Comparing workfare regimes: similarities, differences, and exceptions.[1]

Ian Greer[2], Graham Symon[3]

Working Paper

No: *WERU6*

Year: 2014

The Business School

[1] For comments on an earlier draft, many thanks to Peter Burgess, Matthias Knuth, Nick Krachler, and Flemming Larsen. Many thanks as well to the participants in sessions where this paper was presented at the *Industrial Relations in Europe Conference*, 5-7 September, Lisbon and the *Labor and Employment Relations Association*, St Louis 2-5 June 2013.

[2] Work & Employment Research Unit (WERU), Business School, University of Greenwich
[3] Corresponding author: Prof Ian Greer, WERU, University of Greenwich Business School, Park Row, Greenwich, London SE10 9LS, e-mail: i.greer@greenwich.ac.uk, tel: +44 20 8331 9980

Abstract — *This paper examines the spread of punitive welfare reforms aimed at enforcing work and discouraging unemployment, what we call 'workfarism'. While comparative institutionalist theories predict that these policies should be confined to countries with 'liberal' political economies such as the US and UK, elements of workfarism have appeared in other countries with more generous welfare states, including Germany. Drawing on secondary literature and our field research, we describe and compare workfarist policy shifts in Germany, Great Britain, and France. Our comparison highlights two important but neglected factors: the use of markets in public administration and the central power of the state.*

Keywords: Welfare reform, labour markets, marketisation, comparative political economy, comparative welfare states, workfare

Introduction

Starting with the United States in the 1970s, nearly every rich democracy has reformed its welfare state to actively promote paid employment (Eichorst & Konle-Seidl 2008). Whether labeled active labour market policies, workfare, welfare-to-work, insertion, or activation, these interventions have a number of features in common. They tighten the link between welfare support and job search, are delivered in part by contracted-out service providers, and are underpinned by financial penalties levied against jobless clients for non-compliance. In the critical literature the term ‘workfare’ has come to denote the policies and discourses aimed at intensifying labour market discipline on workers and job seekers. The intensification of pressure on welfare claimants to take low-wage insecure jobs is what we call ‘re-commodification’.

How welfare reform matters for industrial relations can be seen in the discussion in Europe over flexicurity, an alternative policy concept to workfare. Its origins are in Denmark, where it was a well-resourced form of labour market intervention governed by representatives of the state, capital and organized labour. Policymakers aimed to bridge periods of unemployment through generous unemployment benefits and to invest in human capital through training (Bredgaard et al 2007). The term was codified in the European Union’s Lisbon Strategy for Growth and Jobs of 2000, which attempted to promote economic competitiveness and growth in a way that reconciled prerogatives for both labour market flexibility and strong social rights (Gold 2009). Its implementation, however, was impossible in countries without traditions of generous social spending and training investment or strong tripartite social partnership arrangements. Even in Denmark, trade unions have been sidelined due to their unwillingness to enforce tough work requirements on their members and to service non-members (Larsen 2013).

More influential was the USA, the laboratory of workfarism, with prototype local experiments in the 1970s and 1980s leading to the main piece of national legislation in 1996 (Peck 2006). Most comparative welfare state assumes that path-dependent characteristics of national institutional systems would prevent the rise of workfarism outside of the English-speaking world (Barbier & Fargion 2004; Esping-Andersen 1999). In the 1990s, however, critical writers predicted the spread of workfarist policies internationally as part of a broader process of 'neoliberalization' in which welfare reforms interacted with broader market-oriented policy shifts (Amin 1997; Jessop 1994). The former is consistent with the welfare regimes (Esping-Andersen 1990) and Varieties of Capitalism (VoC) schools (Hall & Soskice 2001); and the latter with more recent work on dualization (Emmenegger et al 2012) and neoliberalism (Baccaro & Howell 2011). A common theme in the latter two strands of literature is institutional change (in welfare states and industrial relations) eroding non-market social citizenship rights.

In this paper we ask how and why workfarist policy mixes emerged and varied. They have appeared in a surprising variety of countries, undermining longstanding and well-established social citizenship rights and introducing a new set of institutions aimed at promoting work. Based on a comparison of Germany, Great Britain[i], and France, however, we find that this trend is not universal, and that real-world workfare regimes – combinations of workfarist policies and practices covering specific jurisdictions – have varied in surprising ways. Differences, we argue, are determined by the use of the market as a public policy governance tool (which determines the presence or absence of a workfare regime) and the power of central government (which determines the shape the workfare regime takes). We use these factors to explain why the

British regime is dominated by large firms including multinational corporations (MNCs) and increasingly reliant on non-market forms of state coercion on job seekers; why its German counterpart is dominated by local public-sector managers and employs more market discipline in dealings with contractors and job seekers; and why France's version of workfarism has stalled.

