation of issue-based structures - such as task-forces, inter-governmental councils, government tsars, etc (Christensen and Lægheid 2010: 394-5).

Consequently, reforms in the delivery of activation services to MI recipients reflect the development of NPM thinking. Thus, we can identify a number of reforms that are in line with the principles of old-style NPM. A good example here is the outsourcing of the delivery of employment services to private providers. Probably the most extreme move in this domain, was the 2002 the Structure Implementation Work and Income Act (SUWI), in the Netherlands. Following on the footsteps of the 1990 Act on Public Employment Services, which ended the monopoly of the PES in the provision of employment services, the SUWI act actually mandated that all employment services be sub-contracted with for and not for profit organisations (Sol et al 2008: 189-90). However, given its disappointing results, the mandatory outsourcing of employment services was later reversed (van Berkel and de Graaf 2011: 139)

Another example of the influence of old-style NPM thinking is the strengthening of customer focus in the delivery of activation services. A good example of this, is the introduction of personal action plans as a mechanism of defining the set of services offered to Qualification Programme participants in Norway (Gubrium et al 2012) or to social assistance recipients in the Czech Republic (Sirovatka 2012). More resource intensive forms for of personalised delivery, such as use of case managers or personal advisers, are less common. This move towards a more personalized delivery of services has, however, often been more about a changing of formal procedures and less about the provision of more resource intensive forms for personalized delivery, such as case managers or personal advisors. Even where case managers have been designated, as in Norway, they often lack the resources – or know how- to deliver what is needed. One possible exception here is France, where the 'Monthly Personalised Support' (SMP) - by which an unemployed person registered in ANPE (the PES) for more than three months is allocated a personal adviser that she is expected to every month (Béraud and Eydoux 2008: 6) – is extended to RSA recipients.⁷

⁷ See France Questionnaire.

In addition to this, we can identify a set of reforms shaped by post-NPM thinking. In some cases, namely in schemes where the administration of MI income benefits is devolved to local authorities, reforms are aimed at improving vertical coordination. The most common practice here involved the use of financial mechanisms that are meant strengthen the ability of central government to steer the delivery of services on the ground. For instance, in Denmark, central government only reimburses 65% of the costs local authorities with social assistance recipients in activation, whilst it only reimburses 35% of the expenses related with those not on activation (Kvist and Harsløf 2012).

In other cases, reforms are aimed at improving the coordination of service delivery on the ground – i.e., about improving horizontal coordination. In the Netherlands, this was done through the introduction (in 2002) of one-stop-shops ‘Locations for Work and Income’ (LWI) where the various providers of employment services to unemployed - Centres for Work and Income (CWI), UWV and local authority social services⁸ - are co-located (Tergeist and Grubb 2006: 17). In Germany the option was to create new bodies jointly managed between local national authorities and the PES – the ARGE consortia (Eichhorst et al 2008: 46-8).⁹

3. Mapping the governance of activation of minimum income recipients in Europe

The range of reforms that we have highlighted in the previous section will have a significant impact on the policy landscape of activation in Europe¹⁰ In order to capture the new geography of activation in Europe¹¹ we looked at the governance of the activation of minimum income recipients in 8 countries.¹² These countries represent the different models of welfare protection in Europe (see Ferrera, Hemerijck and Rhodes 2000, Fenger 2007), and different forms of minimum income provision (see Immervoll 2009).

Departing from Fenger’s (2007) typology of welfare regimes, we included three countries from the ‘conservative-corporatist’ type. As can be seen in Table 1, whilst in France and the Netherlands the right to a minimum income is secured through general social assistance schemes (RSI, and WWB respectively), in Germany (since 2005) individuals able to work more than three hours per week are covered by ALG-II – an unemployment assistance scheme. To a certain degree, the option adopted in Germany mirrors that of the UK, which can be seen as a representative of a more Liberal model of welfare provision, where the (Income-Related) Jobseekers Allowance (JSA), an unemployment assistance scheme, acts as the financial safety-net for work-able individuals. In addition to this we included two representatives of the Social-Democratic model of welfare provision – Denmark and Norway. Despite not having the resources to cover the full range of models of welfare provision in Eastern Europe¹³, we included the Czech Republic as a representative of the Post-Communist European type. Finally, we included the RSI in Portugal, a social assistance scheme, as a representative for the Southern-European rim.

⁸ Centres for Work and Income (CWI), provide services to unemployed persons that are expected to find work easily. UWV provide services for unemployed persons with strong employability deficits and that are entitled to social insurance benefits. Local authority social services, provider services to hard-to employ unemployed social assistance recipients (Tergeist and Grubb 2006: 17).

⁹ Whilst functioning under a unified leadership, there is a significant division of responsibilities between the BfA and local authorities within the ARGE consortia. Thus, the BfA is responsible for the payment of UBII benefits and for the delivery of activation services to recipients. Local authorities are responsible for the reimbursement of housing and childcare costs, as well as for the provision of social counselling services (Eichhorst et al 2008: 46-8).

¹⁰ For a comprehensive mapping of different approaches to activation see Lodemel and Trickey (2001).

