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Converging worlds of activation?

Activation policies and governance in Europe and the role of the EU

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Abstract

Purpose – The purpose of this article is to examine the relationship between the emerging European activation policies and the evolution of domestic activation policies and its governance. Drawing on the emerging Europeanization debate and comparative literature on activation, the crucial research question will be the following: is there a European Union (EU)-induced convergence in domestic activation policies in the EU?

Design/methodology/approach – Following Bonoli's work, the article unpacks activation in two dimensions (human capital investment and employment market orientation) and looks at the trajectories of seven Organisation for Economic Co-operation and Development (OECD) countries using OECD active labour market policy (ALMP) expenditure data.

Findings – The article argues that there is only limited EU-induced convergence towards the employment assistance component of the EU hybrid model and similarly limited convergence can be seen with respect to the governance of activation policies. Although fully-fledged explanations of such limited convergence go beyond the scope of this article, the paper puts forward two tentative explanations which should be tested with further research: first, the lack of convergence may lie primarily in the overall "softness" of the European Employment Strategy (which means, among other things, limited resources), but the lack of convergence may also lie in the lack of administrative capacities enabling member state governments to fully implement innovative activation policies.

Originality/value – The paper is innovative since it empirically tests the role of European policies and ideas in shaping domestic reforms of activation policies. Contrary to other findings, the article shows that there is a limited degree of convergence and that the role is particularly negligible with respect to implementation capacities of reformed activation strategies.

Keywords Activation, Convergence, Governance, Employment policies, European Employment Strategy, Europe, European Union

Paper type Research paper

Introduction

This article examines the relationship between the emerging European activation policies and the evolution of domestic activation policies and its governance. Drawing on the emerging Europeanization debate and comparative literature on activation, the crucial research questions will be the following:

RQ1. Is there an EU-induced convergence in domestic activation policies in the European Union?

More specifically:

RQ1a. Is there convergence in European activation policies?

RQ1b. Is there convergence in the governance modes of activation?

RQ1c. What is the role played by the European Employment Strategy?



The first section of the article will set out the analytical framework derived from the Europeanization debate and the comparative literature on activation. The second section of the article will briefly describe the evolution of EU policies and will identify the key dimensions for the policy and governance analysis. The third section of the article will provide illustrations of the evolution of activation policies in EU member states and, drawing on the research carried out in the countries presented in the other articles of this special issue, will focus on the relationship between EU activation policies and domestic activation developments. A short concluding section ends the article.

Europeanization and the worlds of activation in Europe

The Europeanization literature has increasingly focused on the new role played by European institutions in shaping or supporting domestic social policy reforms (Heidenreich and Zeitlin, 2009; Zeitlin, 2009; Graziano *et al.*, 2011). More specific attention has been provided to employment policy (Barbier and Fargion, 2004; Graziano, 2007, 2011; Mailand, 2008) and there is growing research regarding the link between Europe and activation policies (Moreno and Serrano Pascual, 2007; Mailand, 2008; López-Santana, 2009; Van Gerven and Stiller, 2009; Verschraegen *et al.*, 2011; Van Vliet and Foster, 2011). Furthermore, recent research has been conducted by comparing the evolution of different domestic activation types (Bonoli, 2010). Drawing on these relevant contributions, the main goal of this contribution is to set out an analytical framework which will enable to shed new light on the relationship between European social policies and domestic activation policies. If we define Europeanization as a “domestic adaptation to Europe” (Graziano and Vink, 2007) we need to design our research strategy in two steps: first, analyze and classify the prevailing activation type supported during the past 15 years by EU institutions; second, analyze the activation trajectories in the various countries; third, assess the role played by Europe in shaping and/or supporting domestic change. From a methodological perspective, we will follow the “process tracing” method rooted in historical neoinstitutionalism by looking at the evolution of activation policies at the EU and domestic level since the mid-1990s. More specifically, following Bonoli (2010), we would like to test the (EU-induced) policy diffusion hypothesis by looking at the mechanisms of policy and governance change over the years in European countries. The data used will go beyond the more conventional expenditure analysis. Following Van Vliet and Foster (2011), we will use more sophisticated expenditure indicators and then focus on the politics of activation reforms by using the data gathered for this special issue under the auspices of the RECOWE network of excellence and the countries analyzed (selected in representation of the various welfare state regimes) will be the following: France, Germany, UK, Italy, The Netherlands, Sweden and Finland. Put differently, the article will mainly consist of an analytically oriented review of the literature. For this purpose, preliminarily, we need to define activation and introduce the activation types suggested by Bonoli.