This paper first presents our argument building on a discussion of what workfarism is, as well as insights about it from the critical and comparative-institutional schools. Then it provides an overview of the country cases, constructed from academic and evaluation research, policy documents, and our own field research in the three countries. Between 2007 and 2012, we interviewed more than 200 policymakers, civil servants, managers at providers, providers associations, front-line staff, and worker representatives in the three countries. We conclude with comparative analysis and broader implications.

Comparing workfarism

The use of the welfare state to promote paid work has grave consequences for the world of work in nearly every country in the global North. There are semantic obstacles, however, to address when discussing workfarism, some of which correspond to real historical differences. According to Standing (1999: 313) three broad categories exist of 'activation': active labour market policies associated with Nordic social democracy; workfare from the USA, the most aggressive form of coercive welfare intervention; and welfare-to-work, a specifically British term, part of the post-1997 New Labour government's 'Third Way' policy agenda, chosen to distance it from the harsher American policy mix (Dean 2007). In policy discussions, workfare usually refers to particular mandatory labour-market programs in which claimants work in exchange for welfare benefits. Following the critical literature, we use the term differently, to characterize a policy mix in which the conditions and sanctions of the benefits system are used systematically to enforce the discipline of the labour market.

According to the critical school of welfare-state studies, workfarist reformers aim to change the institutional constitution of the labour market ‘based on the selective recommodification of wage labour, the marketization of the labour market’s boundary institutions, the activation and socialization of welfare recipients for contingent employment’ (Peck 2006; 315). The critical school interprets workfarism as a broader pattern of behavior of states under capitalism, which act to mitigate or resolve crises in the system of production by using state governance mechanisms to ‘normalize’ the capital relation in times of crisis. A key element of this adjustment is the subordination of social policy to the imperatives of a flexible and competitive economy (Jessop 2002). These policy changes can be summarized as an intensification of conditionality (an increase in the conditions attached to receiving benefits) backed up by sanctions (the temporary or permanent withdrawal of welfare benefits) and extended to particularly disadvantaged segments of the out-of-work population (beyond the short-term unemployed to the long-term and youth unemployed, as well as those previously classified as ‘inactive’ due to disability or caring responsibilities). When these elements are present in combination they constitute, according to our definition, a workfare ‘regime’.

Administration and governance are important for any workfare regime, because social policy and public management in this area are influenced by the same set of neoliberal ideas, and because administrative dynamics determine the effects of the policy on front-line staff, and therefore on clients and labour markets. From the late 1970s, policymakers - initially in the English-speaking world, but increasingly elsewhere – promoted the idea that state bureaucracies, particularly in welfare provision, were wasteful, self-serving and dysfunctional, failing the taxpayer and stifling private enterprise and competitiveness in an emerging hostile global economy. What resulted was privatization, intensified performance management, the expansion of consumer choice, and a squeeze on spending. These trends were bound up with moves away from overall goals of mitigating social inequalities and protecting rights (Clarke and Newman 1997) and towards using contracts to govern the behavior both of citizens and of public service providers (Carney and Ramia 2002).

The critical literature does acknowledge national variation in this process, in part because workfarism is the aggregate of many piecemeal, contradictory and sometimes abortive interventions. Though common to many countries, workfarism is not universal and has not produced convergence on a uniform set of policies (Jessop 1994; Peck 2006); moreover, neoliberalism generally has created within-country institutionalized diversity (Brenner et al 2010). While this literature produces highly suggestive critiques, it shies away from stating the conditions under which a workfare regime emerges.

The comparative-institutional tradition, by contrast, provides a clear starting point for explaining change, focused on national regimes. The welfare regimes literature, for example, focuses on differences in welfare state activities and distinguishes between liberal (same countries as LMEs), a conservative (Germany and France), and social democratic (the Nordic countries) models. Core to this account is a political story of varying degrees of working-class mobilization through unions and political parties and the varying cross-class coalitions with specific groups of employers that historically resulted. Welfare institutions are seen as products of a past political drive for ‘decommodification’, to liberate workers from market pressures, rather than as the product of employer preferences. Decommodification is greatest in social democratic regimes, lowest in liberal regimes, and intermediate in conservative regimes (Esping-Andersen 1990).

