Over the past decennia, European welfare states have reconfigured their labour market policies in the direction of activation. Although the specific mix of policy measures as well as the pace and timing differed—the Nordic countries are pioneering on this front, the other countries moving later and less consistently—most European member states have at some point embarked on the route to activation. They have installed tighter entitlement conditions for unemployment insurance benefits, modernised their public employment services, and developed programmes for individually tailored job placement, training and retraining, all with a view to improving or maintaining the employability of workers. 

In order to explain this European convergence on active labour market policy as well as the remaining divergence between countries, much of the literature has relied on structural factors, such as economic globalisation (arguing that all countries have to adapt to market forces) and institutionalist concepts such as path dependency (arguing that countries will adapt in regime-specific ways). In this excellent study, Timo Weishaupt argues that both strands of literature are too one-sided and fail to take into account the crucial role of policymakers’ changing normative and cognitive beliefs.

The book’s main contention is that the evolution of labour market policy is not only determined by economic pressure, specific historical trajectories, and internal power struggles, but also by policy makers’ changing ideas about the appropriate role and design of labour market policies. When deciding on alternative policies, political actors are not only struggling for scarce resources (‘powering’), they are also being ‘reflexive’, assessing or re-assessing (‘puzzling’ over) what labour market policy is all about and/or should be about. 

From the Manpower Revolution to the Activation Paradigm tells a compelling story about how European policymakers and institutional entrepreneurs have repeatedly reassessed their normative and cognitive beliefs about labour market policy and labour market governance. Throughout the whole post-war period, but especially when faced with severe economic and social crises, policy actors have sought institutional alternatives for existing policies. By deriving ideas from ‘below’ (through national social
partners or experts, etc.), from the ‘left’ and ‘right’ (through foreign governments, global epistemic communities, etc.), and from ‘above’ (through international organisations), political actors have tried to remedy the capacity of existing labour market institutions for tackling unemployment, raising employability and other goals.

Looking at diverse European countries such as Austria, Denmark, Germany, Ireland, Sweden, and the United Kingdom, Weis haupt provides an in-depth account of the evolution of domestic labour market policies in connection with the introduction of new ideas and interpretations, in particular by the OECD and the EU. He outlines an historical trajectory in which three main phases of cognitive and normative shifts are distinguished, each of them leading to new policy agendas and institutional changes. In a first phase, lasting from the mid-1960s to the early 1970s, the OECD (in the person of Gösta Rehn) diffused new—Swedish—ideas about active manpower policy and a ‘modern’ Public Employment Service. This early advocacy of manpower policies led to a partial convergence of European labour market policy regimes on the belief that labour market policy ‘needed to be organized centrally by the state, who, in turn, would solicit the active support of the state’. It also cemented the idea that labour market policy is an important supplement to macro-economic and industrial policies (for instance, by providing qualified labour to avoid bottlenecks in production).

Yet, in the wake of the oil crises, this early ‘manpower consensus’ was shattered. A second phase started which was characterised by disagreement over the most appropriate ‘solution’ to stagnating or rising levels of unemployment. This disagreement led to diverging institutional strategies during the 1980s: the Nordic strategy which invested heavily in the service sector in order to provide (flexible) employment opportunities for men and women alike, an Anglo-Saxon strategy of labour market deregulation embracing the new ‘monetarist’ or neo-liberal paradigm of economic governance, and a continental-European strategy of labour shedding through reduction of working hours and ‘early exit schemes’. By meticulously outlining the divergent European interpretations and responses to the unemployment crises of the late 1970s and the mid-1980s, Weishaupt historicises the famous ‘worlds of welfare capitalism’ (Esping-Andersen).

It is only in a third, more recent phase that European convergence around a common ‘Activation Paradigm’ occurs. This paradigm is based on the idea that work is the best form of welfare for the individual and more work also the best means to sustain the functioning of European welfare states. The author especially stresses the importance of the EU as new ‘epistemic actor’ in this phase. While the OECD till the early 1990s enjoyed an almost ‘monopoly-like situation’ in the field of international employment policy advice and recommendations, the EU used the nineties’ window of opportunity (a period of European enthusiasm and economic recovery) to cement its role in the diffusion of new ideas and concepts in the field of employment policy. Following the lead of the OECD as well as the Nordic countries, during the 1990s the European Union made serious commitments to activation in an attempt to rebalance welfare rights and responsibilities. A real watershed was the launching of the European Employment Strategy (1997), a peer-review process ‘which was modeled on the OECD but was more inclusive, deliberative and ambitious’.

As the OECD and the EU during the 1990’s gradually grew closer to one another with regard to labour market policy, Weishaupt argues, a common normative and cognitive framework became gradually identifiable. The new paradigm was based on three elements: first, the idea that ‘activation’ should be central to labour
market policy design (for instance, through early intervention or financial work-incentives); second, the promotion of a client- and market-oriented public employment service and, third, the use of positive public policies (for instance, training programmes and child care) to raise employment levels and build more inclusive labour markets, especially for women and older workers. The emergence of this activation paradigm not only led to an overall ideational shift (for instance, the end of the belief that reducing unemployment can only occur by accepting lower employment levels), but also to a partial convergence of institutions across labour market regime types (for instance, modernised public employment services throughout Europe). Arguing against regime typologies which are seen as unnecessarily static and rigid, Weishaupt sees ample evidence of a process of ‘institutional hybridisation’, triggered and accelerated by the emergence of the common activation paradigm. Although some constitutive elements of the various ‘worlds of welfare capitalism’ remain in place, important differences between them have become less sharp. Influenced by the activation paradigm, the different clusters have moved towards each other or started combining elements from other clusters (with the Nordic countries introducing a variety a market-type reforms, the Anglophone countries introducing new universal programmes for the jobless and the Continental countries combining liberal and Nordic-universal elements).

