



**CANADA-EUROPE TRANSATLANTIC DIALOGUE:
SEEKING TRANSNATIONAL SOLUTIONS TO 21ST CENTURY PROBLEMS**

<http://www.canada-europe-dialogue.ca>

Policy Paper January 2011

**The Governance of Activation in Europe:
What can we learn from a literature review?**

(translated from the original French version)

Kathleen Angers*

PhD Candidate, Department of Political Science, Université de Montréal

EXECUTIVE SUMMARY

This policy paper focuses on the governance of activation, which refers to the new management and delivery arrangements that are being used to promote the participation of people, who are dependent upon unemployment benefits or social assistance, in work.

In the context of the current global economic turmoil, comprehensive and innovative employment and social policies are essential to tackle the jobs crisis and promote a return to growth. New and more effective ways of organizing activation policies can make a real difference in improving the employability and promoting the labour market integration of unemployed and marginalised groups, thus preventing the risk of them sliding into long term inactivity. As the EU provides a vast laboratory where several member-states are experimenting with different ways of governing activation, research on this topic is much more developed in Europe than in Canada. This policy paper reviews the European literature on the governance of activation and identifies four major trends in this regard: decentralization, inter-agency cooperation, marketization and individualization of service provision. For each trend, the main advantages and disadvantages are discussed.

* *The author thanks Denis Saint-Martin, who supervised the research for this policy paper, which was carried out as part of an internship for the Canada-Europe Transatlantic Dialogue. The views expressed are attributable only to the author in a personal capacity and not to any institution with which they are associated.*

INTRODUCTION

This policy paper focuses on the governance of activation, which refers to the new management and delivery arrangements that are being used to promote the participation of people, dependent upon unemployment benefits or social assistance, in work. Activation policies and programmes are targeted at unemployed, marginalised and excluded groups in society. Most of them aim to integrate these groups into the labour market and improve their employability.

In Europe as in Canada, existing social policy arrangements are being reformed and new ones introduced, reflecting a shift from social protection to a greater emphasis on labour market participation as an intrinsic good for society and the individual. To use a metaphor, the social safety net is being replaced with a trampoline.

1. Activation Policies: Definition, Typology, and European Context

“Activation” is a polysemous term, appearing in a multifaceted way in political discourse and empirical research (Barbier and Sylla 2006; Eichhorst and al. 2008)¹. In fact, most European countries have no legal definition of activation (Eichhorst and al. 2008, 4). Despite some variations in the use and application of the concept, activation policies have the fundamental implication of redefining the link between social protection, on the one hand, and employment and employment policies on the other, in such a way that the granting of social benefits has become increasingly conditional upon job search activities, acceptance of available job offers or participation in active labour market programs (Eichhorst and al. 2008; Barbier and Ludwig-Mayerhofer, 2004). Although there is also some variation, among European countries, in the target groups of activation, the latter are mostly beneficiaries of unemployment insurance and social assistance schemes (Eichhorst and al. 2008).

The goal of activation is to increase labour market participation and, on the individual level, to improve labour market prospects by helping the unemployed to overcome various barriers to employment (e.g. long-term unemployment, mediocre skills, personal problems, etc.). A high employment rate is now considered an essential condition to the viability of the welfare state, allowing a reduction of public spending on social benefits and an increase in revenues from income tax and social security contributions. Activation policies are also pursued with the stated aim of achieving better social cohesion, employment being regarded as the best method of promoting social integration (Eichhorst and al. 2008).

In accordance with the logic of conditionality of activation policies, these imply that various requirements are associated with a number of enabling elements (Eichhorst and al. 2008). As shown in table 1, on the side of requirements, activation policies impose compliance to certain criteria in order to profit from social benefits, such as the acceptance of job offers considered adequate, the mandatory participation in active labour market programs, the active search for employment, etc. The level and duration of benefits can be reduced in some cases, but activation does not imply *in itself* such restrictions. It must be noted that activation policies generally involve a personalised monitoring of beneficiaries by the public employment services² (PES), which is relatively new for some countries. The personalised monitoring can favour the offer of services adapted to individual needs, but it also serves to supervise more closely whether individuals comply with the requirements imposed upon them. The enabling elements in the context of activation also include incentives such as wage supplements for low-pay jobs (“in-work benefits”), as well as more traditional services such as job search assistance and training programs. The relative balance of requirements and enabling elements varies according to national contexts and can also vary from one individual to another.

Table 1. The two sides of activation

Requirements	Enabling elements
1. General criteria for granting benefits : - Being available to work - acceptance of “suitable” job offers (stricter definition of suitable offers) - supervision and sanctions in cases of non-compliance with requirements 2. Steps and activities required: - signature of an integration contract - job search - mandatory participation in active labour market programs 3. In some cases, reduction in the level and/or maximum duration of benefits	1. Active labour market programs (ALMP), e.g.: - Job search assistance and counselling - Training schemes - Subsidized employment - Grants for entrepreneurship 2. Tax incentives and supplements for low-waged jobs (<i>in-work benefits</i>) 3. Social services: - Personalised monitoring and support - Social and psychological assistance - Child care services, etc.

Source: Adapted from Eichhorst et al. 2008, 6.

It should be noted that what we call “Active Labour Market Policies” (ALMP) are an instrument of activation policies, but both expressions are not equivalent (Barbier and Sylla 2006; Eichhorst and al. 2008; Serrano 2007). ALMPs have been employed since the 1960s in most European countries³ and essentially designate measures and services designed to support participation in the labour market (Schmid, 2008, 259). Contrary to the larger idea of activation policies, ALMPs do not have, in and of themselves, implications for the receipt of social benefits (Barbier and Sylla, 2006, 20).

Except for individualized services, most instruments used in the context of activation policies are not new (Barbier and Sylla, 2006). Nevertheless, the obligations must now be mutual between the individual and the state and, consequently, “claiming benefits has become dependent on individual action and cooperation” (Eichhorst et al., 2008, 6). According to some authors, activation policies represent a new intervention paradigm characterized not only by the reciprocity of obligations, but also by an individualized approach and a stronger focus on employment as a social norm and solution to the individual’s and society’s problems (Serrano, 2007).

Typologies of Activation Models

A large number of authors have proposed typologies for activation policies. Many of these typologies are structured according to two opposite poles. Heikkilä (1999), for example, distinguishes between a “punitive” approach, which tends to reduce the access, duration, and level of benefits, and a “liberal” approach (in the “progressive” sense) which aims instead to improve employment of unemployed or inactive people with training, mobility and professional experience. Lødemel and Trickey (2000) identify for their part a first approach, especially in vogue in Anglo-Saxon countries, which puts the emphasis on a quick return to the job market (“work first” policies), while the second, characteristic of Scandinavian countries, is more focused on the development of human capital through training activities. Hvinden (2001), meanwhile, argues there is a “hard” type and a “soft” type of activation: the first is founded upon the restriction of eligibility conditions for social assistance or insurance, the resorting to financial pressure and/or legal obligations to reduce the level and duration of allocations; the second implies an individual right of access to activation programs, financial incentives and quality job search services. Another way of designating the divide is to distinguish between the activation policies that are based more on the “carrots” (e.g. incentives) –the Scandinavian and continental model – from those which are based more on “sticks” (e.g. sanctions, penalties, etc.) and that characterize more the Anglo-Saxon model (Serrano 2004).

Also adopting a dualistic perspective, Barbier (2002; 2004) contrasts a liberal regime (in the sense of the providence state liberal model) with a universal regime. Barbier specifies that no national case corresponds exactly to the liberal or universal regime, but the United Kingdom is closer to the liberal type while Denmark and Norway are closer to the universal type. The liberal model's primary goal is to incite individuals to work, in a context where benefits offer a minimal protection of revenue and where employment is the normal way of accessing social protection. ALMPs are under-developed and assistance policies tend to be linked to the tax system (income tax credits and in-work benefits). Conversely, the universal regime provides a variety of complex services to all its citizens, offers relatively generous benefits and does not systematically obligate citizens to work. ALMPs are very developed in this model and incentives such as income tax credits and supplements for those on low salaries play a very limited role. Moreover, while the liberal regime is characterized by a disciplinary and hierarchical approach, the universal model is more reciprocal, i.e. based on the mutual commitment of the individual and the state. Barbier dismisses the possibility of a third type of activation which would correspond to the welfare state continental model; continental Europe demonstrates no coherent activation model (Barbier and Ludwig-Mayerhofer, 2004, 428).

Torring (1999) adopts the same typology as Barbier, but he uses the term "workfare" to designate the liberal mode (Barbier and Sylla, 2006, 22). Workfare refers to activation policies particularly geared towards mandatory and coercive elements, such as benefit reductions, more restrictive eligibility conditions for benefits, mandatory participation in employment programs and mandatory work (Dingeldey 2007, 827). For some, like Barbier and Sylla (2006) and Serrano (2007, 14), the very punitive nature of workfare does not apply to any of the European cases and is only relevant in the American context. Many authors, including Torring, nevertheless use the concept of workfare beyond the American context.

Daguerre (2007) identifies three schools of thought regarding activation. The first two, the human capital approach and the liberal approach, correspond to the models recognized by Barbier, but Daguerre emphasises the rationale behind each model. The human capital approach focuses on the individual barriers to employment, such as lack of qualifications, hence the important role it affords to the training and education of unemployed people. This approach prevails in Scandinavia, but it is also influential in the continental providence states such as Belgium, France, Germany and Austria. On the other hand, the liberal approach, which is found especially in the United Kingdom, emphasizes individual responsibility towards unemployment and inactivity, those situations being perceived as the result of a personal lack of motivation. To counter this behavioural problem, the liberal model uses an approach that combines incentives and sanctions and insists on a quick return to work (work first). The third approach Daguerre identifies is characteristic of France and rests on a social integration paradigm. Like the human capital approach, this model puts an emphasis on structural barriers to employment, but is distinguished by its concern for social solidarity and integration.