¹¹ By minimum income schemes we mean schemes that provide a financial safety-net for individuals/households whose income is below the national social minimum. Because of their subsidiary nature, minimum income schemes are only available to persons/households who - with some exceptions, such as family benefits - are no longer eligible to other forms of income protection. Unlike social insurance, which provides insurance-based protection against (work-related) social risks, such as unemployment, old age or illness, minimum income schemes are a non-contributory form of protection (Lødemel and Schulte 1992: 8-9). Unlike categorical social assistance, minimum income schemes are (quasi)universal, that is, they are not targeted at particular groups or social risks (Eardley et al 1996: 28).

¹² Following Carmel and Papadopoulos, we see governance as “... the attempt to ‘steer’ the behaviour of individuals, groups or institutions towards particular social and politico-economic goals via a set of institutions and processes that aim to maintain or change the status quo.” (2003: 94).

¹³ Fenger (2007: 24-5) identifies three different welfare regimes in Eastern Europe: the Former USSR type, the Developing Welfare State type and the Post-Communist European type. It should be noted that Fenger (2007:22), unlike us, does not include Portugal as one of the Southern-rim nations

In order to capture different approaches to activation, we look at three sets of indicators (see Box I). We start by looking at the type of minimum income benefit scheme in the country under analysis, and the distribution of responsibilities in the administration of MI benefits between central and local government. Then, in line with Carmel and Papadopoulos' (2003) distinction between formal and operational governance, we look at the formal dimension of the governance of activation, i.e., then rules and regulations that set the framework for the activation of MI recipients (Carmel and Papadopoulos 2003: 94).¹⁴ Here, we start by looking at the main aim of activation, as defined by nature of the activation requirement that is imposed on MI recipients (Guibentif and Bouget 1997; Lødemel and Trickey 2001). Here we look specifically at the importance given to work in the set of obligations that condition the eligibility to minimum income protection, and the type of work that recipients are expected to accept as a condition for the receipt of MI benefit.¹⁵ We then look at the harshness of the sanctions that are imposed to MI recipients for failing to take an activation, or job offer. We measure this by looking at whether sanctions involve the termination of the eligibility to minimum income benefits (repressive sanctions), and, when this is not the case (restitutive sanctions), by looking at the maximum cut in MI benefit in the monthly payment subsequent to a first refusal of a (suitable) activation or job offer.

Table 1 – Cross-tabulating welfare-state and minimum income typologies ^{a, b}

<i>Fenger 2007 + Ferrera, Hemericjck and Rhodes 2000</i>	<i>Immervoll 2009</i>	
	Social Assistance	Unemployment Assistance
Social Democratic	<i>Kontanthjælp</i> , Denmark (2010) <i>Qualification Programme</i> , Norway (2009)	
Liberal		<i>JSA/Flexible New Deal</i> , UK (2010)
Conservative-Corporatist	<i>WWB</i> , Netherlands (2009) <i>RSA</i> , France (2009)	<i>ALG-II</i> , Germany (2008)
Post-Communist	<i>Assistance in Material Need</i> , Czech Republic (2009)	
Southern European	<i>RSI</i> , Portugal (2008)	

Notes:

^a When selecting the timeframe for our comparison, we decided to look at the activation of MI recipients in 2008, i.e., before the impact of the 2008 financial crisis, and subsequent foreign debt crisis. In those cases, such as the UK, France, the Netherlands, Norway or the Czech Republic, where policy developments were not directly influenced by the crisis, we extend our timeframe as to cover the impact of these reforms.

^b Our selection of cases also acknowledges the fact that in some case MI income recipients are (sometimes mandatorily) enrolled in activation programmes that offer a specific set of activation options, and apply distinct a different set of rules (namely on sanctions). Thus, in Norway, instead of looking at what goes on with social assistance, we will look at the activation of participants in the Qualification Programme (QP), which was aimed at improving the services to long-term, hard-to-employ, social assistance recipients. In the same way, in the UK we look at the activation of JSA recipients in the context of the (recently introduced) Flexible New Deal.

In order to capture the different approaches in the provision of employment and training services to MI recipients, we will look at the importance given to training and education as a means to assist recipients in

¹⁴ For a full description of the indicators, see, Box I, Annex I

¹⁵ Acknowledging that the definition of what constitutes a suitable job covers a variety of issues, we focus on two criteria that can be seen as helping to secure more sustainable professional integration trajectories: whether the job offer allows the recipient to continue his/her previous occupation, and whether the job offer secures a level of pay that is at the least equal to the salary of his/her previous job.

entering or returning back to the labour market.¹⁶ This will be measured by whether there is a legal guarantee of the provision of training and education, and when this option becomes available. Finally, we look at the use of financial incentives as a means to motivate MI recipients to enter/return to the labour market. Instead of looking at the type of tools used by policy-makers¹⁷, the objective here is to capture whether they introduced use of in-work benefits with the objective of increasing the amount of disposable income that a recipient can earn from paid work ('positive incentive' approach), or whether they try to reduce/devalue minimum income benefits with the objective of making work more appealing ('negative incentive' approach).¹⁸