The notion of activation has gained increasing relevance over the past years. Activation has been defined by van Berkel and Borghi as “social policies and programmes aimed at promoting the (more or less obligatory) participation of people dependent on unemployment benefits or social assistance in work” (Van Berkel and Borghi, 2008, p. 332). As we will illustrate in the following paragraph, there is no doubt that the European Employment Strategy (EES) launched in 1997 has been supportive

of a general activation approach to employment and social policies. Nevertheless, the question is: what kind of activation was supported by EU initiatives? In order to answer to this question, different kinds of activation have to be preliminarily defined. Bonoli, 2010, pp. 439-40 suggests a typology of activation by focusing on two key dimensions:

- [...] the first dimension concerns the extent to which the objective of a policy is to put people back into demand-driven market employment, provided either by private or public employers
- [...] The second dimension refers to the extent to which programs are based on investing in jobless people's human capital.

Combining the two dimensions, four activation types can be identified: incentive reinforcement, employment assistance, occupation, and human capital investment or upskilling. Incentive reinforcement regards measures which are aimed at strengthening work incentives for benefit recipients (no investment in human capital and strong promarket employment orientation), employment assistance (weak investment in human capital and strong promarket employment orientation) refers to measures which are aimed at removing obstacles to labor-market participation, occupation (weak investment in human capital and weak promarket employment orientation) whose main objective is to “keep jobless people busy” in order to limit the depletion of human capital associated with an unemployment spell, and upskilling (high investment in human capital and strong promarket orientation) which covers measures aimed at providing new job opportunities via upgrading vocational training initiatives (Bonoli, 2010, pp. 440-41). For the purposes of this article, the typology proposed is useful since it clearly identifies the two main dimensions which can be used in order to trace the evolution of the European Employment Strategy and Member State policies with respect to activation. Furthermore, it allows a more analytically oriented comparison of the policy evolution in EU countries, facilitating the answer to the question: “is there and European convergence in activation types”?

The European Employment Strategy and activation

Employment protection has become a common European concern at least since the early 1970s when a number of directives and attempts to build a European level of regulation were adopted (Falkner, 1998; Goetschy, 1999). Furthermore, during the 1990s the EU adopted a specific strategy aimed at the development of a coherent European Employment Strategy (Goetschy, 1999; De la Porte and Nanz, 2004). In 1997, both the Luxembourg job summit and the Amsterdam Treaty – which introduced a new “Title on Employment” setting a number of specific goals such as pursue a high level of employment by committing the member states to the OMC in order to promote a skilled, trained and adaptable workforce – proved that the European institutions had opened a new phase in coping with unemployment at a European level. The content of the strategy was summarised by the four pillars: employability, adaptability, entrepreneurship, and equal opportunities. Furthermore, since the structural funds reform (1988) the European Social Fund (ESF) was increasingly used as a tool for the funding of vocational training initiatives in the member states. Therefore, the original footprint of the EES can be labelled as a combination of upskilling and employment assistance activation types since the main recommendations for the following decades regarded (especially for some member states) the strengthening of placement services,

counselling and job search programs. Occupation has never been in the picture (due to the overall limitations of EU funding), whereas since 2003 more attention has been paid to “making work pay”:

Modernising Member States’ social protection systems by removing inherent disincentives to work and creating the right incentives and conditions for making work more attractive, is key to make them more employment friendly and hence to encourage higher levels of participation in employment (Commission of the European Communities, 2003, 2005, p. 6).

Put differently, initiatives promoting incentive reinforcement were introduced, although they remained marginal with respect to the above mentioned other two types.

