

T09P08 / Experimentalist Welfare Governance in the European Union

Topic : T09 / Governance, Policy networks and Multi-level Governance

Chair : Klaus Schubert (Institute for Political Science, University of Muenster)

Second Chair : Minna Van Gerven (University of Twente)

Third Chair : Lukas Jerg (Institute for Political Science, University of Muenster)

GENERAL OBJECTIVES, RESEARCH QUESTIONS AND SCIENTIFIC RELEVANCE

All European Welfare Systems (EWS) are facing severe challenges (Schubert/de Villota/Kuhlmann 2016) and it is uncertain as to what extent political re-actions change our acquainted worlds of welfare. On the one hand even European countries with similar sets of criteria – e.g. demographic structure, (un)employment rate, public deficit/debt) – have generated wildly diverging policy responses and it seems that national social institutions, social interests and experiences are shaping national welfare policies. On the other hand, however, also the EU plays an important role in shaping national welfare systems. EWS have nowadays become semi-sovereign welfare states (Van Gerven/Beckers 2009) as the EU has taken a strong position in influencing national policy preferences and facilitating policy learning (Kerschen 2012). National welfare states are legally and economically constrained by European rules of economic integration, liberalization and competition law. Moreover, the objectives of the EU regarding employment and social protection and the respective competences of the Union and of the European member states are defined in European treaties. So, although the future development of the EWS seems to be open to change, it is reasonable to see future processes taking place in a corridor between national path-dependency, a large variety of political intentions and EU-stimulated coordinated action (Natali/Vanhercke 2013).

From this perspective it seems useful to apply a newly available constructive approach to analyze the interplay of national and European welfare policy development. In the last few years much has been published on ‘experimental’ policy-making. However these approaches all follow a trial-and-error mode of policy-making which is guided by recursive and reflective learning and adjusting processes. Dorff and Sabel (1998) devised the term “democratic experimentalism”, Stoker and John (2009) the term “design experiments” and lately Sabel and Zeitlin (2008) coined the term “experimentalist governance” and provided rather interesting empirical examples and illustrations from Multi-Level Governance in the EU (Sabel/Zeitlin 2012). “One important omission”, they state here, “concerns transformations in national welfare states particularly within the Nordic universal access, service-based welfare regimes that are arguably becoming a model for the EU as a whole” (Sabel/Zeitlin 2012, p.8).

Our panel investigates this “important omission” and invites papers that analyze the development of European Welfare Systems from a multi-level policy-making perspective. Also papers discussing ‘experimental’ policy-making from a more theoretical perspective are welcome.

CALL FOR PAPERS

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Our panel investigates this “important omission” and invites papers analyzing the development of EWS from a multi-level policy-making perspective or are dealing with theoretical aspects of experimentalist policy-making. General orientation gives the full title of our panel: Experimentalist Welfare Governance in the European Union: What, Why, and if What Difference does it make?

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Session 1

Friday, June 30th 13:45 to 15:45 (Block B 4 - 3)

International and supranational institutions as social policy actors: the case of Latvia

Olga Rajevska (University of Latvia)

Feliciana Rajevska (Vidzeme Univeraity of Applied Sciences)

From the very first stages of the regained independent Latvian state in 1990s, the social policy making process has been being influenced strongly by the actors from outside, rather than by lukewarm dialogue with social partners within the country. Civil society was weak and divided according ethnic origin. Political elite in such situation was quite autonomous from electorate in decision-making process. Policy-makers of Latvia have been being more sensitive to external pressures and practically all substantial reforms in the fields of pensions, employment, social assistance and social inclusion were introduced following the recommendations of or looking out for international or supranational organisations such as the World Bank, IMF, ILO, later EU, and, during last four years, also OECD. Such approach resulted in rather liberal social policy model in Latvia.

The policy measures developed by the Cabinet and the Ministry of Welfare to a great extent have been depending on the necessity to follow recommendations, memoranda, “white books” and other policy evaluation documents. Thus, the World Bank played the crucial role in the design of Latvian pension system (introduction of the notional defined contribution scheme and mandatory private pension funds); the Joint Inclusion Memorandum before accession to the EU membership was the key policy document in social inclusion policy; ILO conventions were instrumental to elaborating national standards of minimum wage; IMF shaped the fiscal austerity package in the crisis years 2008-2011.

Those social policy areas where failure to follow recommendations from international and/or supranational organisations in a timely fashion can lead to tangible losses (non-granting a loan, financial penalties, etc.), as well as those where co-financing from EU structural funds is available, are demonstrating substantial progress and approach to the European standards. One of such areas is the implementation of Youth Guarantee program with visible results. Meanwhile, the areas where the instruments used by supranational bodies are mild – e.g., open method of coordination in pension policy, - Latvia is receiving the same recommendations year on year, but practical implementation of improvements is being hindered.

In view of on-going debates on the introduction of the 4th EU Social Pillar, the authors are analysing how different areas of social policy in Latvia are shaped by interaction of national and inter-/supra-national actors, and believe that the proposed pillar can be viable only in the presence of a developed mechanism of sanctions that should follow in the case when there is no any response or progress in the fulfilment of recommendations.