The VoC school proposes a different mechanism to sustain diversity, namely institutional complementarity. The assumption is that employers strategically favor particular institutional arrangements in areas as wide ranging as the welfare-state, training, industrial relations, and corporate governance, because these arrangements contribute to the economic competitiveness of the particular national model of capitalism. A welfare state with a strong element of human capital investment and generous unemployment benefits, for example, is complementary with the high-quality German production model, because it allows large numbers of workers to move from job to job without being forced to move into lower-wage lower-skilled jobs (Hall & Soskice 2001).

National-regimes theories argue that the transfer of social or labour market policies between regime types is unlikely. This sometimes leads to correct predictions, as in Boyer's (2004) argument that the Lisbon accord would fail, since it was premised on assumptions of international 'best practice' rather than sober assessment of what is realistic in Europe's variegated institutional and political fabric. However, in the traditional national-regimes form, comparative institutionalists wrongly predicted that workfare, and market-making arrangements more generally, would be limited to the English-speaking world. In fact, for the theoretically crucial case of Germany, there was a wide range of market-making reforms (Streeck 2011), reinforced by rapid declines in collective bargaining coverage and union membership (Hassel 1999), organizational restructuring of large firms (Doellgast 2012), and the rise of a low-wage sector larger as a share of the workforce than that of the UK (Bosch and Weinkopf 2008). One of these marketizing changes, the Hartz reforms, we will discuss in detail below. These changes have opened the door to critiques of past national-regimes approaches that suggest that Europeanization, neoliberal politics, options for institutional escape, and marketization affected national institutions in a way that called into question existence of a stable and distinctive 'models' of regulation (Lillie & Greer 2007; Vidal 2013).

The comparative-institutional tradition has adapted to these new facts in two main ways. One, the dualization discussion, combines a picture of path-dependent change and within-country variation (Palier & Thelen 2010). One core element of this theory remains the same as VoC and the welfare regimes literatures: the argument is that it is not market logic that causes change, but rather a set of non-market demographic, political, and institutional shifts. Decisive for this theory is an alleged political cleavage within the workforce (insiders versus outsiders), with the main actor in policymaking a cross-class coalition of unions and employers in the 'core' large-firm sector. Drawing mainly on the cases of France and Germany, dualization theorists argue that change is caused in part by the declining coverage of socially protective institutions that presuppose stable employment, such as social insurance, collective bargaining, and apprenticeships, as well as an intensification of labour-management cooperation within this core. The holders of stable jobs are in this account are self-interested unionized 'labour market insiders'. As this group shrinks, there is an increase in the number of 'outsiders', i.e. workers and unemployed people cut off from collective worker representation, social insurance, collective bargaining, and apprenticeship training because of weak or non-existent 'labour market attachment'. Inequalities between these two groups increase as unions and employers seek policies to protect 'insiders' in order to maintain productivity and labour peace, the costs of which are shifted onto the rest of society. According to this theory, the rollback on non-market citizenship entitlements may take place in non-liberal regimes, but they will not produce a break with the historical institutional trajectory in the core of the economy. Within each country there is variation, with non-liberal labour market regulations providing insiders with persistent protections and privileges and a growing group of outsiders lacking these protections (Emmenegger et al 2012).

The second adaptation of comparative institutionalism concerns liberalization, which loosens not only past assumptions of stability, but also those about the character of change as path-dependent and (outside the English-speaking world) fundamentally resistant to market logic. Höpner et al (2009) provide evidence for a much wider range of liberalization processes taking place across this group of countries since the 1980s, including declines in 'state intervention' not only in the labour market and welfare state, but also through privatization, reductions in subsidies, and the deregulation of product and financial markets. Baccaro and Howell (2011) find evidence that the overall trend of change in industrial relations across OECD countries is liberalizing in two senses: deregulation (the elimination of constraints on capital) and conversion (a change in the function of existing institutions to enhance, rather than restrict, the discretion of capital). This finding is echoed by Holst (2013) who argues that marketization produces shifts in industrial relations in core German workplaces that are greater than the dualization literature would suggest. The liberalization literature thus draws attention to a trend common across many countries: the decline of established non-market forms of state intervention and collective regulation, including those whose purpose it was to redistribute resources or protect the vulnerable in the face of markets.