Having looked at the formal dimension of the governance of activation, we will then look at 'operational' dimension, i.e. the organisational arrangements and procedures for policy delivery (Carmel and Papadopoulos 2003: 94).¹⁹ Here we look at three indicators. Firstly, we look at the level of integration between the administration of MI benefits and the provision of activation services (see Bradshaw 2000, Bergmark and Minas 2010). Second, we look at the involvement of private providers in the delivery of activation services, notably job-brokering services and the organisation of training courses. Here, we differentiate between 'state-centred' models of service provision, where private providers are not involved, and schemes where private providers are involved through market-based mechanisms (such as tendering, voucher schemes) or through partnerships (Considine 2001: 23-4; Newman 2007: 368-71). Finally, we look at the degree to which policy-makers structure the delivery of services to better adjust them to the needs of MI recipients, which is measured by whether the organisations responsible for the provision of activation services are required to offer a personal action plan, and a case-manager/personal adviser ('single contact points') to MI recipients.

Figure 1 – Importance of variables in determining clustering

¹⁶ The task of mapping the range of options offered to MI recipients is a particularly difficult task. First, because policy-makers have strengthened the power of discretion of local authorities in the provision of this type of services, thus making it more difficult to capture a general approach. Second, because there is a move from one-size-fits-all approaches, towards a tailoring of the offers to needs of recipients, which are more difficult to classify. Finally, because (increasingly) the offer a recipient gets depends on the duration of the benefit episode, or of the unemployment episode. The option adopted in this study, although far from comprehensive, provides a key insight into policy-makers views of what is the purpose of activation.

¹⁷ This is a particularly complex area, as the financial incentive to take up work is the product of the interaction of policies that targeted specifically at MI recipients, such as income disregards or integration allowances; and of (broader) policies that regulate the functioning of the labour market (and the economy), such as minimum wage legislation or rates of taxation for earned income (see Immervoll and Pearson, 2009). Bearing in mind that a comprehensive study of the various types of tools is impossible here, we will limit our analysis to the tools that are specifically targeted at MI recipients, such as rules determining the level and adjustment of MI benefits; and the use of in-work benefits (income disregards, tax credits, integration allowances, or reductions in employee social insurance contributions).

¹⁸ This can go from the outright cut in benefits levels, to the introduction of lower benefits after a given period on benefit, or if recipients that are not available for work, to the elimination/undermining of the mechanisms used to adjust the level of benefits to changes in the cost of living.

¹⁹ As Streek and Thelen (2005: 109) rightly mention, there is a gap between pattern of the rule and the real pattern of life under it. Whilst we acknowledged this, our focus here will be on the formal rules and structures that govern the activation of MI recipients, as they are the object (and product) of the processes of deliberation that shape policy-making in this area.

activation, and how this is implemented. Thus, the focus is on helping recipients back to the labour market, rather than with dealing with other social vulnerabilities. However, as recipients are not seen as having the depth of employability problems as traditional social assistance recipients, they are given more freedom to choose the type of job they want. Thus, in Germany MI recipients can refuse a job that is not in line with their previous occupation.²¹ In the UK, in the first 13 weeks on benefits JSA recipients can restrict their job-search to jobs that secure usual pay an usual occupation.²²

In addition to this, the model of governance in the UK and Germany can be characterised by three key traits. The first trait, is the use of positive financial incentives to strengthen the appeal of returning to the labour market. However, the two countries vary significantly in how this strategy is implemented. In the UK, this is done through the Working Tax Credit scheme, by which JSA who move into low-paid jobs are entitled to a top-up through the tax system. In Germany, on the other hand, this is done through exemptions/reductions in personal social insurance contributions. Thus, under the Mini-Jobs programme, jobs with wages up to 400€ per month are exempted from income tax and social security contributions for the employee. Under the Midi-Jobs programme, jobs with wages between €401 and €800 receive a partial reduction of social security contributions for employees, which decreases proportionally until reaching the full rate of contribution (approx. 21%) (Fertig and Kluge 2004: 24).

The second trait, is the use of private actors, on a market-based model, in the delivery of activation services. Whilst this has been a relatively common approach in Germany²³, in the UK this reflects a move, that can be traced back to the introduction of Employment Zones (in 2000), of increasing the role of private providers in the delivery of employment services, and of using market competition to improve the quality of services offered to jobseekers. This trend reaches its pinnacle with the introduction of the Flexible New Deal, by which employment services delivered by a mixture of public, private and third sector providers (Griggs et al 2012).

The third trait, concerns the fact that both countries have moved towards the integration of benefit and activation models. However, reflecting the different paths of institutional development, the formulas of service integration are quite different. In the UK, where benefit administration and the provision of employment services was allocated to central government agencies (Benefits Agency and the Employment Service, respectively) the option was to merge them into one single State agency: Job-Centre Plus (Griggs et al 2012). In Germany, reflecting the previous split between a decentralised model of benefit administration (where local authorities play a central role), and a centralised model of employment service provision (allocated to the Federal Employment Agency, BfA), the option was to create new bodies jointly managed between local national authorities and the BfA – the ARGE consortia (Eichhorst et al 2008b: 46-8).