Providing another perspective, Serrano (2007) distinguishes between five activation regimes. The "economic springboard" regime (e.g. United Kingdom) stresses beneficiaries' obligations and aims for a quick return to work by using incentives (e.g. in work benefits and income tax credits) and sanctions. The civic contractual regime (e.g. Netherlands) also places an emphasis on citizens' duties and obligations, but citizens dispose of important social rights guaranteed by a highly interventionist state. The contract is a key feature in this regime to manage relations with beneficiaries. The independent citizens' regime (e.g. Sweden) puts the emphasis on both collective and individual responsibility and insists upon the provision of human capital training. Contracts are used, but they hold a significant level of reciprocity and leave some discretion to individuals. The fragmented supply regime (e.g. Spain) is characterized by the variation of rights and obligations according to region and social political domain, but in general rights and obligations are both limited. Finally, the disciplinary minimalist regime (e.g. Portugal, Czech Republic) is characterized by limited state intervention, despite the existence of a disciplinary dimension.

Some authors reject the classification of national activation policies according to homogenous categories (or dominated by specific elements). In a study looking at Nordic states, Johansson and Hvinden (2007) insist on the fact that those countries do not form a homogenous model. Activation policies in Denmark, in Finland, in Norway and in Sweden combine elements focused on the reinforcing of individuals' capabilities (e.g. training, education) and elements focused on the reinforcing of incentives (e.g. in-work benefits, income tax credits, reductions of benefits). Taking the same direction, Dingeldey (2007) as well as Eichhorst and Konle-Seidl (2008) hold that workfare policies and capability-increasing policies (i.e. focused on reinforcing capabilities) do not present alternative reforms, but are instead mutually constitutive elements of activation policies of which the relative strength varies from one country to another. Finally, van Berkel and Hornemann Moller (2002) also stress the hybrid nature of activation policies by maintaining that three dimensions are present in all national models, but to differing degrees: 1) work incentives; 2) a balance between rights and responsibilities of citizens; 3) active social policies providing the necessary resources for social and job market integration.

Convergence of national models?

Beyond the different activation models, some authors have put forward the claim that the various strategies lead to the same result, the erosion of citizens' social rights (e.g. Gilbert 2002, Handler 2004, Lødemel and Trickey 2001, van Oorschoot 2003). According to Gilbert (2002) Handler (2004) and Lødemel and Trickey (2001), activation involves a new citizenship ethic, characterized by the punitive and coercive nature of the norms that govern the dealings between citizens and the social protection system (Barbier and Sylla, 2006, 27). Activation policies are equivalent to workfare for those authors, because they involve the introduction or strengthening of mandatory programs which require that work be provided in exchange for social benefits. We find this same viewpoint with Daguerre (2007); even if she distinguishes three activation models (see *supra.*), she nevertheless holds that most European countries have made a shift towards workfare since the end of the 1990s, the benefits having become conditional upon meeting many obligations and sanctions being planned in the case of non-compliance of these mandatory elements. This shared approach does not, however, involve a convergence on the framework of the policies' results, since many differences are created at the implementation step. We find a similar review with Dingeldey (2007), who after having compared activation policies in the United Kingdom, in Denmark and in Germany, concluded that the workfare elements have been expanded in those three countries, without there having been any real convergence of their policies.

For their part, Barbier (2006) and Barbier and Ludwig-Mayerhofer (2004) are of the opinion that convergence is limited to discourses and procedures (e.g. using common tools). This surface homogeneity does not involve homogeneity of the values, the programs' substance, the sense given to transnational concepts and the real practices beyond the rhetoric. Van Gestel and Herbillon (2007) tend to voice a similar position. For the latter, despite the largely spread consensus on the necessity of implementing the activation principle, there are different interpretations of this principle, which gives rise to different intervention models. Furthermore, the common paradigm of activation is "filtered" by the institutional traditions of each national context.

The position defended by Eichhorst and Konle-Seidl (2008) is somewhere between those of the two preceding groups of authors. They hold that in Europe, since the beginning of the 1990s, there has been a "contingent convergence" of the activation strategies and tools through the fusion of workfare elements with more traditional active policy elements (ALMP). According to Eichhorst and Konle-Seidl (2008, 20), "a clear shift towards the work-first type of activation can be observed", an opinion that is shared by the OECD (2007, 263). Although a great deal of heterogeneity is still present among national models, European countries now have more similarities than differences in their policies. The strategies geared

towards human capital today are less pronounced in Scandinavian countries, while in the United Kingdom the work-first strategies tend to be increasingly accompanied by training measures.

In spite of the different views as to the extent of convergence of European activation policies, it appears that European countries have minimally converged towards reforms which make the payment of social benefits increasingly conditional upon job searching, acceptance of “suitable” job offers and participation in job market programs. For many authors, one of the factors of this “minimal convergence” is the role played by international organisations such as the Organisation for Economic Co-operation and Development (OECD) and the European Union (EU). Indeed, the activation policies have been strongly promoted, since the 1990s, by these two organisations. In the following section, we devote particular attention to the role played by the EU.⁴

EU context : the European Employment Strategy (EES)

A high employment rate has become an explicit EU priority with the Amsterdam treaty, signed in October 1997, which introduces for the first time a chapter on employment (Kluve and al., 2007, 14). This chapter was implemented as early as November 1997, with the launch of the European Employment Strategy (EES). Since employment policies remain a competence of the member states, the EES is not implemented through supranational legislation, but through a more informal method of governance called the Open Method of Coordination (OMC). The OMC relies on the exchange of good practices between member states, management by objectives at the European level and the monitoring, by EU institutions, of national implementation with the help of benchmarks. Within the framework of the EES, member states commit to implementing the orientations and objectives stipulated by the Employment Policy Guidelines (EPG), which are proposed by the Commission, then approved by the Council. Each member state must produce an annual report in which it specifies how the EPG have been implemented. On this basis, the Commission and the Council evaluate the performance of member states and can establish new EPG and issue specific recommendations.

The EES has always promoted activation policies, but according to Eichhorst et. al. (2008, 10), while they were initially focused on activating the unemployed, in recent years the EES’s guidelines (see Box 1) have suggested a more ambitious approach, where all adults of working age must be integrated in employment. This implies, in particular, activating social assistance beneficiaries and discouraging early retirement. Moreover, the importance of the EES was emphasized in 2000, when it became a key component of a more global EU strategy, the Lisbon Strategy, of which one of the priority objectives for the 2000-2010 decade was to expand the quantity and quality of jobs in order to achieve full employment (total employment rate of 70%, 60% for women and 50% for 55-64 year-olds) (Kluve and al. 2007, 16).

Table 2. Integrated Guidelines⁵ in the context of the EES, 2005-2010⁶

- Implement employment policies aimed at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion;
- Promote a lifecycle approach to work;
- Ensure inclusive labour markets for job-seekers and disadvantaged people;
- Improve matching of labour market needs;
- Promote flexibility combined with employment security and reduce labour market segmentation;
- Ensure employment-friendly wage and other labour cost developments;
- Expand and improve investment in human capital;
- Adapt education and training systems in response to new competence requirements.

Source: Europa, 2009, <http://ec.europa.eu/social/main.jsp?catId=108&langId=fr>

Substantial literature is devoted to the influence of the EES on national policies (e.g. de la Porte and Pochet 2004; Trubek and Mosher 2003; Jacobsson 2004; Trubek and Trubek 2005; Zeitlin, Pochet and Magnusson 2005; Heidenreich and Zeitlin 2009). For many authors, the EES contributed to the introduction within the domestic discourse and national debates of the concepts and categories of the EU – including “activation”, but also “social inclusion”, “making work pay”, etc. (Barbier 2006; Serrano and Crespo Suarez 2007; Zeitlin 2009; Pochet, Boulin and Dufour, 2009). The EES has also contributed to shaping domestic agendas by including in them activation and its related issues (e.g. social exclusion, labour training, etc.) and by calling the attention of national authorities to problems which had thus far been ignored (Zeitlin 2009; Barbier 2006). Leschke (2009) adds that under the influence of the EES, policy evaluation capabilities were improved in many member states, the latter being encouraged to implement better mechanisms to this effect and to use common indicators with the other member states.

The influence of the EES must however be weighed against some considerations. Firstly, the national changes in favour of activation are also a response to global transformations, which go beyond the EU’s framework and concern Western states in general (Zeitlin, 2009, 225). On the other hand, some member states – Denmark, Finland, Sweden, the Netherlands and the United Kingdom – had already made the shift towards activation in the 1990s before the launch of the EES. The EES was apparently inspired by those countries’ approaches (Kluve and al. 2008, 17; Eichhorst and al 2008, 11). Moreover, many authors note that the concepts promoted in the framework of the EES are very ambiguous and can therefore be used differently by the member states, each seeking to adapt the popular terms to its own national context (Pochet, Boulin and Dufour, 2009; Serrano and Crespo Suarez, 2007).

In sum, the EES and the OMC processes have contributed to a certain convergence to the extent that they have allowed member states to insert their activation policies in a common discursive framework (Barbier, 2006). But they have also inspired the emergence of new differences, each member state adapting the approaches and the common European principles to its specific national circumstances (Zeitlin, 2009).

2. The governance of activation policies

In recent years, scholars have paid increasing attention not only to the substance of activation policies, but also to the administrative and organisational models which accompany them (van Berkel and Borghi, 2008b). As van Berkel and Borghi (2007a) point out, the reforms in the substance of social and employment policies are an important factor in the reforms undertaken in the governance⁷ of the welfare state. Conversely, the management and delivery arrangements used to implement activation policies can have unforeseen effects on the content of the latter. Bearing in mind the close relationship between the formal and operational aspects of social policies, this section reviews the literature devoted to the governance of activation by identifying four major trends in this regard: decentralisation, inter-agency cooperation and integration of services, marketization and individualization. For each trend, the main advantages and disadvantages are discussed.

2.1 Decentralisation

Activation policies have been accompanied in many European countries by processes of decentralisation, which aim to expand the discretion of local or regional actors (sub-national governments, officials of public employment services, social partners, etc.) in the administration of these policies (van Berkel and Moller, 2002; van Berkel and Borghi, 2008a; Eichhorst and Konle-Seidl, 2008; Kazepov, 2008; Finn 2000; Bonvin and Farvaque 2007). Three main types of decentralisation can be identified: the decentralisation of the national Public Employment Services (PES); the devolution of the central level’s authority towards regional or local governments; and local partnerships.