“The social clauses of the Economic Adjustment Programmes for Greece: A controversial paradigm for experimental policy-making in the welfare domain”

Gabriel Amitsis (Technology University of Athens)

Greece is the EU Member State most impacted by the 2009 financial crisis, given that there were neither primary social safety nets for those unable to meet their needs through market or family settings, nor supplementary policies in case of specific needs, as social housing regimes. The national social protection model was strongly fragmented, and public spending was focused on civil servants salaries and state pensions.

Gaps in the development of the rudimentary national welfare schemes (cash benefits, care and integration services for persons at high risk of poverty and social exclusion) could not be addressed within the context of the EU Social Inclusion Strategy, as part of the EU 2020 Strategy, due to certain legal and operational barriers of the

hybrid European social welfare discourse ((i.e. equal treatment in access to welfare, activation of vulnerable people, Fund for European Aid to the Most Deprived, Programme for Employment and Social Innovation, Social Economy etc), strongly influenced by the subsidiarity principle / model of social protection within the EU.

On the other hand, a radical welfare reform (particularly through the introduction of a national guaranteed minimum income scheme) was a high priority issue within the structural agenda of the three **Economic Adjustment Programmes** (known also as Bailout Programmes), which were implemented since May 2010 by major lending international partners (European Commission, European Central Bank, International Monetary Fund). These institutions identified serious problems and shortcomings in the regulation and funding of welfare, and they adopted - through the introduction of specific “**social clauses**” - a controversial social policy agenda with strong financial but limited social effects, which breaks the traditional limits between national and EU competences in the welfare policy-making process.

Greece constitutes, therefore, a unique case for discussing the complexities of introducing welfare reforms during austerity times through **experimental policy-making processes**. In this respect, the objective of this Paper is to identify the “social clauses” of the Economic Adjustment Programmes for Greece and to analyze their interplay with the national and EU welfare agendas. Emphasis will be paid to a set of “*flagship initiatives*” put forward since 2010, while the key research issue is whether the design of the new social protection framework, as promoted particularly within the Third Economic Adjustment Programme 2015-2018, may constitute a new policy-making paradigm in the welfare domain.

Key words: EU social welfare discourse, Economic Adjustment Programmes, experimental policy-making processes.

Experimenting with the European Union: The in, out, or throughput legitimacy of the European Social Fund

Minna Van Gerven (University of Twente)

Sonja Bekker (Tilburg University)

The experimentalist governance at the European Union is often seen as an answer to dealing with pressures to the European Welfare systems as well providing EU more legitimacy to act in the areas that are often considered to be national competences. Such governance approaches allow stronger experimental designs and trial and error mode learning. One of such tools at European Union is the European Structural Funds, a co-financing instrument, which allows Member states to implement new and (more innovating) policies. This paper will analyse the legitimacy of such innovation tool. Building on extensive theoretical discussion by Fritz Schapf (1970; 1997; 1999) and Vivienne Schmidt (2013), this paper contributes to the literature a much needed empirical account of input, output and throughput legitimacy of European Social policy. Drawing on data on expert interviews of multilevel actors in the Netherlands, this paper analyses how national actors perceive the input, throughput and output legitimacy in their usage of the European Structural Funds in designing activation policies for the unemployed in the ESF period 2007-2013. The preliminary results for the Netherlands’ suggest that the strongest legitimization effects are found at the throughput legitimacy and that the EU still needs to find ways to increase the input and output legitimacy of the ESF and eventually to improve its’ experimental governance.

Experimentalist Governance in Welfare State Research?

Lukas Jerg (Institute for Political Science, University of Muenster)

It is a commonplace to talk about the different regimes of welfare states in advanced capitalist democracies (Esping-Andersen 1990). The basis for the analysis is formed by the perception that different institutional settings and differences in the respective power resources of labour as a class and social democratic parties have formed different types of welfare state regimes according to the respective strength. The underlying rationale for welfare states is to enable de-commodification for labour. Different views see the welfare state as complementary to the skill formation of the economy, enabling certain states to produce on a highly skilled basis and compete with quality, the welfare state securing the investment of workers into highly specialized skills. Whereas other economies rely on the free market and general skills, and the welfare state is less developed.

In recent times, however, welfare state researchers have expanded their scope from de-commodification, i.e. reducing the dependency on selling one’s own labour force in order to survive, to focus on social investment in order to cope with new social risks (Hemerijck 2013, 2015, 2017, Morel et al. 2012, Esping-Andersen 2002).

At the same time as welfare states are expanding into new territory, political science has taken a new interest in different forms of governance that discharge the hierarchical nature of governing top-down for a new way of governing. This so-called experimentalist governance (Sabel/Zeitlin 2012, 2016; Zeitlin 2015) places feedback,

peer review, and learning at the centre of governing. Initially investigated in the governance of the EU, where a plenitude of actors and differences on the local level create uncertainty about how to achieve set goals, experimentalism has proven to be useful to create and implement new legislation.