Similarly to the UK and Germany, the governance of activation in Norway reflects the specific role of the Qualification Programme plays in that country's social protection structure. Introduced in 2007, the Qualification Programme (QP) is aimed at improving the job prospects of long-term social assistance recipients, identified as having a significantly lowered ability to work. In this sense, QP is intended to provide a more intensive level of support than that provided to other social assistance recipients. Critical to the success of this new approach was the introduction (in 2006) of the Welfare and Employment Agency (NAV), which brings together state employment and national insurance services and municipal social assistance services, which is aimed at improving the range of activation offers to QP participants. However, this objective of improving the employability of QP participants is marred by the fact that the QP does not effectively guarantee the provision of a training/education opportunity, leaving it to local NAV offices to determine if this is an option for individual participants – as was also the case before the introduction of QP. Also, in line with what was common practice in the activation of social assistance recipients, both the provision of job-brokering and training services is sub-contracted to private providers.

²¹ See Germany Questionnaire.

²² See UK Questionnaire.

²³ See Germany Questionnaire.

Whereas in the previous cases the model of governance is influenced by the way the right to a minimum income is provided, the two following models are more influenced by a set of ideological standpoints on how to deal with those at the bottom of the income ladder – which are traditionally the core target of social assistance schemes. Underlying the model of governance in Denmark and the Netherlands is the idea that the market is the best mechanism for the allocation of social resources. This can be seen in the nature of the activation requirement that regulates the eligibility to MI benefits, where recipients are required to return to the labour market as soon as possible, there being no exceptions as to the types of jobs recipients can refuse. In line with, there is no effective guarantee that recipients are offered an opportunity to improve their qualifications through training or education.

The influence of market-oriented ideas, namely of old-style NPM, is also visible in the fact that private providers - selected through market based mechanisms, such as public-tenders - are given a significant role in the provision of training and job-brokering services. Not only that, the influence of market-oriented ideas is also visible in the use of financial mechanisms by central government as a means to strengthen local authorities' focus on activation and on getting MI recipients back to the labour market. Thus the Danish government only reimburses 35% of the costs of with social assistance recipients not in activation, whilst it reimburses 65% of the expenses related with those on activation (Kvist and Harsløf 2012). In the Netherlands, this financial incentive involves dividing central government funding to local authorities in two (yearly) budgets: one for paying benefits, and one for reintegration activities. In order to strengthen the focus on activation, municipalities that spend more on benefit-payments than their budget allows, will have to find means within their own municipal budget to cover for this. Moreover, money from the reintegration budget that is not spent will have to be paid back to the national government (Spies and van de Vrie 2012).

In contrast with the influence of market-based ideas in the Netherlands or Denmark, in Portugal the activation of social assistance recipients reflects a more sociological understanding of the functioning of society, where individuals are seen as part of a (broader) multi-dimensional network of social relations. In this sense, activation is not about returning individuals to the labour market, but about engaging them in a process that promotes their (re-)insertion into this set of relations. Consequently, the obligation of looking for/accepting a job is 'on par' with a other social obligations, such as dealing with health or addition problems, improving one's housing situation, or securing that one's children attend school. This supportive approach justifies the great attention given to education and training, and the absence of negative financial incentives, as a way of promoting the return to the labour market. This more sociological understanding of the functioning of society, is also at the base of the model of delivery adopted. Thus, the scheme is implemented through a semi-decentralised structure based on Local Support Commissions (CLAs²⁴) intended to facilitate the coordination of the network of actors (Government Departments, local authorities, CSOs) involved in the provision of services to RSI recipients (Capucha, 1998: 32-6).²⁵

In contrast with the more or less integrated models we just pointed to, the model of governance in France and the Czech is more difficult to typify. On the one side, the nature of the activation requirement - based on the idea that MI recipients should try to find suitable work - puts it closer to the model of activation adopted in Germany or the UK. Thus, in the Czech Republic, recipients are allowed to refuse jobs that are not in line with their occupation.²⁶ In France, besides being able refuse a job that is not in line with their previous occupation, in the first 3 months on RSA recipients can refuse a job that pays less than their previous job. In the following 3 months, they can only refuse an offer that pays less than 95% of their previous job. After 6 months, they can refuse an offer that pays less than 85% of their previous job. After 12 months on benefits, recipients cannot refuse a job that pays more than the benefit they receive.²⁷

²⁴ Comissões Locais de Acompanhamento.

²⁵ We should nevertheless point out that despite the intent of decentralising the implementation of the scheme, the ministry of Social Security plays a key role in the implementation of the measure. Firstly, Social Security regional services are responsible for the determination of entitlement to minimum income. Secondly, the Coordinator of the CLA is usually the representative from the Social Security regional office. Thirdly, Social Security provides the necessary resources (funding, space, social workers and administrative support) for the implementation of the scheme. See Law (*Lei*) 19-A/96, Article 15, No 1; and 16, No. 4.

²⁶ See Czech Republic Questionnaire.

²⁷ See France Questionnaire.