According to Kazepov (2008), in the past two decades, most European countries have reorganised their national PES in order to allocate more responsibility to local or regional offices for the development and/or implementation of activation programs. This trend has been encouraged by the EU, notably in the first version of the EES, which recommended the implementation of local PES in one of its guidelines (Bonvin and Farvaque, 2007). Denmark, Germany and the Netherlands, amongst others, have applied this recommendation by localizing their PES and combining all or part of its offered services with those of municipalities⁸ (Lindsay and McQuaid, 2008). Austria, Belgium, Spain, Italy and Poland have for their part proceeded to a regional decentralisation of their PES (Giguère 2003; Froy and Giguère, 2009). In the United Kingdom, although the PES is still centralised, a reform introduced in 2008 aimed to give more freedom of action to local offices of the PES, especially in their intervention towards the long-term unemployed (Froy and Giguère, 2009, 40).

Many countries offer examples of the second type of decentralisation, the devolution of powers to local or regional governments for the development and implementation of activation policies. In the Netherlands, successive reforms since 1996 have increased the degree of independence of municipalities in the field of activation. In 2004, they obtained a complete financial responsibility for those services (van Berkel, 2006). In Italy, the role of regions⁹ and municipalities in matters of social services has also gradually expanded since the middle of the 1990s, thereby increasing the traditional territorial differentiation of social policies in this country (van Berkel and Borghi 2007b; Bifulco and al. 2008). The Finnish government, for its part, has delegated to its local governments, in 2001, the responsibility of activation programs for the youth and the unemployed most difficult to reintegrate in employment (Minas, 2009). Finally, in 2003, France decentralised the management of the *RMI* (*revenu minimum d'insertion* – minimum income benefit) regime towards its departments (van Gestel and Herbillon 2007).

The third approach – the creation of local partnerships – has been particularly promoted by the OECD and the EU, for which the two former decentralisation modes do not guarantee a greater local flexibility (Froy and Giguère, 2009; Giguère, 2003; Evers 2003). Local partnerships involve the mobilisation of a multitude of local actors (e.g. municipal and PES' authorities, training/education institutions, businesses, economic development organisations, employer organisations, unions, community organisations) in order to adapt national activation policies to the local context. Such partnerships can be formalised with the implementation of institutions, as in Belgium, where sub-regional committees were created for consultation between employers, local authorities and people in the education field (Froy and Giguère, 2009). In Austria, each of the nine *Länder* implemented a partnership structure, supported by the federal government, in order to coordinate employment measures among the principal actors in the field (e.g. regional governments, PES, social partners) (Giguère, 2003). It should also be noted that, in the second half of the 1990s, the European Commission promoted the creation of the so-called “Territorial Employment Pacts” (TEP), based on an agreement between a large network of local actors on global strategies to attack unemployment and social exclusion (Regalia 2003). In 2000, 90 TEP had been recognized by the EU. Furthermore, the allocation of structural funds (from the EU budget) to EU member states has been partly conditional on the implementation of infra-national partnerships (Finn 2000).

Advantages and disadvantages

It is commonly recognized in the literature that decentralisation has the potential to increase the efficiency of activation policies, by allowing a better adaptation of these to individual needs and to local job markets (Finn 2000; van Berkel and Moller, 2002; Greffe, 2003; van Berkel, 2006; Bonvin and Moachon, 2007; Lindsay and McQuaid, 2007). Local actors generally possess a better knowledge of the characteristics of the target groups, of local job markets and the various local resources available (e.g. child care services). They are therefore in a good position to deliver individualised services, as intended by activation policies (van Berkel et Borghi 2007a).

Promoting the involvement of many actors who are close to the problems as well as decentralisation expands the possibility of finding innovative solutions and trying out new practices (Grefe, 2003; Bifulco and al. 2008). This is what Bifulco et. al. (2008) found in a case study on Italy's Friuli-Venezia Giulia region. This region is one of only three in Italy to have adopted a revenue protection law, a law that is inexistent at the national level. It has also developed an innovative program based on "micro-spaces" (municipal territories with between 1000 and 2500 inhabitants), managed by social workers who get in close touch with inactive citizens and try to create opportunities for these people to develop their capabilities for action and for making choices. In this case, citizens are not obliged to comply with fixed rules in order to obtain benefits; instead, it is up to the public institution to create conditions that make activation possible (for example, by trying to enhance the health and housing conditions of inactive people).

The latter example reflects the fact that decentralisation is suitable for the adoption of a multidimensional activation strategy, which considers the various underlying problems of unemployment and inactivity, beyond the issue of matching work supply and demand (Regalia, 2003; Grefe, 2003; Kazepov and Genova, 2006). Barriers to employment may include, for instance, constraints or problems relative to health (physical and mental), to the family situation or the possibility of finding housing. A local approach is better able to identify such problems and, as a solution, to mobilise and coordinate many local actors capable of offering different resources and various services according to individuals' needs. Such considerations have led the EU to make the allocation of structural funds, for national employment programs, conditional upon the adoption of an approach integrating different aspects of social exclusion at the local level (Grefe, 2003).

Furthermore, when it encourages the involvement of various actors (e.g. citizens, social partners, local public institutions, third-sector organisations) in the forming and/or implementation of policies, decentralisation can also favour social dialogue as well as a more democratic governance (van Berkel 2006; Grefe 2003).

The literature, however, highlights many risks and problems of decentralisation. Firstly, it is likely to create inequalities in services at the national level and in individuals' rights (Finn 2000; van Berkel 2006; Kazepov and Genova 2006; Kazepov 2008; Bifulco and al. 2008). Decentralisation involves, of course, some variation between decentralised entities, but the latter may not be caused by sub-national differences in the situation of job markets, target groups or citizens' needs. In a study on decentralisation in the Netherlands, van Berkel (2006) shows that the differences observed among municipalities, in the composition of their respective social assistance beneficiary population, notably have to do with the variable availability of activation tools, with the differences in institutional capabilities and with the different policy priorities of municipalities. The inter-municipal or inter-regional variations resulting from such factors pose a problem regarding the right of citizens to receive equal treatment throughout the national territory. Is it notably the inequalities in the offer of social services (including activation services), and the related criticisms of its citizens, that led Finland, for example, to centralize anew certain elements of its social policies in the beginning of the 2000s (Genova 2008).

Decentralisation also requires substantial capabilities and resources at the regional or local level. It may be necessary for local or regional actors to develop new professional skills (Finn 2000; Grefe 2003). In addition, there is often a gap between the responsibilities delegated and the financial and technical resources transferred by the central government to sub-national levels, which can significantly limit the flexibility and effective capabilities of the local or regional actors (Grefe 2003). In this perspective, Valadas (2006) reports that, in the context of the Territorial Employment Pact (TPE – see *supra*) in Portugal's Marinha Grande region, the responsibilities allocated to local actors could not be fully implemented given the lack of technical and financial resources at the local level. Italy presents a similar

situation; while from 1995 to 2004 decentralisation was constantly expanded, during the same period, financial transfers from the central state towards infra-national levels greatly diminished (Kazepov 2008). According to Kazepov, this resulted in an increased institutionalization of sub-national disparities in the offer of social services, since some regions (North of Italy) and municipalities have a greater taxation capacity and are therefore less dependent on central financial transfers.

The increase in the number of actors generated by decentralisation (especially in the case of local partnerships) raises another potential difficulty. The process of decision-making can be complicated as a great deal of time and effort may be required to ensure good coordination between the actors (Greffé 2003; Kazepov 2008). According to Regalia (2003), local partnerships often make the participants focus more on the consultation process than on the problems which are to be solved. As Genova and Kazepov (2006) suggest, coordination between many actors can be difficult because it involves not only an exchange of information, but also an exchange of views. But the stakeholders do not necessarily share the same objectives and the same views of the problems, and do not necessarily favour the same methods to address them. The actors must also agree on the allocation of resources and responsibilities.

Decentralisation raises a further challenge in terms of accountability requirements (Greffé 2003; Kazepov 2008). The multiplication of actors makes it more difficult, for the central government as well as for the citizens, to ascribe responsibility to a particular actor for a given situation. To do so may represent an administrative burden in particular when the local or regional actors are accountable on various measures to various administrative units (Greffé, 2003).

Finally, and as a corollary of previous observations, decentralisation involves a minimal loss of control on the actions of decentralised entities (Giguère, 2003). This raises the risk that the latter use their increased autonomy to pursue different objectives than the national ones. In a study on the decentralisation of ALMPs in Sweden, Lundin and Skedinger (2000) observed a marked difference between the objectives of municipal representatives and those of the central government. To prevent such situations, governments (or central agencies) tend to regulate the behaviour of local or regional actors with the help of performance targets and financial incentives. In Switzerland for example, performance indicators are fixed in contracts which link the central government to the cantons, and the latter to organisations of the third sector involved in activation implementation (Bonvin et Moachon 2007). Similar contracts are implemented in Belgium to regulate the behaviour of regional governments as well as regional and local PES (Struyven and Verhoest, 2005). Struyven and Verhoest emphasize that performance contracts between the Flemish government and its PES have become increasingly demanding for the local offices of the PES. In the Netherlands, the devolution of authority to municipalities was accompanied by a local financial responsibility for the social assistance regime, in order to increase the incentives for municipalities to reintegrate as many beneficiaries as possible in employment (van Berkel 2006). According to van Berkel, this has contributed to making the reduction of the beneficiaries' number the main objective of local authorities, thereby directing municipal activation programs towards a work-first approach.

Many authors argue that, in a decentralised context, governance geared towards results and performance targets greatly inhibits local flexibility. Some even talk of a "centralised decentralisation" where the autonomy is greatly restricted by the objectives and rules established at the central level (van Berkel 2006; Newman 2007; Eichhorst and Konle-Seidl 2008). According to Giguère (2003), effective flexibility at the local or regional level depends largely on the way the targets are set and by whom; it is preferable that the objectives be defined in a way that is flexible enough so that the decentralised entity can bring added value to the policies' implementation process. However, as Froy and Giguère (2009) shown, in many countries, local PES are restricted in their ability to influence policies' conception, move financing between budget lines, negotiate performance objectives and choose target groups. In this context, the potential of decentralisation is limited.