More recently, before and during the recent financial crisis, the European Commission stated even more clearly that the main focus on any given set of EU initiatives should be activation (also with respect to social inclusion). The 2008 recommendation on the active inclusion of people excluded from the labour market is aimed at suggesting common domestic (and local) strategies based on three principles/targets: adequate income support, inclusive labour markets and access to quality services. No reference is explicitly made to incentive reinforcement measures, whereas specific mentions to “investment in human capital, working conditions, and adequate physical infrastructure” and the need of “comprehensive and coordinated services, conceived and delivered in an integrated manner” are made. Also the 2009 communication (*A Shared Commitment for Employment*) focuses on training and upskilling by explicating the need to:

[...] not just tackle the recession but turn it into an opportunity to create a more productive, more innovative, better skilled and low carbon economy; one with open and inclusive labour markets, offering a more cohesive and equal society and jobs that are responsive to age, gender equality and work/life balance concerns. This cannot be a one-off effort but rather a continuous collective process (Commission of the European Communities, 2009, p. 2).

In 2010 the relaunch of the Lisbon strategy took place under the label of *Europe 2020. A Strategy for Smart, Sustainable and Inclusive Growth* (2010). To be sure, Europe 2020 is a much more comprehensive initiative than the Lisbon 2000 agenda and therefore the potential for “more social Europe” may be at risk (Marlier *et al.*, 2010). Nevertheless, the “inclusive growth” objective is strongly focused on measures which are aimed at:

[...] empowering people through high levels of employment, investing in skills, fighting poverty and modernising labour markets, training and social protection systems so as to help people anticipate and manage change, and build a cohesive society (Commission of the European Communities, 2010a, p. 16).

One of the most recent European Commission communications (*An Agenda for New Skills and Jobs: A European Contribution Towards Full Employment*, 2010) also focuses on the need for greater employment assistance initiatives and expressed support for greater conditionality in unemployment benefits:

Member States have made significant progress in this component [active labour market policies] of Flexicurity: thanks in part to the European Employment Strategy, ALMPs are far better and stronger than they were a decade ago. However, there is scope for improvement on several aspects: individual job counselling, job search assistance, measures to improve skills and employability. (Commission of the European Communities, 2010b, p. 6).

In sum, the key objective of the European Employment Strategy has been primarily full employment (with quantified and standardised employment rate targets^[1] which

were revamped by the Europe 2020 initiative) through activation which has particularly been at the heart also of more recent EU initiatives. With respect to the activation type evolution, the initial promotion of human capital investment has been coupled by a greater focus on pro-market employment orientation focus. Therefore, if initially the activation types promoted by EU institutions was primarily upskilling, over the past decade also employment assistance have been increasingly supported by EU initiatives. The only type which has not been backed up by the EU is occupation. Therefore, today activation at the EU level can be labelled as an hybrid made up of mainly upskilling and employment assistance features.

With respect to the social policy EU governance system, it emerges quite clearly that the “Open Method of Coordination – OMC” can be labelled as a “open-model system” or network governance in public administration terms (Van Berkel *et al.*, 2011). More specifically, the governance system supported by the EU over the past years has focused primarily on the complementary role played by the various levels of governments’ involved and left significant room for manoeuvre to domestic governments. The overall institutional architecture of the OMC applied to social policies (including employment) is open to national adaptation – which has been further confirmed by the Europe 2020 initiative – and subject to European coordination. Therefore, by embodying an “open-model system” at the EU level, several recommendations have focused on the role which should be played by regional or local institutions and decentralization and marketization reforms have been significantly supported. More specifically, the European Employment Strategy has been aimed at a better policy implementation promoting decentralization (Smismans, 2004) and marketization, especially with respect to employment services (Verschraegen *et al.*, 2011). But has the “open-model system” of governance been picked up also by the various member states? The following section will look into the possible patterns of convergence with regards to both activation policies and governance types.

Towards converging worlds of activation in Europe?

