

The Policies of Unemployment Protection in Europe

Manlio Cinalli, Marco Giugni, and Paolo R. Graziano

Between 2008 and 2011 an EU-funded called research project “Youth, Unemployment, and Exclusion in Europe: A Multidimensional Approach to Understanding the Conditions and Prospects for Social and Political Integration of Young Unemployed” (YOUNEX) has been carried out by a team of six European universities based in France, Germany, Poland, Switzerland, Sweden, Switzerland, and the United Kingdom, joined by a Portuguese university in 2009. The main aim of the project was to to advance theory and provide further empirical knowledge on social and political exclusion of the unemployed youth. On the one hand, we wanted to assess the extent to which unemployment and precariousness lead to the marginalization of young people from social and political life. On the other hand, we considered that the relationship between unemployment and marginalization has to be studied by focusing on the interplay between the characteristics of young unemployed people, the particular structure of local civil societies, and public institutions and policies.

The papers presented in this Supplement are one of the editorial outcomes of the YOUNEX project. The contributions are aimed at providing an updated and in-depth analysis of the policies of unemployment protection with a special focus on those targeted at the young population. The rationale of the Supplement is to advance in the comparative welfare state literature by investigating an area of research which has been overlooked during the past years. Such limited attention is particularly striking since, as the papers show clearly, already prior to the 2008 crisis

one of the main challenges of contemporary unemployment protection policies was to provide effective policies for the inclusion of one of the most vulnerable segments of the unemployed population: the youth. After the crisis, the overall situation has worsened and the policy responses were rarely capable of innovating with respect to labor market inclusion of an increasing number of young unemployed.

We engaged in this editorial effort since the abundant literature on welfare state policies, regimes or “worlds” (among others Arts and Gelissen 2002; Bonoli 1997, 2007, Cochrane 1993; Ellison 2006; Esping-Andersen 1990, 1999; Pierson 1996, 2001) has been only limitedly interested to unemployment protection and even less to youth unemployment protection (the only substantial exceptions being Clasen and Clegg 2011, and Gallie and Paugam 2000). What was clearly lacking in the literature was an updated analysis of the most recent policies developed in European countries targeting the youth. The Supplement is going to fill the gap.

Youth unemployment is not only relevant due to the increasing salience of the social problem, especially in some countries such as Italy for example, but also because it reveals welfare regime country differences which have been overlooked by the existing literature. In fact, the contribution of the special issue to the available literature is threefold. First, empirically it provides a specific focus on an area of unemployment protection on which very limited analytically-driven research has been conducted. The articles shed new light on the national patterns of youth unemployment protection by tracing the political constraints and the policy developments which have characterized different European countries. Second, theoretically, it contributes to the welfare state regime analysis by challenging more extensive cluster studies which did not provide enough attention to the various domestic features. Although the welfare regime analysis has recently lost some of its previous appeal, it is still a very useful conceptual map in order to guide case selection in comparative welfare state research and also in generating

predictions with respect to the capacities of the welfare states to cope with new social risks (Taylor-Gooby 2004). Third, it introduces an analysis of the European dimension by verifying the existence of a specific European model of unemployment protection regimes. The European dimension has been increasingly relevant in the analysis of welfare state policies' change (Graziano 2011; Graziano, Jacquot and Palier 2011; Zeitlin and Pochet 2005; Heidenreich and Zeitlin 2009), but no existing contribution has specifically focused on the emergence of an European Youth Unemployment regime. Therefore, also with this respect, the Supplement is greatly innovative since it opens up a new research frontier which will be particularly relevant in the near future due to the importance the Europe 2020 has given to the issue (for details see Schulz, Lahusen and Graziano in this Supplement).

The Supplement contains five articles. The first contribution by Cinalli and Giugni provides a new conceptual map for the analysis of “youth unemployment regimes.” By building upon their own previous typology for the identification of specific opportunities for collective action in the field of unemployment, they combine the two dimensions of unemployment regulations and labor market regulations into a bi-dimensional space that is valuable for furthering the cross-national comparisons at the core of this Supplement. Their focus on two dimensions of the main political reforms in the field of youth unemployment policies thus enable them to provide an innovative mapping of the current youth unemployment regimes which – among other things – challenges more consolidated views of welfare state regimes (such as particularly in the case of the so called continental or Bismarckian type).

The second contribution analyses and assesses these developments of European measures targeting youth unemployed by focusing on an in-depth analysis of recent European policy documents. Schultz, Lahusen and Graziano argue that a European youth unemployment strategy is still in the making, but perceivably not oriented towards flexicurity, as the EU labels its

preferred policy model, but rather towards a regime of flexibility primarily aimed at labor market inclusion while marginalizing the dimension of social security. Put differently, activation seems to be the primary objective of any policy measure recommended by EU institutions to the governments of the Member States, not acknowledging the relevant differentiation in terms of domestic social security systems.