Table 2.1 Advantages and disadvantages of decentralisation

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Adaptation of policies to the local/regional context ▪ Innovation; experimentation of new practices ▪ Suitable for a multidimensional approach ▪ Social dialogue 	<ul style="list-style-type: none"> ▪ Sub-national disparities ▪ Requires substantial financial, technical and professional capabilities at the local/regional level ▪ Subject to coordination problems between actors ▪ More difficult to ensure the accountability of actors involved in the implementation of policies ▪ Loss of control on local/regional actors; requires mechanisms to ensure local/regional conformity with national objectives; this can lead to a loss of effective sub-national flexibility

2.2 Interagency cooperation and service integration

As mentioned earlier, activation policies seek to reinforce the link between the granting of benefits and the employment integration efforts. Those two elements being traditionally managed by distinct public organisations, activation policies therefore logically involve an increased need for cooperation, even for integration, between them (van Berkel and Borghi 2008a). With this in mind, recent reforms have been adopted to increase cooperation between the public agencies responsible for different types of services (in particular between PES and agencies responsible for benefits) and, in many cases, to integrate various services in a same location (what we call “one-stop shops”) (van Berkel and Borghi, 2008a; Eichhorst and Konle-Seidl, 2008; Minas 2009).¹⁰

Reforms in favour of interagency cooperation and the integration of services have had the greatest impact in the United Kingdom and in Norway, countries where they have led to the fusion of the national organisations in charge of benefits and employment services, and the creation of a new agency responsible for all categories of unemployment (van Berkel and Borghi, 2008a). In the United Kingdom, the public agency Jobcentre Plus took over from the Benefits Agency and the PES in 2002 (Karagiannaki 2007). Through various local branches, it offers a single service point for all categories of working-age beneficiaries. The goal is to reinforce the link between benefits and work, not only for the unemployed, but also for other target groups such as inactive single parents or disabled people. In Norway, an Employment and Social Security Directorate (NAV) was introduced between 2006 and 2010, bringing together the previously separate responsibilities for insurance and employment administration (Christensen and al. 2007; Minas 2009). Following this reform, the NAV must also join in partnership with municipalities (which are responsible for social assistance) and implement with them local service points where both the services offered by the NAV and the municipality can be found.

Contrary to the British and Norwegian cases, integrated arrangements implemented in other European countries have generally maintained a segmentation of activation services in accordance with the target groups (in particular, according to social insurance and assistance regimes) (Minas 2009). In Finland, integrated services centres – where PES, municipality and social insurance services can be found – were created at the start of the 2000s, but they have been divided in two sections: one of them serves the unemployed “furthest” from the job market (LAFOS centres), while another provides services for the unemployed easiest to reintegrate into employment (Minas 2009). The LAFOS service points present an important degree of integration, since they gather the PES, the social insurance agency services, social and health services and other specialized services, if need be (Genova, 2008). Germany presents a similar case: one-stop agencies (*Bundesagentur für Arbeit - BA*), integrating benefit payments and employment services, have existed for a long time (over 80 years) for social insurance beneficiaries, but since 2005, a new network of one-stop shops (ARGEn) has been available for social assistance beneficiaries in order to

include this group in activation programs (Konle-Seidl, 2008).¹¹ In addition to benefit payments and employment services, the ARGEn offer psycho-social support services. In Denmark, in the majority of municipalities, local authorities and civil servants of the PES are gathered in one-stop employment centres open to insurance as well as social assistance beneficiaries (Lindsay and McQuaid 2008; Minas 2009). Despite these single points of entry, a dual system remains in place because municipal and PES civil servants each work with their traditional clientele: the former with social assistance beneficiaries and the latter with the insured unemployed. Similarly, single points of entry were created in 2001 in the activation system of the Netherlands but these so-called Centres for Work and Income (CWI) do not grant benefits, which remain the responsibility of municipalities (social assistance) and of the social insurance agency (UWV) for their respective clientele. They offer only basic services (e.g. placing, assessment of customer needs) and they refer those people needing more elaborate services either to the municipality, in the case of social assistance beneficiaries, or to the UWV, in the case of social insurance beneficiaries (Sol and al. 2008; Lindsay and McQuaid 2008).

In addition to the national examples mentioned so far, which represent the most advanced cases of integration of services, more modest reforms have been undertaken in other European states (e.g. Switzerland, Sweden, Italy, Poland), where increased efforts are made in vertical and horizontal cooperation between public agencies involved in activation policies (Minas 2009). For example, in Switzerland, cooperation has recently been increased between the civil servants of unemployment insurance and social assistance and a mandatory cooperation was established between employment centres and regional social services (Minas 2009). Similarly, in Sweden, municipal authorities have cooperated more and more in the past years with local PES to implement activation programs (Lundin 2007).

Advantages and disadvantages

As mentioned earlier, interagency cooperation and the integration of employment and benefit services are very much in line with the logic of activation policies. In this perspective, the main advantage of this type of institutional arrangement is to facilitate the effective implementation of the link between the access to benefits and the participation to employment programs (Minas 2009). In addition, when inter-agency cooperation and integration go beyond services strictly related to benefits and employment and include other types of services, such as psychological support, health services, etc., activation programs are more likely to be successful with individuals whose unemployment or inactivity is linked to complex problems (Minas 2009; van Berkel and Borghi 2008a; Greffe 2003). As previously mentioned, these problems often encompass issues related to, for example, physical or mental health, housing, or the family situation (e.g. being a single parent). Therefore, inter-agency cooperation and integration of services have the potential to increase the efficiency of activation by offering a multidimensional approach.

Inter-agency cooperation and the integration of services can also improve governance in the areas of social security, employment and social services. They favour communication and information sharing between organisations and professionals in these fields, thereby helping to avoid the duplication of efforts and improving the overall efficiency of the public administration (Lindsay and McQuaid 2008; Minas 2009). Resources can also potentially be increased by combining the budgets of various organisations. From the point of view of users, integrated services have the potential advantage of simplifying and accelerating their procedures, allowing them, for example, to provide their personal information only once and to avoid having to contact many agencies which function differently (Stafford 2003; Greffe 2003; Minas 2009).

Among the few evaluations conducted on the integration of services,¹² the studies conducted by Corkett et al (2005) and Karagiannaki (2007) both led to the conclusion that integration of services within Jobcentre Plus agencies had a positive effect on the number of entries into the job market; for all clientele groups (unemployed, single parents, disabled people) according to Karagiannaki, or only for disabled people according to Corkett et al. As for a study on the cooperation between local PES and municipalities in

Sweden, it established that inter-organisational cooperation is most beneficial when the tasks to be accomplished are complicated, which is often the case in activation matters (Lundin, 2007). The implementation of measures for the long-time unemployed was improved in Sweden thanks to such cooperation.

On the other hand, the literature points out that inter-agency cooperation and the integration of services often involve a long-term adaptation process, notably because different bureaucratic cultures, management styles and ways of servicing clients may have to be reconciled (van Berkel and Borghi, 2008b; Christensen and al. 2007; Stafford, 2003). This can affect negatively the quality of services offered. The more actors there are to coordinate in a context of interagency cooperation, the more lengthy and complicated the adaptation process is likely to be (Minas 2009; Genova 2008). Moreover, as suggested by Lundin (2007), interagency cooperation may be counterproductive when the tasks are relatively simple (for instance, in the case of unemployed people easy to reintegrate in employment).

The studies devoted to the British experience of integration of services raise some concerns. According to Karagiannaki (2007), Jobcentre Plus agencies have brought a reduction in the quality of services related to benefits for all clientele groups. In addition, Karagiannaki as well as Carmel and Papadopoulos (2003) deplore the fact that the integration of services under Jobcentre Plus resulted in an increased emphasis on the needs of employers and a quick reintegration in employment, which is inappropriate for clients who have multiple needs and are not yet ready to work. For Karagiannaki, special attention is required to balance the different dimensions of services within multifunctional agencies; the latter should not simply serve the objective of a quick return to employment, but serve to implement a truly holistic approach, i.e. allowing a response to the multiple needs of some individuals.

Table 2.2 Advantages and disadvantages of inter-agency cooperation and service integration

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Better response to multidimensional problems (if services other than those relative to benefits and employment are included) ▪ More efficient governance, especially for complex tasks (communication, duplication of efforts avoided, etc.) ▪ Services simplified for users 	<ul style="list-style-type: none"> ▪ Long adaptation process to bring together different bureaucratic cultures and reach an efficient coordination ▪ Can complicate the accomplishment of simple tasks ▪ Risk of using “integrated” agencies to actually foster a work-first approach to the detriment of a multidimensional approach (as shown by the British case)

2.3 Marketization

Another major trend in the governance of activation in Europe is the marketization of reintegration services. It involves the separation of the roles of purchasers and suppliers of these services and the introduction of competition between suppliers through calls for tender (van Berkel and Borghi, 2008b). In most cases, the role of purchaser is reserved for state agencies instead of service users, which is the main reason why we refer to “quasi-markets” of activation¹³ (van Berkel and Borghi, 2008a). Similarly, the allocation of benefits generally remains the responsibility of the public sector, only the activation services being tendered, in total or in part, to external suppliers. The latter can be profit or non-profit organisations (third sector, NGO) or even public organisations (e.g. public educational institutions) operating under the same terms as private suppliers. Following the call for tender, purchasers establish through contract with the selected bidders the terms and rules which must be respected in the furnishing of services (Sol and Westerveld, 2005).¹⁴

Resorting to private suppliers, and especially *non-profit* suppliers, for the furnishing of specific employment services is not a novelty in itself in many European countries (Struyven 2005). But as Struyven argues, the current trend distinguishes itself mostly by the fact that public regulations tend to be reduced in favour of greater discretion for suppliers. As in the case of decentralised public entities, the tendency is to favour incentives over regulation, particularly by linking suppliers' remuneration to their performance (e.g. number of clients reintegrated in employment). A supplier whose performance does not reach the established targets is then paid less and may not be able to renew its contract. Marketization arrangements are often embedded in a network of incentives going beyond the relationship between purchasers and private suppliers: public buyers (which are often decentralised entities) tend themselves to be subjected to performance contracts or other types of incentives (e.g. financial responsibility of municipalities in the Netherlands) established by the central government (Sol and Westerveld, 2005; van Berkel 2006). This trend towards governance based on incentives and performance is consistent with the "New Public Management" trend (Bonvin and Moachon, 2007).

In Europe, quasi-markets of activation have been implemented since the beginning of the 2000s in the Netherlands, in Denmark, in the United Kingdom ("Employment Zones") and in Germany. The quasi-markets of these countries differ in many respects, particularly regarding the scope of outsourced services as well as the degree and nature of state regulation (van Berkel and Borghi, 2008a; Sol and Westerveld, 2005). The Dutch case represents the most extensive type of marketization: any working-age person unemployed for more than six months can be referred by the UWV (for the insured unemployed) or the municipality (for social assistance beneficiaries) to private suppliers (Sol, 2005; van Berkel and Borghi, 2008a).¹⁵ Furthermore, departments of the former Dutch PES responsible for reintegration services have been privatized in order to compete with private suppliers (Sol et. al. 2008). The marketization arrangements implemented in other European countries are more modest than in the Netherlands; the amount of services tendered to the private sector is less important - although it tends to increase - and there is no privatisation of the PES (Sol, 2005; Bruttel 2005; Bredgaard and Larsen 2007). The Netherlands also use a payment structure almost entirely based on the performance of the suppliers, while other European countries tend to combine an initial payment with subsequent performance-based financing (Sol and Westerveld, 2005).