On the other hand, the decentralised model of benefit administration puts these countries closer to the Dutch or Danish model of activation.²⁸ There are however, significant differences with regards the ability of central government in steering developments on the ground. This relates mostly with the funding central government repays the costs of local authorities with the administration of MI benefits. In the Czech Republic, the central government compensates municipalities for the totality of costs associated with social assistance, no strings attached (Sirovatka 2011: 4, 7; OECD 1998: 63). In France, on the other hand, in what can be seen as an attempt to control the growth of expenditure on RSA benefit entitlements, the State delays the payment of these costs for a period of two to three years.²⁹

4. Assessing the impact of the crisis

We have described and mapped changes in activation during the decade leading up to the start of the economic crisis in 2008. When we have included programs enacted after this year (as for example the French RSA, 2009) these are reforms that were planned before the onset of the crisis. In this section we make a first attempt to chart further developments over the past two to three years. The emphasis here will be on changes influenced by the onset and deepening of the economic crisis.

An economic crisis/recession, such as that currently experienced by most of the nations covered, may have differing impact on national welfare arrangements. One inevitable outcome is an increase in need. As unemployment increases, this will affect minimum income (MI) in two main ways. Young people –now the largest group among the unemployed in Europe- must resort to social assistance, as they will typically not be able to establish entitlement to insurance-based unemployment benefits. For people who do have a work history and contribution records, an increase in their long-term unemployment means that many will reach the end of their period of entitlement and will therefore need to resort to social assistance.

Confronted with the potential increase of claimants, policy makers have two main options for reform. From a perspective of need, they can choose to strengthen the safety net (entitlement and benefit levels) and/or increase the investment in human resources for those currently in need of MI. For the insured, entitlement rules can be changed and the period of eligibility extended, thereby shoring up the inflow to MI “from above”.

As the financial crisis increasingly turns into a sovereign budget crisis, however, policy makers are perhaps more likely to pursue the second (and less costly) strategy. Faced with increasing budgetary constraints, governments may become more inclined to pursue changes that they believe will result in less spending on MI and activation programs. Reforms may include tighter eligibility criteria for benefits, and a harsher sanctioning regime combined with fewer resources devoted to activation programs. The strategy chosen by governments will impact not only on the lives of poor people, but also the character of MI schemes and activation programs that have been developed over the last decades.

At the time of writing it has not been possible to access satisfactory comparative data covering implemented and planned changes in the eight nations. The following is, therefore, a highly tentative

²⁸ In France, decision on eligibility for RSA, and the power to decide the enforcement of sanctions, is allocated to president of the Conseil Général (local authority). However, the benefit is administered on behalf of the local authorities by the Caisse d'Allocations Familiales. See France Questionnaire.

²⁹ See France Questionnaire.

attempt to provide an overview that is based on national statistical sources, government documents and contact with national experts. As we address each nation in turn, we also provide preliminary interpretations as to how the recent changes may influence the national MI schemes and activation efforts.

In the Czech Republic the current minimum income scheme (Assistance in Material Need) was first enacted in 2006. The new law, introduced by a Social Democratic government, represented a shift from protection to activation (Sirovatka 2012). In 2007 a centre-right government won the election, thereby ending a long period of Social Democratic rule. The new government soon introduced further curtailments on eligibility – for example, cancelling the automatic annual revaluation of benefits. A further curtailment was introduced in 2009 when recipients of MI were automatically transferred to a lower level Existence Minimum after receiving MI for 6 months. Although the nation today has a relatively high level of unemployment, the Czech Republic is not among the nations hardest hit by the current crisis. It is, rather, ideological change – first within social democracy and later with the change to a centre-right government – that appears to have been the main driver towards stricter MI- and activation regimes (Sirovatka 2012). For both governments, a national discussion focused on benefit abuse (often with references to the Roma population) and the need to shift the balance from rights to more obligations has so far contributed more to the movement to reform than has the impact of the harsher economic climate following the onset of the 2008 crisis (Sirovatka 2012). It appears likely that the Czech government will continue its reforms in the direction of stronger disincentives as more people are forced on to the lower safety net after exceeding the standard MI limit. It also remains to be seen if the nation is able to uphold its focus on personal action plans for participants on activation.

In Denmark, the human resource development approach, described as “workfare with welfare” (Torfing 1999) was gradually changed in the 2000-2009 period into something resembling a work-first approach (Kvist and Harsløf 2012). The change from social democratic to conservative-liberal governments early in the decade resulted in a harsher welfare climate, but more so for some groups than for others. After winning elections partly on strong anti-immigration messages, the conservative-liberal government introduced a new “non-Nordic” social division within welfare by redesigning the safety-net for recent immigrants to provide a stricter and less generous minimum income regime (Ibid). Ideology and the quest for lowering wage demands, including reservation wages, appear to be among the main drivers behind these changes. Changes in the levels of unemployment appears to be providing less of the motivation for instigating these changes. As late as 2008, unemployment stood at 2%. Denmark has since felt the impact of the crisis and unemployment has more than doubled over the past two years. This quickly resulted in a sharp increase in both MI recipients and numbers enrolled in activation programmes. This two-fold increase changed in late 2010 and by the summer of 2011 the number of passive recipients had increased by 12% while the proportion in activation decreased by 9% (Statistics Denmark 9.2011). In 2011 a centre-left government took power. It remains to be seen if this government will reverse the trend towards work-first or not. The economic situation, developments in other European social-democratic led governments and early signals from the new leadership suggests that continuity rather than reversal is the most likely scenario.