Activation types and the role of Europe

Several countries have witnessed activation reforms over the past decade or so. Before we analyze the specificities of the reforms, following Bonoli (2010, p. 440) and Van Vliet and Foster (2011, pp. 8-9) we shall focus on the expenditure data by:

- distinguishing within ALMP training, direct job creation and public employment services and administration/job rotation and job sharing/start up incentives/employment incentives (considered as proxies of upskilling, occupation and employment assistance activation types);
- looking at the ALMP expenditures per unemployed relative to GDP per capita; and
- ALMP as a share of expenditure on all labour market policies, i.e. the sum of active and passive spending.

All these data are indicators of the active/passive labour policy ratio we may find in a selected country.

If we consider the evolution of the internal composition of the relevant ALMP categories, does any kind of convergence emerge? First, with the exception of Germany and Finland, the various selected countries have spent increasingly less on training

since 1985. If we consider that the European Employment Strategy developed during the second half of the 1990s and therefore compare 1995 with 2007, then we can see clear signs of (surprising) convergence against EU guidelines over the reduction of training expenditure. Second, looking at the employment assistance component of ALMP, we have a mixed picture both with respect to the 1985-2007 and the 1995-2007 comparison: as for the first comparison, all the countries increase their overall expenditure, whereas with respect to the 1995-2007 comparison only Germany, UK and Finland modestly increase their expenditure. Third, direct job creation has expanded only in France and in The Netherlands during the 1985-2007 period, whereas during the 1995-2007 period – again with the exception of The Netherlands – an overall reduction has regarded the selected countries.

In sum, the findings of this first analysis are quite interesting but also somewhat puzzling. Especially if we consider the 1995-2007 period – when our convergence and policy diffusion hypothesis would predict increasing similar ALMP policy menus – we witness some signs of convergence for all the categories (overall increase in employment assistance programmes expenditure, reduction in both direct job creation and training expenditure) – although several outliers remain. Nevertheless, with respect to the upskilling type, there is no evidence of convergence on the EU targets. Therefore, we can conclude – at least preliminarily – that convergence among the European countries has occurred but not in the direction supported by EU recommendations which have strongly emphasized the relevance of vocational training and education. Therefore, the EU-induced policy diffusion hypothesis does not hold with respect to the (gross) expenditure test. In the conclusion we will try to speculate on the reasons why this has occurred.

Table II shows some convergence in connection to the expansion of ALMP over passive policies both with respect to ALMP as a share of LMP and ALMP per unemployed. Therefore, by using only descriptive statistics and updated data (2007), also taking a closer look at a sample of the countries considered by van Vliet and Foster, we may share their conclusion that “the EES has contributed to relative shifts from passive to active labour market policies across the member states” (Van Vliet and Foster, 2011, p. 16). If we combine the findings illustrated in Table I with the ones illustrated in Table II, we may conclude there has been a convergence in promoting active policies rather than passive labour policies, and there is partial convergence regarding the type of activation since training expenditure – which we would have expected to be the most important increase due to the EES pressures – has been reduced since 1995. Put differently, the various countries have kept distinguished patterns of adaptation to Europe since overall convergence towards a better appreciation of active policies has been registered, but no clear convergence towards the EU-supported upskilling activation type can be found in our selected countries’ trajectory. The only sign of convergence can be seen with respect to the employment assistance activation type since all the selected countries have increased their expenditure in that area since 1995. In other terms, better qualifying our preliminary observation expressed in the previous paragraph and building on the findings of another collective effort regarding Europeanization and welfare state change (Graziano *et al.*, 2011), a “limited and selective EU-induced policy diffusion” occurred also with respect to activation policies.