Advantages and disadvantages

The use of market mechanisms presents the advantage of a great flexibility for governments (Sol and Westerveld, 2005; Bredgaard and Larsen, 2007). Indeed, this system allows the augmentation or reduction of the level of activity by buying more or fewer services from suppliers, according to the national unemployment rate for instance. Like Bredgaard and Larsen (2007, 297) point out, when the unemployment rate is low, it is certainly easier to dismiss a private supplier than a civil servant. In other words, bureaucratic constraints can be circumvented more easily, which can reduce costs (Sol, 2005).

In addition, if there are enough suppliers on the quasi-market, marketization can theoretically increase the choices available to activation clients. However, the literature shows that in practice, freedom of choice is fairly limited (e.g. Bredgaard and Larsen, 2007). On the one hand, it is most often the public institutions that choose the suppliers to which beneficiaries are referred (van Berkel 2007). On the other hand, in the few cases where the beneficiaries can themselves choose a supplier (see note 13 *supra*), they often do not have the adequate information to make an informed choice according to their preferences (Struyven and Steurs 2005; Hipp and Warner, 2008; Schmid, 2008).

Moreover, while the marketization of activation services is promoted in part for its potential to improve the quality of services and better respond to individual needs (van Berkel and Borghi 2008a), such an effect depends greatly, in fact, on the way the quasi-market is organised and managed by the purchasers (van Berkel and Borghi 2008b). Notably, the quality of services depends on information mechanisms

accompanying the quasi-market (Sol and Westerveld, 2005; Bruttel 2005; van Berkel and Borghi 2008b). In the pre-contract phase, public purchasers must be well informed about the various characteristics of targets groups and about the services which are adequate for this or that type of client. If they do not have such information, purchasers cannot choose the suppliers offering the best services for a given clientele (Sol and Westerveld, 2005; van Berkel and Borghi 2008b). However, it is not simple to gather this type of information and, indeed, public systems often have significant shortcomings in this regard (Sol and Westerveld 2005). Purchasers must also gather information on the services offered by suppliers in order to control their quality. According to Sol and Westerveld (2005), in Europe, no country has succeeded in implementing an adequate evaluation system for suppliers, able to consider the various relevant pieces of information beyond job placement, such as the local job market situation and the characteristics of clients.¹⁶ For example, in the Netherlands, data on the reintegration of clients are gathered, but without taking into account the characteristics of the population or the speed with which clients are assigned to a supplier (Sol 2005). To complete this (very basic) public evaluation system, Dutch reintegration companies have developed a quality mark (assigned by the suppliers' association), but the criteria under which it is assigned ignore the course of the activation process, the way in which services are personalised and the way in which clients are treated (van Berkel and van der Aa, 2005). In short, in the context of a quasi-market, it is not easy to ensure the quality of services; either the government takes on a certain administrative burden and implements mechanisms of quality control, or it relies more heavily on the self-regulation of the market, but it risks, in the latter case, endangering the quality of services (Bredgaard and Larsen, 2007; Konle-Seidl 2008; Sol and Westerveld 2005; van Berkel and Borghi, 2008b).

The quality of services also depends largely on the incentives contained in the outsourcing contracts. For example, the fact that the latter increasingly link the payment of suppliers to the number of beneficiaries which were integrated in employment is very likely to incite suppliers to focus on the clients easiest to place (creaming), and to devote less time to clients furthest from the job market (parking) (van Berkel and Borghi, 2008b). The literature on the marketization of activation is replete with references to problems of creaming and parking within this type of delivery arrangement (e.g. van Berkel and van der Aa, 2005; Struyven and Steurs, 2005; Bredgaard and Larsen, 2007; Davies 2008). In a study on the Danish and Dutch quasi-markets, for example, Bredgaard and Larsen (2007) identify a tendency towards "passivisation" of clients most difficult to place and a priority given to the unemployed compared to the social assistance beneficiaries. Similarly, regarding activation quasi-markets in Germany, many authors have observed a different treatment of different target groups, the group of clients most difficult to place being neglected (Konle-Seidl, 2008; Jahn and Ochel, 2007; Hipp and Warner, 2008; Schmid, 2008). The emphasis of contracts on quantitative performance targets can also hinder the investment of suppliers in specialized training activities and innovative services. Bredgaard and Larsen (2007) observed that in Denmark and in the Netherlands, private suppliers make a limited use of training activities geared towards the improvement of specialized skills and formal qualifications; rather they concentrate on improving personal and social competences of the individual unemployed person, through job search training for instance. The lack of innovative initiatives on the part of suppliers is also noted by many authors (e.g. van Berkel and van der Aa, 2005, 338; Bredgaard and Larsen, 2007, 297; Sol 2005). The types of behaviour mentioned so far (creaming and parking, lack of innovation and lack of investment in training) can also be fostered by a strong competition between suppliers and by short-term contracts, since these two conditions make suppliers more hesitant to take risks (van Berkel and Borghi, 2008b; Schmid 2008).

Faced with problems such as those just mentioned, many governments who have implemented some form of competition in the furnishing of activation services found themselves "in an almost continuous process of adapting and adjusting the system" (Struyven and Steurs, 2005, 225; Bredgaard and Larsen, 2007; Sol and Westerveld, 2005; van Berkel and Borghi, 2007a). This situation reflects the difficulty, in the context of a quasi-market, of reaching a balance between the logic of the market and that of the social objectives (Bredgaard and Larsen, 2007; Struyven 2005). To ensure the realization of long-term social goals, it seems necessary to accompany market mechanisms with rules and mechanisms of control, but this

involves less flexibility for suppliers and a greater administrative burden for both parties involved, who will be compelled to various supervision procedures (van Berkel and Borghi 2008b). The administrative burden is also related to the number of suppliers and the duration of the contracts; although favourable to the competitive nature of a quasi-market, a large number of suppliers and short-term contracts increase the complexity of the negotiation of contracts, and of their implementation and supervision (Sol, 2005; Hipp and Warner, 2008). In short, the governance of quasi-markets is a lot “more complex than in simple bureaucracies, requiring forms of regulation much more intelligent than before” (Sol and Westerveld, 2005, 393).

In addition to being fairly complex, quasi-markets of activation are not, according to many authors, more efficient than traditional bureaucracy at reintegrating unemployed or social assistance beneficiaries into employment (e.g. Struyven and Steurs, 2005; van Berkel and van der Aa, 2005; Konle-Seidl, 2008; Jahn and Ochel, 2007; Hipp and Warner, 2008). For Struyven and Steurs (2005), market mechanisms generally lead to gains in efficiency for simple and repetitive tasks, but in the case of complex social services such as employment services, it is much less obvious that it is also the case. In the Dutch case, van Berkel and van der Aa (2005) argue that the results do not meet the expectations in terms of increased participation in the job market and reduced levels of dependence upon benefits. Konle-Seidl, for its part, notes that in Germany, “the direct employment effects of more privatised employment services seem to be rather limited” (2008, 22).

Table 2.3 Advantages and disadvantages of marketization

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Flexibility: possibility of adjusting more easily the level of activity in accordance with needs and economic cycles ▪ Potential of an increased freedom of choice for service users, if they can choose a supplier among many themselves 	<ul style="list-style-type: none"> ▪ Administrative burden related to the management of contracts and the necessity of implementing information and control mechanisms ▪ Complexity: inadequate incentives and deficiencies in the regulation of the quasi-market can create problems such as creaming and parking, but on the other hand, regulation reduces flexibility and increases the administrative burden ▪ Does not seem to be more efficient

2.4 Individualization of service provision

As indicated in the first section of this paper, activation policies emphasize the furnishing of individualized services (van Berkel and Borghi, 2008b). One of the major characteristics of activation governance is therefore the individualization of services, which is notably pursued through regular monitoring, by the PES, of the individual unemployed or inactive person and the use of individual action plans.

Most countries use mandatory extensive interviews between a personal adviser and the unemployed person (OECD 2007). The first interviews – sometimes done at the initial registration (e.g. Austria, Netherlands) but more often between a week and a month after registration – seek to establish a detailed evaluation of the individual’s situation (MISEP 2008). Afterwards, the frequency of meetings varies according to countries and individual cases; on average, most countries hold such meetings four times a year, but some, such as the United Kingdom, conduct intensive monitoring with meetings every other week (MISEP 2008). During meetings, personal advisers can, for example, offer advice on the way to carry out job search, on job interviews, resume writing, etc. In addition, in order to control the job search activities of beneficiaries, the latter are often required to regularly produce a report of their situation and

of the steps they have taken, be it in person at the PES, through the Internet or by telephone (OECD 2007). Some countries, such as France, also assign beneficiaries a sole adviser to do their monitoring throughout their period of unemployment or inactivity (MISEP 2008).

One of the key elements of the individualisation of services is the use of Individual Action Plans (IAPs), under the form of contracts signed by the PES adviser and the beneficiary (van Berkel and Borghi, 2007c; Sol and Westerveld, 2007). The IAP (or “individual contract”) defines, the steps that the beneficiary must take and the conditions he/she must observe, as well as the rights and services - including benefits – to which he/she is entitled (see table 1.1.; OECD 2007). The development, monitoring and review of the IAP are made during the extensive interviews referred to above. The implementation of an IAP is mandatory in all European countries, except Poland and the Czech Republic, and there is a growing trend towards the use of this tool for all groups of clients because of the success it has demonstrated (OECD 2007). In most countries, the PES adviser has the authority to impose sanctions on the beneficiary in the case of non-compliance with the requirements established in his IAP (MISEP 2008).

The individualisation of services is also pursued through the implementation of quasi-markets of activation. For instance, in the context of the activation quasi-market in the Netherlands, some unemployed people (mostly beneficiaries of social insurance) have, since 2004, had access to the “Individual Reintegration Agreement” (IRO), which allows them to choose independently a reintegration company and to develop their IAP more freely. In Germany, some of the beneficiaries receive placement or training vouchers which allow them individually to choose a supplier on the market (Bruttel 2005).