In France, the current MI system (RSA) was introduced in 2009 by the conservative Sarkozy Government. The reform was, however, planned before the onset of the crisis. It is also likely that the outcome would

have been similar if the Socialist candidate, Segolene Royal had won the 2007 election, as Royal's manifesto had included support for replacing RMI with RSA. Compared to RMI, the new system represents a stronger emphasis on obligations (on part of the recipient) and a higher benefit for those who have been combining benefits with low-paid work. Activation has also been more focused on work-first strategies, and from 2009 only those deemed incapable of work are served with the pre-existing social activation program. At the time of writing, the RSA remains unchanged. Looking at future developments, early signals from the main candidates in the 2012 election suggest that a further shift towards obligations is more likely than a rebalance of rights and obligations. Laurant Wauquiez, a cabinet member, has suggested that the RSA participants who are combining benefits with work in low-paid jobs should be required to work in exchange for the benefits they receive from the state. At first scorned by the Socialist Party, the party's likely candidate, Segolene Royal, has recently expressed support for this change in entitlement (The Economist June 18th 2011). A sharp increase in unemployment over the last year, and increasing budgetary problems suggest a continued toughening in the French activation system, and that the outcome of next year's election is not likely to have a decisive impact on the chosen direction of reform.

In Germany, the current MI system was introduced by a social-democratic government as part of the Hartz IV law in 2005. For the previous (before 2005) recipients of social assistance, the merger of social assistance and unemployment assistance has not involved a decrease in benefits. While eligibility criteria have become stricter, the system of activation was, at least initially, improved as recipients gained access to better-resourced federal programs. Unlike other European nations, Germany experienced a continued decrease in unemployment in the 2007-2010 time period. A rare exception among the nations covered here, Germany also introduced increased Age supplement and Housing Allowance benefits for MI recipients in 2009 (OECD 2011). Signaling a harsher economic climate, the federal budget for 2012 suggests a cut of 25% in the funding of activation programs targeted at MI recipients (Communication from national expert). As the proposed cuts will primarily affect programs for the uninsured, the gains in terms of integration of services and access to a more resourced PES achieved since 2005 may be endangered.

A "mixture of luck, skillfulness and caution" (NOU 2011.1) has so far made Norway one of the nations least affected by the crisis. As part of a decade-long drive to end poverty, centre-right and red-green governments have made efforts that has moved activation in Norway away from the workfare-like programs in place during the first wave of activation reforms (Gubrium et al 2012). As part of a major governance reform, the Qualification Program was introduced by the red-green government in 2007. There has been no significant change during the past 2 years. In spite of the resources available to a wealthy nation with an extensive set of welfare services, it has proved difficult to deliver on the promises of a high quality personalized activation program for former recipients of MI. Problems of implementation must be understood in light of the wide-ranging integration of state and local services which has been rolled out at the same time as the former PES took on a fuller responsibility for services targeted at the uninsured. At present, the focus is on training and recruiting better qualified staff for the NAV-offices. If these efforts are achieved, Norway can move closer to a personalized form of activation, while at the same time continue to provide a higher benefit for those taking part in the QP.

In the Netherlands, the shift from social-democratic to conservative-liberal government has involved a re-orientation from a strong HRD-orientation in the first wave of reforms (Lødemel and Trickey 2001) to work-

first activation policies tied to MI (Spies and van de Vrie 2012). Implemented as part of wider governance reforms, resulting in extensive decentralization, the WWB (2004) has remained much unchanged until present day. The Netherlands is among the nations most strongly affected by the economic crisis. The initial response of the last government was to extend the coverage/placements of activation. This is also reflected in national statistics. In the period from late 2009 to summer 2010 the number receiving social assistance (WWB/WIJ) increased sharply (Statistics Netherlands Press Release 2010). In 2010 a right-wing government came into power and has already introduced drastic reforms. The budget for activation is being cut by half, affecting both the insured and recipients of MIS. The already harsh sanction regime is further strengthened with the introduction of a sharpening of obligations linked to social assistance (Personal communication from national expert). Already one of the activation regimes which changed the most from the first to the second wave of reforms, recent changes suggest that the Netherlands is moving further in the direction of a hardened climate for the workless poor.

Portugal introduced its first national safety-net scheme, RMG (Guaranteed Minimum Income), in 1996. The scheme included an activation component from the beginning. This component was later strengthened, first with the reform in 2003, when a centre-right government changed the name from RMG to RSI (Social Insertion Income) and introduced stricter entitlement criteria, as well as strengthened work obligations and sanctions. In 2005, a Socialist government re-instated some of the original entitlements, but at the same time reinforced the scheme's work obligation (Moreira and Carolo 2012). Of the nations covered here, Portugal has been hit the hardest by the current financial crisis. From 2008 to 2010 unemployment increased from 7,7% to 11%. Young people were particularly affected, with 28,8% unemployed in the spring of 2011 (Eurostat). A first response to the crisis came in 2009 when the then Socialist government introduced two reforms. First, in the form of added protection, the entitlement period for unemployment benefits was extended and a tax incentive was provided for employers hiring unemployed people. Second, facing increasing pressure from the EU due to the debt problem, entitlements to minimum income was reduced and strong make-work measures introduced. Portugal has been one of the nations forced to accept a crisis package from IMF, EU and the European Central Bank as a necessary step in managing its large national debt. In the 2011 election, the Socialist government was replaced by a centre-right coalition, which has since pledged to use its majority in parliament to implement cost-reducing measures that go even further than those already imposed by international lenders. While Portugal was one of the nations that developed a wider focus on social integration as part of the MI-scheme, events over the last years suggest that the nation is moving quickly in the direction of providing a last resort safety-net, the approach which has been favored by the political right for a long time (Moreira and Carolo 2012).