Even though the historical chapters in the book traverse a fairly familiar terrain, the author excels in providing a comprehensive and theoretically informed account of the evolution of active labour market policies. Weishaupt makes clear how the current activation paradigm developed out of preceding decades of policy development and how ideas disseminated by the OECD and EU can provoke institutional change. The combination of a systematic theoretical framework (mainly building on historical and sociological institutionalism) and an unusually broad range of empirical material (interviews and a variety of primary and secondary sources) also works particularly well. A weaker point of this study is that it devotes little attention to the institutional infrastructure of (changing) policy knowledge. To fully understand the co-evolution of ideas and institutions, it does not suffice to analyse how ideas change and how they are endorsed (or not) by coalitions of powerful actors. One has to take into account changing material and organisational aspects as well. The adoption and diffusion of new ideas and policy doctrines requires not only ideational actors promoting these ideas, it also requires critical intellectual mass (so-called epistemic communities), well-developed connections between the policy world, and various research nodes as well as research infrastructure (for instance, the construction of cross-national statistical databases under auspices of the OECD or EUROSTAT). Yet, this study says little or nothing about the role of research infrastructure, policy experts, epistemic policy networks, or think-tanks in the construction and diffusion of the new policy paradigm of activation.

To remain up-to-date, the book ends with a brief overview of the labour market implications and reactions to the global financial and economic crisis, showing that there has not been any noticeable trend of rebalancing active labour market policies in favour of passive programmes. Yet, the conclusion that there is ‘reason to be optimistic’ may be premature. The unfolding crisis leaves us with many questions: not only how the labour market situation will evolve, but also how European policy makers will reshape activation policies to tackle new problems.

All in all, however, this is a terrific study, which significantly deepens the understanding of the evolution of European
labour market policies and of the ideational basis of policy reform. It should be closely read, not only by scholars in European labour market policies, but also by those who downplay the force of ideas in public policies.

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Michael J. Sandel: What’s the Right Thing to Do?

Social justice is the topic of this book by Michael Sandel, a prominent American political philosopher well known for his critique of liberal theories of society and his arguments in favour of communitarianism. The importance of social justice lies in being a part of everyday lives of all members of all (Western) societies. For instance, there are continuous disputes concerning the distribution of welfare. Not surprisingly, social justice is one of the main topics in political philosophy, as thinkers continually deliberate about the shape of a just society. Nevertheless, these deliberations are worthless without application in social practice. The above-mentioned complexity thus follows from the intuitive and not systematic interpretation of social justice—our judgement of what is just or unjust is based on the present situation or attitude (or on the actual social situation) and our argumentation includes many diverse ideas from different theories of social justice. It is this very intuition Sandel attempts to capture in his book. As he puts it, his intention is not to recapitulate historically the development of social justice or to formulate a new theory but ‘only’ to critically reflect different views on what is just. Readers then should recognise what their position is and where their arguments come from.

To meet the goal of connecting everyday intuition with the general theory of social justice, Sandel uses a specific methodology and structure. Methodologically, he uses casuistry, that is to say, he describes various situations or cases with as many relevant details as possible. These examples are real-life, hypothetical, or mixed situations. The specific questions which should be deliberated and taken into consideration in theory should come out from these cases. Sandel then uses casuistry as a part of applied ethics to describe everyday situations and to (re)construct today’s theories of social justice from these situations. However, there is a minor difficulty in this approach. If we think about his cases and model situations in general, we realise that all of them are situated in the United States and in US social reality. Although some cases are easily comprehensible for readers outside the United States, others seem unnatural. For example, when Sandel discusses the possibility of homosexual marriage, he defines three basic situations: institutions recognise only heterosexual marriage, heterosexual and homosexual marriage, or the non-existence of any form of official or formal relationship. If we ignore the fact that Sandel does not differentiate between homosexual marriage and registered partnership, we can see that it is very difficult to find any example for the second situation in the United States. It would be better if he had used an example from Europe where the concept of homosexual marriage or registered partnership has a deeper tradition. Sandel’s effort to find examples in the United States is underlined by the third possibility: the non-existence of any form of official or formal relationship. If we ignore the fact that Sandel does not differentiate between homosexual marriage and registered partnership, we can see that it is very difficult to find any example for the second situation in the United States. It would be better if he had used an example from Europe where the concept of homosexual marriage or registered partnership has a deeper tradition. Sandel’s effort to find examples in the United States is underlined by the third possibility: the non-existence of any form of official or formal relationship. Here, Sandel simply states it is a purely hypothetical option and that there is no example in the United States. Thus, we can see that it would be better if Sandel had differentiated the cases as the reader could more easily identify his/her intuition with described situations.