Advantages and disadvantages

To the extent that it effectively permits the tailoring of reintegration services to one’s personal situation, individualization can help better to respond to beneficiaries’ needs than a standardized approach, and should therefore favour the success of the activation process (van Berkel 2007). However, according to the literature, individualization practices do not necessarily involve an increased attention to individuals’ needs and aspirations; such as we have just shown, a major characteristic of the practices in this matter is the strict monitoring of individuals and this practice is not always emancipating for the individual (van Berkel and Borghi, 2007c; Sol and Westerveld, 2007). Nevertheless, the regular individual monitoring of beneficiaries seems to have a positive impact on employment reintegration according to the OECD (2007, 233); “a number of studies show significant effects of intensive intervention measures on duration of benefits or on job-finding rates”. When the monitoring is done by a sole adviser, this can in addition help avoid the duplication of steps and establish a productive relationship of trust between the adviser and the unemployed person (MISEP 2008).

Furthermore, when they encourage the involvement of clients by giving them a real influence on their activation steps, individual contracts may be more motivating and rewarding than measures applied the same way to everyone (Westerveld and Faber, 2005). In Finland, clients who experienced the activation process before and after the introduction of individual contracts reported feeling in a better position to express their preferences in the context of the contractual process (Keskitalo, 2007, 161). In the Netherlands, the IRO contract offers some freedom of choice to the client (Westerveld and Faber, 2005, 183). This type of contract is, incidentally, very popular amongst the Dutch unemployed; over 50% of eligible clients choose this contract and it proved to be 1.3 (disabled) to 1.1 (unemployed) times more efficient than the regular process at reintegrating clients into employment (according to data from 2007 quoted in Sol and al. 2008, 195).

By defining the rights and obligations of each party, the IAP also contributes to the clarity and predictability of the whole activation process for activated persons (Keskitalo, 2007). According to some, the mutual obligations established in the IAPs, with planned sanctions in case the latter are breached,

encourage the parties to express their true preferences, which favours an efficient activation process (Westerveld and Faber, 2005). Sol and Westerveld (2007) argue that the signature of individual contracts reduces the risk that the person upon whom time and resources are devoted is not truly interested by the final outcome. In sum, individual contracts can facilitate the relationship between reintegration services' employees and their clients (Keskitalo, 2007).

However, as the OECD points out (2007, 254; see also Sirovatka 2007), there is sometimes a gap between the determined procedures for individual monitoring and the ability of the PES to effectively implement them. The individualization of services requires in fact considerable administrative capacity. A significant number of employees is required to ensure an adequate personnel/client ratio and advisers must have strong qualifications to intervene appropriately with the most disadvantaged clientele (Daguerre 2009; OECD 2005). Some argue it is unnecessarily costly to undertake individualized steps early on in the unemployment period, since some individuals can easily find employment within a relatively short period without personal services from a PES' adviser (MISEP 2008). Conversely, the intensive monitoring of individuals very "far" from the job market may be inefficient if it is centred solely on job search, which apparently tends to be the case in some countries (e.g. United Kingdom) (Grubb 2008).

Finally, among the various studies on IAPs in Europe, one finding prevails: the model used is hierarchical, without the inherent reciprocity of the contractual model to which they are supposed to subscribe (Sol and Westerveld, 2007; Westerveld and Faber, 2005; Ebsen, 2005; Jacobi and Mohr, 2007; Keskitalo, 2007). Certainly, the different national cases present different degrees of reciprocity and autonomy left to individuals, the British practice in this regard being among the most hierarchic in Europe (Daguerre 2009; Freedland and King, 2005). But even where the contracts have less coercive aspects – such as in Finland for example – the process remains unbalanced; clients do not truly have alternative options exempt from negative consequences since they depend on government benefits (Keskitalo, 2007; van Berkel and Borghi, 2007c). What is more, mechanisms seem rarely available for clients to lodge complaints against the PES in cases where their rights would not be respected (Keskitalo, 2007; Ebsen 2005; Jacobi and Mohr 2007). Employees, on the other hand, often have discretionary powers to decide upon actions to be taken by the client. According to Ebsen (2005) and Keskitalo (2007), legal compensatory measures are required to counterbalance the asymmetric relationship characterizing individual contracts and to preserve the social rights of unemployed and inactive people.

Poll on IAPs in France...
A poll conducted in 2003 by the French Employment Ministry showed that only 33% of jobseekers involved in an IAP believed they had entered a contract. Nearly 50% of them believed that the IAP method was not based on commitments (Kerschen, 2005, 322).

Table 2.4 Advantages and disadvantages of individualization

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ May help better respond to beneficiaries' needs ▪ Seems to have a positive effect on the duration of benefit dependence and on job reintegration rates ▪ Motivation effects of IAPs (individual contracts) ▪ Freedom of choice in some cases (vouchers in Germany or IRO in the Netherlands) ▪ IAPs favour the clarity and predictability of the activation process; may therefore reduce undesirable behaviours on the part of beneficiaries 	<ul style="list-style-type: none"> ▪ Requires great administrative capacities ▪ Risk of sink costs for certain categories of jobseekers ▪ IAPs (individual contracts) tend to emphasize beneficiaries' obligations to the detriment of their rights

CONCLUSION

This policy paper identified four major trends in the governance of activation in Europe: decentralization, inter-agency cooperation and service integration, marketization and individualization of service provision. For each of these trends, the main advantages and disadvantages have been discussed.

Concerning decentralization, it is in line with the objective, generally inherent in activation policies, to individualize service provision, as local actors can build upon their knowledge of the jobseekers' local environment (situation of the job markets, resources available) to offer services that are adapted to this particular context. This possibility for tailoring activation to jobseekers' individual situations increases the potential for successful integration into employment. Moreover, decentralization permits the involvement of diverse actors who are close to the problems which need to be solved. This tends to promote the elaboration of innovative and multidimensional solutions to unemployment, inactivity and social exclusion problems. However, decentralization requires substantial administrative capacities and resources at the regional or local level. A misfit between delegated responsibilities, on the one hand, and technical and financial resources available for sub-national actors, on the other hand, is obviously counterproductive. Decentralization can also turn out to be problematic regarding each citizen's right to receive an equivalent treatment wherever he/she lives on the national territory. Indeed, different administrative capacities and/or political priorities among decentralized entities can hinder the offer of equivalent services at the national level. Furthermore, the multiplication of actors engendered by decentralization may complicate the decision-making process and/or the implementation and supervision of activation programs. Regarding supervision, the way central administrators govern the decentralized entities can easily create a loss of effective flexibility for the latter, contrary to the effects normally sought by engaging in decentralization.

As for inter-agency cooperation and service integration, they tend to be unavoidable for national systems in which the main services related to activation (in particular, benefit payment and reintegration services of the PES) are traditionally managed by different administrative units. Indeed, they are to a certain extent necessary in order to implement the conditional link between the granting of benefits and activation efforts (e.g. participation in ALMPs) on the part of the beneficiary. When inter-agency cooperation and integration go beyond services strictly related to benefits and employment and include other types of services, such as psychological support, health services, etc., activation programs are more likely to be successful with individuals whose unemployment or inactivity is linked to complex problems and require a multidimensional approach. Moreover, for service users, integrated services may have the advantage of simplifying administrative procedures. On the other hand, reforms towards interagency cooperation and service integration can involve a long-term adaptation process because bureaucratic actors who were traditionally independent might have to learn to reconcile their different bureaucratic cultures. Inter-agency cooperation may also turn out to complicate the accomplishment of simple tasks such as service provision for unemployed people who are "closest" to the job market and do not require extensive services. Finally, evaluations of European experiences with inter-agency cooperation and service integration remain scarce, but studies that were conducted on the British experience – with Jobcentre Plus agencies – highlighted the risk that integrated agencies be unbalanced regarding the various dimensions of activation and prioritize a work-first approach to the detriment of a multidimensional approach.

Regarding marketization, its main advantage is to give governments more flexibility –in a traditional bureaucratic system – to adjust the offer of activation services according to the macroeconomic situation, which can allow the reduction of governmental spending. However, the literature on European experiences with marketization highlights significant difficulties associated with the management, by public purchasers, of this type of arrangement in matters of activation. It appears particularly difficult to balance the logic of the market and that of the social objectives. To ensure the realization of long-term social goals, it seems necessary to accompany market mechanisms with rules and mechanisms of control,

but this involves less flexibility for suppliers and a greater administrative burden for both parties involved. What is more, according to authors having conducted empirical studies on European quasi-markets of activation, the latter have not demonstrated any greater efficiency than public arrangements.

Finally, individualization of service provision may promote the efficiency of activation when it involves the use of individual action plans in which the rights and obligations of each party (the jobseeker and the PES) are clearly defined and in which clients can take an active part in the setting up of their activation strategy, rather than being only subjects of hierarchical control from PES' authorities. But in the literature on European individualization practices, it is often argued that the latter do not sufficiently promote the empowerment of individuals and do not sufficiently protect the rights of unemployed and inactive people despite the "contractual" (and hence egalitarian and reciprocal) rhetoric in which Individual Action Plans are embedded. Furthermore, individualization requires important administrative resources (staff in particular) to ensure the regular and individualized follow-up of beneficiaries. In this regard, it might be advisable to adjust the degree of individualization according to the needs of beneficiaries; some of whom may need an individualized and regular follow-up by the PES right at the beginning of their indemnity period, while others may be able to find employment within a relatively short time frame without the personalized help of a PES' adviser.