With the reforms of MI and the introduction of national programs for activation in the late 1990's, Britain- under the leadership of New Labour- quickly went from being an ALMP-laggard to be one of the leaders in the first wave of European activation reforms (Lødemel and Trickey). In the years to follow, New Deals - at first (1998) only for young people- was extended to cover most of the unemployed of working age (Griggs et al 2012). Making work pay – in the form of tax credits- were added as a start of Britain's second wave of reform. The reform process in this period culminated with the introduction of Flexible New Deal in 2009. While this reform extended the emphasis on delivering personal and tailored services, it was also a culmination a process of stronger work-related conditions and sanctioning tied to the receipt of aid. After a

long period of New Labour governments, the election of 2010 brought in the conservative-liberal Cameron government. The government quickly announced that it wished to do away from the “overabundance of activation programs” (Ibid) in existence. In 2013 a single Universal Credit will replace almost all existing working-age benefits. In activation, the existing programs will be merged into single integrated package. It is therefore likely that the new government will speed up the process away the HRD- approach a decade ago the future holds a further turn towards making-work. The current economic climate, including sharp increases in unemployment is likely to add to a process already started by New Labour in much more favorable economic conditions.

5. Summary and conclusion

In the early 1990's activation was not a part of the European policy-language. ALMP, on the other hand, was recognized as a Nordic tradition, involving both supply- and demand side measures typically targeted at the insured unemployed. In the mid 90's six European nations (all included here) had enacted provisions for compulsory work-related activities also for recipients of social assistance. Workfare was at that time used by European policy makers as a foil, used to explain what the new policies were *not* (Lødemel and Trickey 2001). At the turn of the century only the political right in the US used the term workfare to describe something they advocated. As compulsory programs expanded in Europe, activation soon became the new European term to describe these policies.

In this first wave of reform, activation took different forms in European nations, ranging from work-for-welfare in Norway to a strong focus on human resource development in the UK, Denmark and the Netherlands (Ibid). Developments in the latter three nations also represented the only case of convergence found among the six European "pioneers" in activation.

The second wave of reform, which in most cases took place during the 2000-2008 time period, saw a more similar development in the nations covered here. As regards the strategy pursued in national programs, the main trend was in the direction of a greater focus on work, often described as a work-first approach and distinguished from the human resource approach found most clearly expressed in the UK, Denmark and the Netherlands in the late 1990's. Interestingly, two nations which at that time featured stronger work-first approaches, Norway and Germany, moved in the opposite direction. In both nations this took place in the context of a partial closing of pre-existing social divisions of activation through the merger of services for the MI recipients and other workless groups.

Work-first approaches are often associated with extensive sanctioning. Surprisingly therefore, we find that most of the nations did not emphasize the use of sanctioning in the reforms during this second wave. The clearest exceptions here are Portugal and the Czech Republic. These relative "new comers" to European activation shared the overall trend towards work-first, and at the same time differed from the other six nations in an increasing use of sanctions during this period.

The second important trend observed in the 2000-2008 period was a restructuring of activation services. This took different forms. We distinguished between old-style NPM-reforms, most clearly found in the increasing use of private providers (Netherlands) and an increased customer focus (Norway, Czech Republic). With a possible exception of the French case, the form of "personalization" has, however, taken the form of formal procedures more than services delivered. Examples of "post-NPM" reforms were the creation of merged "one-stop" services for wider groups of unemployed, involving both personal social services, employment and social security, as well as combining state and local services providers (the Netherlands, Germany and Norway). The cluster analysis (part 3) further demonstrated that the second wave of reforms have created a new landscape of activation among the European nations covered here.

Three years into the current economic crisis we see the contours of a third wave in European activation. While the move towards work-first in the years preceding the current crisis was a re-orientation in the strategy and content of activation, we now see that in several countries activation programs are cut back. If this is a trend that will continue the uninsured workless will increasingly depend on (passive) minimum income. For the MI-recipients this does not, however, signify a return to the situation before the first wave

of reforms. Social assistance and other minimum income schemes have also changed, in most of the nations covered here towards less entitlement as of right while at the same time benefits levels are increasingly under pressure. At the same time, we can find examples of improved protection for the long-term unemployed. Often on a short term basis, replacement rates have been increased and the duration of benefits extended. According to information provided in a survey of OECD nations, this is, however, almost without exception changes in benefits for the insured unemployed (OECD 2011). While this may offer more protection for some, the situation appears different for the uninsured workless. As more people find themselves in need of social assistance and other MI-schemes, what lies ahead appears to be both less opportunities and less protection.