Table I.
Active labour-market
policy (ALMP) spending
profiles in six OECD
countries

	1985			1990			1995			2000			2005			2007			
	T	EA	DJC	T	EA	DJC	T	EA	DJC	T	EA	DJC	T	EA	DJC	T	EA	DJC	
France	0.3	0.1	0.0	0.4	0.2	0.1	0.4	0.4	0.3	0.3	0.4	0.4	0.3	0.3	0.2	0.3	0.3	0.3	0.2
Germany	0.0	0.2	0.1	0.4	0.3	0.1	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.1	0.2	0.4	0.4	0.1
UK	0.3	0.2	0.2	0.3	0.2	0.0	0.2	0.2	0.0	0.0	0.0	0.1	0.0	0.4	0.0	0.0	0.3	0.3	0.0
Italy	NA	NA	NA	0.2	NA	0.0	0.2	NA	0.0	0.2	0.2	0.2	0.1	0.2	0.0	0.2	0.2	0.2	0.0
The Netherlands	0.2	0.4	0.0	0.2	0.4	0.0	0.2	0.5	0.1	0.1	0.6	0.3	0.1	0.4	0.2	0.1	0.4	0.2	0.2
Sweden	0.7	0.6	0.3	0.5	0.6	0.1	0.5	1.0	0.4	0.7	0.7	0.1	0.3	0.6	0.0	0.2	0.7	0.0	0.0
Finland	0.3	0.1	0.2	0.3	0.2	0.3	0.5	0.3	0.5	0.4	0.3	0.1	0.4	0.3	0.1	0.4	0.4	0.4	0.1

Note: Spending as a percentage of GDP on selected categories of ALMP, 1985-2005

Source: OECD Social Expenditure Database (2011); T – training; EA – employment assistance (includes OECD categories of “public employment services and administration”, “employment incentives”, “job rotation and job sharing”, “start up incentives”); DJC – direct job creation

	ALMP as share of LMP					ALMP per unemployed				
	1985	1990	1995	2000	2007	1985	1990	1995	2000	2005
France	20.54	30.20	42.42	45.12	39.13	14.87	20.43	26.47	30.88	22.43
Germany	34.32	50.29	41.82	43.40	33.34	15.22	38.44	30.39	31.79	17.44
UK	25.29	43.69	32.09	51.04	60.00	12.77	16.27	9.96	12.79	22.37
Italy	–	27.76	27.84	58.26	55.56	–	4.76	5.74	12.86	17.33
The Netherlands	28.26	33.54	32.54	54.38	50.00	29.85	36.77	40.32	108.99	54.10
Sweden	70.64	65.48	48.88	55.89	61.11	125.92	79.80	24.08	36.73	29.69
Finland	36.10	43.71	26.54	28.99	37.50	27.59	51.32	18.92	18.23	21.15

Notes: Definitions: (i) ALMP as a share of LMP – ALMP expenditure as a share of expenditure on all labour market policies, defined as the sum of active and passive (unemployment benefits) spending; (ii) ALMP per unemployed – ALMP expenditures per unemployed person relative to GDP per capita
Source: Van Vliet and Foster (2011); OECD Social Expenditure Database

Table II.
ALMP expenditures in
selected OECD countries
(1985-2007)

The governance of activation

As noted by Van Berkel *et al.* (2011), the past two decades have been years of intense reforms all over Europe:

[...] [s]ome countries started governance reforms considerably earlier than others: in this respect, the UK can be considered an early reformer, starting reforms in the 1980s, whereas Germany started its main reforms in the 2000s (van Berkel *et al.*, 2001, p. 238).

But has there been any sign of convergence with respect to the “open-model system” of governance advocated by the EU? And what was the role played by Europe in the reform process? By using the research presented in the other articles of this special issue, we will try to answer to this question (Graziano *et al.*, 2011). In the Anglo-Saxon model case (the UK), there seems to be no evidence that the reforms were triggered by the EU. As Wright (2011, p. 85) points out:

[...] the UK has played an interesting role on the international stage of governing activation, appearing initially as a pioneer in applying competitive market forces to the to the administration of benefits and services for out-of-work adults.

Such finding is in line also with the account of the modernisation of social care in England and Wales provided by Newman and others which does not leave any space for a clear European influence (Newman *et al.*, 2008). To be sure, the reforms have “opened up” the system (primarily to “consumers” – Newman and Kuhlmann, 2007), in line with the European prescriptions, but endogenous determinants seem to be much more relevant than exogenous (i.e. EU) factors.