REFERENCES

- Barbier, J.-C., 2002, "Peut-on parler d'activation de la protection sociale en Europe?", *Revue française de sociologie*, 43(2): 307-32.
- Barbier, J.-C. et W. Ludwig-Mayerhofer, 2004, "The many worlds of activation", *European Societies*, 6(4): 423-36.
- Barbier, J.-C. et N. S. Sylla, 2006, "Une synthèse de la littérature à propos de l'activation", in J.-C. Barbier, *Analyse comparative de l'activation de la protection sociale en France, Grande-Bretagne, Allemagne et Danemark, dans le cadre des lignes directrices de la stratégie européenne pour l'emploi*, Rapport de recherche pour la DARES, 14-34.
- Barbier, J.-C., 2006, "Has the European Social Model a distinctive activation touch?", dans M. Jepsen et A. Serrano Pascual, dir. *Unwrapping the European Social Model*, Bristol : Policy Press, 121-143.
- Bifulco, L., M. Bricocoli et R. Monteleone, 2008, "Activation and Local Welfare in Italy: Trends and Issues", *Social Policy & Administration*, 42(2): p. 143-59.
- Bonvin J.-M. et N. Farvaque, 2007, "A capability approach to individualised and tailor-made activation", dans R. van Berkel et B. Valkenburg (dir.), *Making it personal. Individualising activation services in the EU*, Bristol: Policy Press, 45-65.
- Bonvin, J.-M. et E. Moachon, 2007, "The impact of contractualism in social policies: the case of active labour market policies in Switzerland", *International Journal of Sociology and Social Policy*, 27(9/10): 401-12.
- Bredgaard, T. et F. Larsen, 2007, "Implementing public employment policy: what happens when non-public agencies take over?", *International Journal of Sociology and Social Policy*, 27(7/8): 287-300.
- Bruttel, O., 2005, "New Private Delivery Arrangements in Germany: an initial evaluation using new institutional economics" in Sol, E. et M. Westerveld (dir.), *Contractualism in Employment Services. A new form of Welfare State Governance*. La Haye: Kluwer Law, 209-30.

- Carmel E., K. Hamblin et T. Papadopoulos, 2007, "Governing the activation of older workers in the European Union: the construction of the "activated retiree"", *International Journal of Sociology and Social Policy*, 27(9/10): 387-400.
- Carmel, E. et T. Papadopoulos, 2003, "The new governance of social security in Britain", dans J. Millar (dir.), *Understanding Social Security: issues for policy and practice*. Bristol: Policy Press, 31-52.
- Christensen, T., A. Fimreite et P. Lagreid, 2007, "Reform of the employment and welfare administrations - the challenges of coordinating diverse public organizations", *International Review of Administrative Sciences*, 73(3): 389-408.
- Corkett, J., S. Bennett, J. Stafford, J. Frogner et K. Schrapnell, 2005, *Jobcentre Plus evaluation: Summary of the evidence*, IAD Social Research Division, Report no. 252, London: Information and Analysis Directorate, Department for Work and Pension.
- Daguerre, A. et D. Etherington, 2009, *Active Labour Market Policies in international context: what works best? Lessons for the UK*, Department for Work and Pension.
- Daguerre, A., 2007, "Introduction: an overview of welfare reform in Europe and the United States", in A. Daguerre, *Active labour market policies and welfare reform: Europe and the US in comparative perspective*, New York: Palgrave Macmillan, 1-24.
- Davies, S., 2008, "Contracting out employment services to the third and private sectors: a critique", *Critical Social Policy*, 28(2): 136-64.
- de la Porte, C. and P. Pochet, 2004, "The European Employment Strategy: existing research and remaining questions", *Journal of European Social Policy*, 14(1): 71-8.
- Dingeldey, I., 2007, "Between workfare and enablement – The different paths to transformation of the welfare state: A comparative analysis of activating labour market policies", *European Journal of Political Research*, 46(6): 823-51.
- Ebsen, I., 2005, "Contracting between social services and their clients in the German concept of "Fördern und fordern"", in Sol, E. et M. Westerveld (dir.), *Contractualism in Employment Services. A new form of Welfare State Governance*. La Haye: Kluwer Law, 231-54.
- Eichhorst, W. and R. Konle-Seidl, 2008, *Contingent convergence: A comparative Analysis of Activation Policies*. Discussion Paper Series, vol. 3905. Bonn: IZA.
- Eichhorst, W., O. Kaufmann, R. Konle-Seidl et H.-J. Reinhard, 2008, "Bringing the Jobless into Work? An introduction to activation policies", in W. Eichhorst, O. Kaufmann et R. Konle-Seidl (dir.), *Bringing the Jobless into Work? Experiences with Activation Schemes in Europe and the US*, Springer: Berlin, 1-16.
- Evers, A., 2003, "Local Labour Market Policies and Social Integration in Europe: potential and pitfalls of integrated partnership approaches", in D. Trubek et J. Mosher (dir.), *Governing Work and Welfare in a New Economy: European and American Experiments*, Oxford: Oxford University Press, 188-212.
- Finn, D., 2000, "Welfare to work: the local dimension", *Journal of European Social Policy*, 10(1): 43-57.

- Freedland, M. and D. King, 2005, "Client Contractualism between the Employment Service and Jobseekers in the United Kingdom", in Sol et Westerveld (dir.) *Contractualism in Employment Services. A new form of Welfare State Governance*, La Haye: Kluwer Law, 119-38.
- Froy, F. and S. Giguère, 2009, "A new framework for labour market policy in a global economy" et "Which countries have most flexibility in the management of labour market policy? An OECD comparison", dans *Flexible Policy for More and Better Jobs*, Paris: OCDE, 17-34; 35-54.
- Genova, A., 2008, "Integrated Services in Activation Policies in Finland and Italy: a critical appraisal", *Social Policy and Society*, 7(3): 379-92.
- Giguère, S., 2003, "Managing Decentralisation and New Forms of Governance", in OCDE, *Managing Decentralisation: a new role for labour market policy*, OCDE: Paris, 11-27.
- Gilbert, N., 2002, *The silent surrender of public responsibility*, New York: Oxford University Press.
- Grefe, X., 2003, "Decentralisation: what difference does it make? A synthesis", in OCDE, *Managing Decentralisation: a new role for labour market policy*, OCDE: Paris, 31-64.
- Grubb, D. (OCDE), 2008, *Success factors in early activation and case management*, Réunion des correspondants du réseau MISEP, 3-4 novembre 2008, Paris.
- Handler, J., 2004, *Social citizenship and workfare in the United States and Western Europe: the paradox of inclusion*, Cambridge: Cambridge University Press.
- Heidenreich, M. and J. Zeitlin, *Changing European Employment and Welfare Regimes. The influence of the OMC on National Reforms*, Londres: Routledge.
- Hipp, L. and M. Warner, 2008, "Market Forces for the Unemployed? Training Vouchers in Germany and the USA", *Social Policy & Administration*, 42(1): 77-101.
- Jacobi, D. and K. Mohr, 2007, "Rushing towards employability-centred activation: the "Hartz reforms" in Germany", in R. van Berkel et B. Valkenburg (dir.), *Making it personal. Individualising activation services in the EU*, Bristol: Policy Press, 217-41.
- Jahn, E. J. and W. Ochel, 2007, "Contracting-out employment services: temporary agency work in Germany", *Journal of European Social Policy*, 17(2): 125-38.
- Johansson, H. et B. Hvinden, 2007, "Re-activating the Nordic welfare states: do we find a distinct universalistic model?", *International Journal of Sociology and Social Policy*, 27(7/8): 334-46.
- Karagiannaki, E., 2007, "Exploring the Effects of Integrated Benefit Systems and Active Labour Market Policies: Evidence from Jobcentre Plus in the UK", *Journal of Social Policy*, 36(2): 177-95.
- Kazepov, Y. and A. Genova, 2006, "From government fragmentation to local governance: welfare reforms and lost opportunities in Italy", in P. Henman et M. Fenger (dir.), *Administering Welfare Reform. International Transformation in Welfare Governance*, Bristol: Policy Press, 233-55.
- Kazepov, Y., 2008, "The subsidiarisation of social policies: actors, processes and impacts. Some reflections on the Italian case from a comparative European perspective", *European Societies*, 10(2): 247-73.

- Kerschen, N. "Contracts and new commitments in French unemployment legislation", in Sol, E. et M. Westerveld (dir.), *Contractualism in Employment Services. A new form of Welfare State Governance*. 2005, La Haye: Kluwer Law, 307-323.
- Keskitalo, E., 2007, "Between universal policy and individualised practice: analysing activation policy in Finland", in R. van Berkel et B. Valkenburg (dir.), *Making it personal. Individualising activation services in the EU*, Bristol: Policy Press, 149-67.
- Kluve, J., D. Card, M. Fertig, M. Gora, L. Jacobi et al., 2007, "The European Employment Strategy", in Kluve et al., *Active Labour Market Policies in Europe. Performance and Perspectives*, Essen: Springer, 13-25.
- Konle-Seidl, R., 2008, *Changes in the governance of employment services in Germany since 2003*, IAB-Discussion Paper.
- Lenschke, J., 2009, "Has the Lisbon Strategy contributed to more and better jobs?", in ETUI, *Benchmarking Working Europe 2009*, Bruxelles: ETUI, 25-41.
- Lindsay, C. and R. McQuaid, 2008, "Inter-agency Co-operation in Activation: Comparing Experiences in Three Vanguard Active Welfare States", *Social Policy and Society*, 7(3): 353-65.
- Lødemel, I. and H. Trickey, 2001, *An offer you can't refuse: workfare in international perspective*, Bristol: Policy Press.
- Lundin and Skedinger 2000, "Decentralisation of active labour market policy: The case of Swedish local employment service committees", Working paper 2000: 6, IFAU, Stockholm.
- Lundin, 2007, "When does Cooperation Improve Public Policy Implementation?", *Policy Studies Journal*, 35(4): 629-52.
- Minas, R., 2009, *Activation in integrated services? Bridging social and employment services in European countries*, Working Paper no. 11, Institute for Futures Studies, Stockholm.
- MISEP, 2008, *Achieving the Activation of Jobseekers: successful strategies for case management*, Compte-rendu de la réunion des correspondants du réseau MISEP, 3-4 novembre 2008, Paris.
- Natali, D., 2009, "The Lisbon Strategy a decade on: a critical review of a multidisciplinary literature", *Transfer - European Review of Labour and Research*, 15(1), 111-37.
- Newman, J., 2007, "The double dynamics of activation. Institutions, citizens and the remaking of welfare governance", *International Journal of Sociology and Social Policy*, 27(9/10): 364-75.
- OCDE, 2005, "Programmes du marché du travail et stratégies d'activation: évaluations d'impact", in *Perspectives de l'emploi de l'OCDE*, OCDE: Paris, 193-233.
- OCDE, 2007, "L'activation des chômeurs telle que la pratiquent les pays", in *Perspectives de l'emploi de l'OCDE*, OCDE: Paris, 229-72.
- Pochet, P., J.-Y. Boulin et C. Dufour, 2009, "Lisbon: a failed strategy or still relevant for the future? Some tentative conclusions", *Transfer - European Review of Labour and Research*, 15(1): 139-46.