The third article raises the question of what are the ideas behind concepts of activation endorsed in recent policy reforms in Germany and Sweden, with a particular focus on the youth. To answer this question, Grimmer and Hobbins analyze the recent reforms and modifications of the unemployment policies. They show very convincingly that while in Sweden, notwithstanding the idea of paternalistic conduct, young people are considered autonomous in financial terms from age 18, while in Germany young people are supposed to rely on their family until age 25. More specifically, in Germany, the guiding policy reform ideas still reflect the traditional picture of the German employment regime made for careers of low horizontal as well as vertical flexibility, whereas in Sweden at the heart of the recent reforms lies a primacy of general education, which is embedded in the system of activation measures and promoted by financial incentives.

The fourth contribution compares Switzerland and France and shows how starting from different policies and underlying values, the two youth unemployment regimes resemble each other as they exclude the one just as the other most of the young unemployed from all benefits. But they differ on other important dimensions. While Switzerland delayed in adopting activation and flexibility measures towards the young unemployed, it is today fully orientated in an activation direction. By contrast, French youth unemployment policy maintains a high level of protection on the labor market, removing and locking up in insecurity all those who are excluded, especially amongst the young. Hence, French youth unemployment policy follows a different

path vis-à-vis the Swiss model, which makes of mobility and flexibility in and outside of the labor market one of its cardinal values.

The final article argues that, although Italy and Portugal are considered being part of the same welfare state family – the Southern European one –, an analysis of a key component of the welfare state like youth unemployment policies leads to a different evaluation. The comparative analysis of a series of policy indicators regarding Italian and Portuguese unemployment regimes shows that they in fact could represent two different models. Portugal appears as a more inclusive system, closer to continental or Northern European countries than Italy, or at least representing an hybrid system combining characters of continental European welfare states with aspects more typical of Southern European ones. Italy, on the contrary, confirms also in this respect its character of a Southern European state.

References

- Arts W, Gelissen J (2002). Three worlds of welfare capitalism or more ? A state-of-the-art report. *Journal of European Social Policy* 12: 137-158.
- Bonoli G (1997). Classifying welfare states: A two-dimension Approach. *Journal of Social Policy* 26: 351-372.
- Bonoli G. (2007). Time matters: Postindustrialisation, new social risks and welfare state adaptation in advanced industrial democracies. *Comparative Political Studies* 40: 495-520.
- Clasen J, Clegg D (2011). Unemployment protection and labour market change in Europe: Towards 'triple integration'? In: Clasen J, Clegg D, eds. *Regulating the Risk of Unemployment: National Adaptations to Post-Industrial Labor Markets in Europe*. Oxford, Oxford University Press.
- Cochrane A (1993). Comparative approaches and social policy. In: Cochrane A, Clarke J, eds. *Comparing Welfare States: Britain in International Context*, 1-18. London/Milton Keynes, Sage/Open University.
- Ellison N (2006). *The Transformation of Welfare States?* London, Routledge.
- Esping-Andersen G (1990). *The Three Worlds of Welfare Capitalism*. Cambridge, Polity Press.
- Esping-Andersen G (1999). *Social Foundations of Postindustrial Economies*. Oxford: Oxford University Press.
- Ferrera M (1996). The 'southern model' of welfare in social Europe. *Journal of European Social Policy* 6: 17-37.
- Gallie D, Paugam S, eds. (2000). *Welfare Regimes and the Experience of Unemployment in Europe*. Oxford: Oxford University Press.
- Graziano PR, Jacquot S, Palier B, eds. (2011). *The EU and the Domestic Politics of Welfare State Reforms*, pp.148-174, Basingstoke, Palgrave.
- Graziano PR (2011). Europeanization and Domestic Employment Policy Change: Conceptual and Methodological Background, *Governance* 24: 581-603.
- Heidenreich M, Zeitlin J (2009) eds. *Changing European Employment and Welfare Regimes. The Influence of the Open Method of Coordination on National Reforms*. London: Routledge.
- Pierson P (1996). The new politics of the welfare state. *World Politics* 49: 143-179.
- Pierson, P (1996) (ed.). *The New Politics of Welfare State*. Oxford : Oxford University Press.
- Pierson P. (2000). Three worlds of welfare research. *Comparative Political Studies* 33: 791-821.

Taylor-Gooby (ed.) (2004) *New Risks, New Welfare?* Oxford: Oxford University Press.

Zeitlin J, Pochet P (eds.) (2005), in *The Open Method of Coordination in Action: The European Employment Strategy and Social Inclusion Strategies*. Brussels: PIE-Peter Lang.