Also in continental Europe the past years have been marked by relevant social policy governance reforms. In France:

[...] [s]ince the early 1980s, many changes have occurred in the governance of French PES and employment policies. Major employment institutions were created at a time when unemployment rate was very low (the 1950s and the 1960s) and subsequently had to adapt the rise of massive unemployment, as well as to the reinforcement of activation strategies from the 1980s onwards. Governance reforms have affected the centralized steering of employment policies (through decentralization processes), as well as the management (NPM procedures, contractualism) and the organization of PES (outsourcing, inter-agency cooperation) (Eydoux and Bérard, 2011, p. 47).

Although some EU influence can be seen with respect to employment policy change (Caune *et al.*, 2011; Graziano, 2011), the role played by the EU in activation governance reforms has regarded only the marketization dimension since “[i]n accordance with Communication 641 of the European Commission (1998), the Law on Social Cohesion of 18 January 2005 put an end to ANPE’s[1] formal monopoly on job placement” (Eydoux and Bérard, 2011, p. 51). Therefore, although the overall governance changes were only partially led by decentralization (Eydoux and Bérard, 2011, p. 54), the European institutions played a clear role in the marketization trend of French governance reforms. In Germany reforms took place rather late in comparative perspective:

[. . .] [w]ith respect to labour market activation, Germany may be called a late reformer. While other European countries had started to reshape their unemployment assistance systems by the end of the 1990s, Germany transplanted its system to the east (Dingeldey, 2011, p. 63).

As Fleckenstein (2008, p. 186) states, the Hartz reforms did not have a European origin since “[f]oreign lessons, particular drawn from the UK, were decisive in the development of the proposed Hartz IV legislation and the actual legislation”. The same conclusions are reached by Aurich and Schüttpelz (2011, pp. 88-9): “the data [. . .] show [that] only scarce references were made to the EU”. Therefore, also according to these accounts, the marketization trend was not determined by the EU but rather by other forms of policy diffusion. In the case of The Netherlands:

[. . .] an important trigger for many of the governance reforms [. . .] were the outcomes of various parliamentary inquiries and evaluation studies that took place in the first half of the 1990s and involved the functioning of the Social Insurance Bodies, the municipal welfare agencies and the PES (Van Berkel and de Graaf, 2011, p. 135).

The endogenous determinants of substantive activation reforms were already visible in the “Dutch miracle” literature (Visser and Hemerjick, 1997) and the keywords of the EES were strongly connected to the activation reforms already implemented in The Netherlands. Even the marketization trends have a domestic rather than European origin.

Within the Nordic welfare regime, Sweden is considered to be one of the main triggers of the European Employment Strategy (Jacobsson, 2005) which meant that not only as a government but also via former ministers (such as Larsson – Pochet, 2005, p. 48) played a key role in designing the EES. Therefore, even with respect to governance of activation, reforms – which led to decentralization (and subsequent recentralization; Minas, 2011) and marketization – were determined by domestic politics rather than EU pressures (Vifell, 2011). Finland displays a very different story since:

[. . .] [a]ctivation policy arrived [. . .] mainly via the European Union and the EES [. . .], and was prepared within EU institutions. The first phase of activation in Finland started in the early 1990s, with a series of activation projects funded by the European Social Fund (ESF) (Karjalainen and Saikku, 2011, p. 216).

Unlike the Swedish case, there is clear evidence that exogenous pressures were in place in the Finnish case also with respect to governance of activation reforms. The reforms led to the consolidation of a network form of governance and, more in general, to “the strengthening of activation and the tightening of obligations imposed on the long-term unemployed” (Karjalainen and Saikku, 2011, p. 233). Overall, the two Nordic countries’

activation trajectories are very different: Sweden being a good example of a country which designs EU policies and therefore needed to follow only to a limited extent the prescriptions coming from Brussels, whereas Finland's activation strategy was heavily inspired by the EES and led to the expansion of the network governance model.