- Regalia, I. 2003, "Decentralizing Employment Protection in Europe: Territorial Pacts and Beyond", in D. Trubek et J. Mosher (dir.), *Governing work and welfare in a new economy: European and American experiments*, Oxford: Oxford University Press, 158-87.
- Schmid G., 2008, "New forms of governance in labour market policy: are there any limits to privatisation?", in G. Schmid, *Full employment in Europe: Managing Labour Market Transitions and Risks*. Cheltenham: Edward Elgar, 242-280.
- Serrano Pascual, A. et E. Crespo Suarez, 2007, "The government of activation policies by EU institutions", *International Journal of Sociology and Social Policy*, 27(9/10): 376-86.
- Serrano Pascual, A., 2004, "Conclusion: towards convergence of European activation policies?", in A. Serrano Pascual (dir.), *Are activation policies converging in Europe? The European Employment Strategy for young people*, Bruxelles: ETUI, 497-518.
- Serrano Pascual, A., 2007, "Reshaping Welfare States: Activation Regimes in Europe" and "Activation Regimes in Europe: a Clustering Exercise", dans A. Serrano Pascual et L. Magnusson (dir.), *Reshaping Welfare States and Activation Regimes in Europe*, Bruxelles; Oxford: P.I.E.-Peter Lang, 11-33; 275-314.
- Sirovatka, T., P. Horak and M. Horakova, 2007, "Emergence of new modes of governance in activation policies: Czech experience", *International Journal of Sociology and Social Policy*, 27(7/8): 311-23.
- Sol, E. and M. Westerveld, 2005, "Contractualism: concluding remarks", dans Sol et Westerveld (dir.), *Contractualism in Employment Services. A new form of Welfare State Governance*, La Haye: Kluwer Law, 383-402.
- Sol, E. and M. Westerveld, 2007, "The individual job seeker in the sphere of contractualism", *International Journal of Sociology and Social Policy*, 27(7/8): 301-10.
- Sol, E., 2005, "Contracting-out of Public Employment Systems from a Governance Perspective", in T. Bredgaard et F. Larsen, *Employment policy from different angles*, Copenhagen: DJOeF 155-73.
- Sol, E., M. Sichert, H. van Lieshout et T. Koning, 2008, "Activation as a Socio-Economic and Legal Concept: Laboratorium the Netherlands", in W. Eichhorst, O. Kaufmann et R. Konle-Seidl (dir.), *Bringing the Jobless into Work? Experiences with Activation Schemes in Europe and the US*, Springer: Berlin, 161-220.
- Stafford, B., 2003, "Service delivery and the user", in J. Millar (dir.), *Understanding Social Security: issues for policy and practice*, Bristol: Policy Press, 213-34.
- Struyven, L. and G. Steurs, 2005, "Design and Redesign of a quasi-market for the reintegration of jobseekers: empirical evidence from Australia and the Netherlands", *Journal of European Social Policy*, 15(3), 211-29.
- Struyven, L. and K. Verhoest, 2005, "The Problem of Agency at Organisational Level and Street Level: the case of the Flemish Public Employment Service", dans Sol, E. et M. Westerveld (dir.), *Contractualism in Employment Services. A new form of Welfare State Governance*. La Haye: Kluwer Law.

- Struyven, L., 2005, "The new institutional logic of public employment services", in T. Bredgaard and F. Larsen, *Employment policy from different angles*, Copenhagen: DJOeF, 175-89.
- Trubek, D. and J. Mosher, 2003, "New Governance, Employment Policy, and the European Social Model", in *Governing work and welfare in a new economy: European and American experiments*. 2003, Oxford: Oxford University Press, 33-58.
- Valadas, C., 2006, "The fight against unemployment as a main concern of European social policy: the implications of a new local-level approach", in P. Henman and M. Fenger, *Administering Welfare Reform. International Transformation in Welfare Governance*, Bristol: Policy Press, 213-31.
- van Berkel and V. Borghi, 2007a, "New modes of governance in activation policies". *International Journal of Sociology and Social Policy*, 27(7/8): 277-86.
- van Berkel, R. and Hornemann Moller, dir., 2002, *Active social policies in the EU: inclusion through participation?*, Bristol: Policy Press.
- van Berkel, R. and P. van der Aa, 2005, "The marketisation of activation services: a modern panacea? Some lessons from the Dutch experience", *Journal of European Social Policy*, 15(4): 329-43.
- van Berkel, R. and V. Borghi, 2007b, "New modes of governance in Italy and the Netherlands: the case of activation policies", *Public Administration*, 85(1): 83-101.
- van Berkel, R. and V. Borghi, 2007c, "Individualised service provision in an era of activation and new governance", *International Journal of Sociology and Social Policy*, 27(9/10): 413-24.
- van Berkel, R. and V. Borghi, 2008a, "Introduction: The Governance of Activation", *Social Policy and Society*, 7(3): 331-40.
- van Berkel, R. and V. Borghi, 2008b, "Review Article: The Governance of Activation". *Social Policy and Society*, 7(3): 393-402.
- van Berkel, R., 2006, "The decentralisation of social assistance in The Netherlands", *International Journal of Sociology and Social Policy*, 26(1/2): 20-31.
- van Berkel, R., 2007, "Individualised activation services in the EU", in R. van Berkel et B. Valkenburg (dir.), *Making it personal. Individualising activation services in the EU*, Bristol: Policy Press, 245-64.
- van Gestel, N. and J.-M. Herbillon, 2007, "Changing modes of governance in activation policies in France and the Netherlands: common path or countermodel?", *International Journal of Sociology and Social Policy*, 27(7/8): 324-33.
- van Oorshot, W. and P. Abrahamson, 2003, "The Dutch and Danish Miracles Revisited: a critical discussion of activation policies in two small welfare states", *Social Policy and Administration*, 37(3): 288-304.
- Westerveld, M. and K. Faber, 2005, "Client Contracting in Social Security in the Netherlands", in Sol, E. et M. Westerveld (dir.), *Contractualism in Employment Services. A new form of Welfare State Governance*. La Haye: Kluwer Law, 167-185.

Zeitlin, J., 2009, "The Open Method of Coordination and reform of national social and employment policies. Influences, mechanisms and effects", in M. Heidenreich et J. Zeitlin, *Changing European Employment and Welfare Regimes. The influence of the OMC on National Reforms*, Londres: Routledge, 214-37.

¹ Barbier and Sylla (2006) distinguish in five different ways – potentially complementary – how this concept is used in scientific literature: i) restructuring of social protection systems; ii) set of new representations on social protection and labor market systems; iii) policies; iv) new citizen ethics; v) new technique of “government” of individuals.

² The OECD (2003, 41) defines the PES as the government departments, services or agencies responsible for job search assistance and counselling, the management of unemployment benefits and the implementation of active measures to promote employment.

³ The concept of “active policy” was invented in Sweden in the 1950s (Barbier and Sylla, 2006, 31).

⁴ Regarding the OECD, it launched the Employment Strategy in 1993, which aimed at proposing methods to counter persistent unemployment in its member states. The Strategy notably brings up the potentially negative effects of social benefits and proposes ways to strengthen work incentives and expand the effectiveness of ALMP (Eichhorst and al. 2008a, 10).

⁵ Since 2005, the guidelines concerning employment have been integrated with macroeconomic and microeconomic policies and are established for a period of three years. Furthermore, OMC in the context of the EES was separated in two sections: an OMC on social protection and social inclusion and another on employment (Carmel and al. 2007).

⁶ In July 2010, new guidelines were adopted by EU member states, within the framework of the new “Europe 2020” strategy for growth and employment. Among the 10 guidelines, three directly concern activation: “(7) increase labour market participation and reduce structural unemployment; (8) develop a qualified workforce able to respond to labour market needs; promote high quality jobs and lifelong education and training; (10) promote social inclusion and fight against poverty” (Council of the EU, July 2010). Moreover, in the context of the new Europe 2020 strategy, the overall employment rate objective is now of 75% (Council of the EU, March 2010).

⁷ Since the notion of governance is rather polysemous, it should be noted that we use this term to designate the way in which policies are administered and implemented by institutions and actors (van Berkel and Borghi 2007a). The attention is geared in particular toward models of service provision.

⁸ The integration of the PES and of the services offered by municipalities will be addressed in the next section.

⁹ A 2001 reform has delegated legislative powers to the regions in the field of social policy (Bifulco and al 2008).

¹⁰ The inter-organisational cooperation mentioned here distinguishes itself from the partnerships mentioned in the section on decentralisation: although both phenomenon are closely tied (and sometimes dealt with jointly in the literature), in this section we allude to a cooperation limited solely to public organisations, in the perspective of integration of services. The partnerships mentioned earlier included cooperation between public organisations and the private sector (profit and non-profit), in order to adapt the policies to the local/regional context.

¹¹ The ARGEn do not exist in all German municipalities (Konle-Seidl 2008).

¹² Van Berkel and Borghi underline the scarcity of evaluations on inter-agency cooperation in matters of activation (2008a, 397).

¹³ Some countries, such as Germany, use a system of vouchers with which beneficiaries can choose their private supplier themselves. In this case, individuals act more like purchasers in a market (Van Berkel and van der Aa, 2005). Such voucher systems are discussed in the next section, on the individualization of activation services.

¹⁴ It should be noted that the involvement of private actors which is addressed in this section differs from the partnerships addressed in the section on decentralisation, even if outsourcing contracts are also a form of decentralization and if marketization arrangements may sometimes be referred to as “partnerships”. Partnerships imply a relationship of cooperation between actors who are in a relatively egalitarian relationship and do not necessarily involve a separation between the roles of purchasers and suppliers of services. The remarks of a Dutch civil servant on the marketization of activation abound in the direction of this separation of the two notions: “There is certainly no partnership. It is a contractual relationship. We have discussions and the companies present what they can offer.” (Lindsay and McQuaid, 2008, 359).

¹⁵ The UWV must tender at least 70% of its reintegration services to private suppliers. Since 2006, each municipality can choose to offer reintegration services itself or to put them out to tender. Approximately 25% of municipalities offer the services themselves. Annually, around 400 municipalities buy a total of approximately 75,000 reintegration programs from private suppliers (Sol and al. 2008, 191).

¹⁶ Only the quasi-activation market in Australia has an effective performance evaluation system, according to Sol and Westerveld (2005, 392).