Annexes

Table 1 - Description of MI schemes

	MI scheme	Model of benefit administration	Aims	Sanction Regime	Importance given to training and education
CZ-2009	SA	Decentralised – Weak central steering	Suitable Work	Strong Restitutive	High
DE-2008	UA	Centralised	Suitable Work	Soft Restitutive	High
DK-2010	SA	Decentralised – Strong central steering	Work	Soft Restitutive	Low
FR-2009	SA	Decentralised – Strong central steering	Suitable Work	Strong Restitutive	High
PT-2008	SA	Centralised	Social Insertion	Strong Restitutive	High
NO-2009	SA	Decentralised – Weak central steering	Strengthening Employability	Repressive	Low
NTH-2009	SA	Decentralised – Strong central steering	Work	Harsh Restitutive	Low
UK-2010	UA	Centralised	Suitable Work	Harsh Restitutive	Low

	Financial incentive approach	Integration of benefit and activation services	Involvement of Private Providers	Individual focus in the provision of services
CZ-2009	Comprehensive	Split	Market-Oriented	Procedural
DE-2008	Positive Incentive	Integrated	Market-Oriented	Poor
DK-2010	Comprehensive	Integrated	Market-Oriented	Procedural
FR-2009	Positive Incentive	Split	Market-Oriented	Strong
PT-2008	Positive Incentive	Split	Network-Oriented	Procedural
NO-2009	Positive Incentive	Integrated	Market-Oriented	Procedural
NTH-2009	No Incentive	Co-located	Market-Oriented	Strong
UK-2010	Positive Incentive	Integrated	Market-Oriented	Strong

Box I – List of indicators

Type of MI scheme

SA - Social Assistance scheme
 UA – Unemployment Assistance scheme
 TARGETED – Targeted scheme

Model of benefit administration

Centralised - Central government body/agency decides on eligibility to MI benefits.

Decentralised –Strong Central Steering - Sub-national authority decides on eligibility to MI benefits. However, the level of benefits and the use of central funds are conditioned by central government.

Decentralised–Weak Central Steering - Sub-national authority decides on eligibility to MI benefits, and (where applicable) is fully responsible for determining the use of central funds. However, central government is able to influence the decision on level of MI benefits.

Fully Decentralised - Sub-national authority is responsible for payment of benefits, and is fully responsible for determining the level of MI benefits and (where applicable) the use of central funds.

Aims and objectives

Work – Finding work is the most important obligation for the recipient. The recipient must take a job, even if does not match his/her previous occupation or wage.

Suitable Work – Finding work is the most important obligation for the recipient. The recipient can refuse a job that does not match his/her previous occupation or wage.

Strengthening Employability – Finding work is the main aim for the recipient, however the scheme recognises that this might involve other activities (education, training, health, work experience) that are aimed at strengthening his/her employability.

Social Insertion – Finding work is part of a series of obligations aimed at re-inserting the individual into society.

Sanctions

Repressive – A first infringement leads to the termination of MI benefits.

Harsh Restitutive – A first infringement leads to a cut of at the least 66% of the next monthly benefit payment

Strong Restitutive – A first infringement leads to a cut between 33% and 65% of the next monthly benefit payment

Soft Restitutive – A first infringement leads to a cut implies a cut of less than 33% of the next monthly benefit

Importance given to training and education

High - A training or education option is available, and the waiting period is under 12 months.

Medium - A training or education option is available, but only available after 12 months on MI benefits.

Low – No guarantee of training or education.

Financial incentive approach

Comprehensive - MI recipients that take-up work are eligible for in-work benefits. This is coupled with policy tools to reduce the level of MI benefits, or to decouple them from changes in the cost of living.

Negative Incentive – Policy-makers use policy tools to reduce the level of MI benefits , or to decouple them from changes in the cost of living. MI recipients that take-up work are not eligible for in-work benefits.

Positive Incentive – MI recipients that take-up work are eligible for in-work benefits. MI benefits, more or less, follow changes in the cost of living.

No Incentive - MI recipients that take-up work are not eligible for in-work benefits. MI benefits remain unaltered and, more or less, follow changes in the cost of living.

Integration of benefit and activation services

Integrated - Benefit administration and activation services are delivered by a single body/agency and leadership - be it at the national or sub-national level.

Co-location - Benefit administration and activation services are delivered by different organisations, but provided through one-stop-shops. Does not imply a common leadership;

Partial Split – A single body/agency is responsible for administration of MI benefits and the delivery of activation services, but some activation services are delivered by a different institution.

Split – Benefit administration and activation services are delivered by different bodies/agencies - be it at the national or sub-national level.

Use of private providers

Market-Oriented – Private organisations have a role in at the least one area of service provision, and this is done through competitive tendering, preferred-provider contracts, or a voucher scheme

Network-Oriented – Private organisations have a role in at the least one area of service provision, and this is done through formal partnerships

State-Centred – Private organisations are not involved service provision

Customer-focus in the delivery of services

Strong – Case managers are in use.

Procedural - Personal Action Plans are mandatory. Case managers are not in use.

Poor –Personal Action Plans are not mandatory. Case managers are not in use.

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