With regards to the South European welfare regime, Italy has been strongly affected by the EES and the activation strategy promoted by the EU (Graziano, 2004, 2011; Baglioni *et al.*, 2008; Jessoula *et al.*, 2010) and also with respect to governance changes the EES has constituted a relevant point or reference, especially by supporting decentralization and marketization reforms (Graziano and Raué, 2011). As Borghi and van Berkel (2007) have pointed out:

[...] [i]n Italy reforms to approve the quality, accessibility and universality of welfare services went hand in hand with reforms in the governance of these services [...]. Two innovative governance aspects are most noteworthy [...]: an increasing weight [...] of the subsidiary principle in the social policy area; and a growing recognition of the legislative autonomy of the regions in the social assistance issues.

Finally, also the Czech governance changes can be connected to EU resources such as the European Social Fund:

In 2004, external factors of a governance change gained more strength with the country's accession to the EU: the programming of the ESF associated with new forms of procedural governance, an increase in resources available for activation measures and the transmission of new ideas conveyed through the NAPE [National Action Plans Employment] (Sirovátka and Winkler, 2011, p. 191).

Both decentralization and marketization trends were triggered and supported by the EU initiatives, making the Czech Republic governance reform similar to the Italian trajectory.

Conclusion

In this exploratory article we have tried to assess the degree of convergence in activation policies and governance with respect to the countries explored in the various articles of this special issue. The main research questions were the following: first, have the domestic activation policies converged towards a EU-supported model, i.e. a hybrid between the upskilling and employment assistance types of activation in Bonoli's terms? Second, have the governance reforms converged towards a "open-system"/network governance model? Third, what role has the EU played in the reforms? As for the first research question, we have limited evidence of full convergence. Overall, upskilling has not been obtained since expenditure on training has declined since 1995 – despite the EU communications and recommendations regarding the skills enhancement of both low skilled workers and unemployed. Signs of convergence can be seen with respect to the employment assistance type of activation but only if we take into consideration the 1985-2007 period. Therefore, domestic activation policies are only partially converging towards an employment assistance type: put differently, a limited, selective EU-induced policy diffusion occurred with respect to activation policies. But why is it that employment assistance was supported more than vocational training? Although further research is needed in order to fully address a comprehensive explanation, we suggest that the main reasons can be linked either to the differential political and administrative costs of the two active measures (especially for the "less developed" countries in

activation policies) or to the rational acknowledgement that vocational training may not be the most effective mean to increase employment rates (as, for example, in the case of Germany and The Netherlands). As for the first explanation, whereas employment assistance is more embedded in any employment policy domestic tradition (all countries have a long-lasting experience of public employment services), vocational training – and its effectiveness – is a much more recent public concern and therefore the accumulated knowledge of public administration bodies is much more limited and therefore sound vocational training policies more difficult to be adopted and – even more so – implemented. As for the second explanation, the narratives in this special issue on Germany and The Netherlands and other studies (Thelen, 2004; CPB, 2007) suggest that vocational training has been declining in the 2000s due to the limited effectiveness of these measures in promoting employment opportunities.

Limited convergence can be also seen with regards to the governance models – although in all the countries analyzed we detected marketization reforms whereas with respect to decentralization the picture is much more mixed. Although at the EU level, the network governance model seems to be the prevailing one to be supported, different trajectories have been followed by a number of relevant countries. In Van Berkel *et al.*'s (2011, p. 238) words: “considerable differences between the countries exist [...] and not only regarding the characteristics of the reforms”. The European governance of activation remains quite differentiated throughout the EU members and our findings suggest that the role of EU in governance reforms has concerned particularly those countries whose governance traditions were more hierarchical and procedural – notably Italy and the Czech Republic, and France to a lesser extent – than in the other cases, i.e. where the discrepancy between the EU level and the domestic one was more considerable. The reason for this is that quite explicitly the main EU-funded policies (via the European Social Fund) and supported projects are aimed at enhancing the “stakeholders” decision-making capacities – especially in the implementation phase – and therefore implicitly the EU, due to its ALMP policy structure, has been supporting the implementation of a network governance model, which has been nourished over the years by both decentralization and marketization processes.

Note

1. Agence nationale pour l'emploi.

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