The institutional theories underpinning comparative industrial relations research have thus moved beyond a notion of static national regimes. However, they remain thin in their conceptualization of spaces created by the market. In contrast to critical approaches that see neoliberalism as engendering a richly variegated institutional landscape (e.g. Brenner et al 2010), the liberalization and dualization literatures define the emerging regulatory landscape in terms of the decline of old institutional frameworks rather than the features of some new institutional space. This latter space is institutionally thick, as we might expect, not only from the critical school, but also from institutionalist discussions of the regulation of privatized and deregulated industries (Vogel 1998), prison labour in the US (Western & Beckett 1999), and corporate takeover rules (Culpepper 2010).

The present paper seeks to build this idea – of marketization giving rise to new institutionally thick regulatory arrangements – into comparative industrial relations theory through an examination of workfarism and its effects at the bottom end of labour markets. We argue that in order to understand a country where labour markets have been 'liberalized' or a stratum of labour market 'outsiders' has emerged, it is necessary to understand the institutions that emerge in the new marketized setting. This paper examines a particular kind of marketization, namely labour recommodification caused by welfare reform. Its implications extend beyond those with weak labour market attachment to large swathes of the quasi-permanent workforce that could potentially move between jobs but for whom state support to do so becomes less generous and potentially punitive. We highlight two institutions in public administration that enable or shape this process:

1. The state's imposition of market relations on its own structure is an important enabler of workfarist social policy. This is consistent with one of the premises of the empirical social policy literature, that under workfarism the state is increasingly concerned with making and enforcing contracts (both in its approach to jobless clients and contractors) at the expense of non-market citizen entitlements (Carney & Ramia 2002). Marketization in

public administration is one area where a very wide range of states have considerable flexibility; indeed the three pioneers of contracted-out welfare-to-work services were Australia, Denmark, and the Netherlands, which represent the full range of welfare 'regime types' (Bredgaard & Larsen 2008). Thus, we hypothesize that the commodifying effects of a workfare regime depend to a great extent on the use of market mechanisms in public administration. The relative weakness of France's workfare regime is thus related to a broader reluctance by the French state to impose market relations on public service provision, even that which is carried out by external contractors.

2. The power of central government is necessary for a large-scale handover of service provision to the private sector and certain kinds of direct state intervention at the bottom of the labour market. There is a contradiction between some features of marketization and restrictions on central state power, since local politicians, administrators, and social partners may resist kinds of marketization that undermine their own power or existing practices at the local level. This is consistent with empirical findings on the role of federalism and social partnership in slowing change and shaping policy outcomes in Germany (Knuth 2009), but largely neglected in the critical and comparative-institutional literatures. Thus, we hypothesize that, where other basic conditions for workfarism are satisfied, a centralized state unencumbered by a stable division of powers will introduce more 'illiberal' elements to its workfare regime. In Great Britain, central state power led to illiberal policies, including market rules in contracted out services that sought to ensure 'commercial viability' for large providers, as well as various administrative tools to ensure a low-wage or no-wage workforce in ways that went far beyond the coercion of the labour market. Germany's workfare regime, by contrast, is more consistent in

imposing market relations on external service providers (through rigorously price-based contracting) and clients (through the rollback of make-work schemes and refocusing of attention on job placements in the 'first' labour market).

Workfarism in three countries.

We have selected Germany, Great Britain, and France partly because of their similarities. They are rich democracies with welfare states subject to the strictures and coordinating mechanisms of the European Union, with some of the basic features of a workfare regime:

- a political ***discourse of enforcing work and fighting welfare dependency***, alongside a set of policies aimed at reducing entitlements attached to citizenship or making entitlements more tightly linked to paid employment;
- the ***integration of benefit payment with job search services*** into a one-stop shop Public Employment Service (PES) charged with enforcing conditionality (such as job-seekers agreements) and sanctions for non-compliance;
- a range of ***active labour market programmes***, initiated centrally but with contracted-out delivery by for-profit, non-profit, and public-sector bodies; and
- the ***targeting of activities*** on particular geographies that have been identified as having acute economic and social problems (e.g. mining and manufacturing regions and certain urban areas) and on particular groups in society (e.g. the young, the disabled, lone parents, immigrants).

We have also chosen to compare these countries because of their variation in the degree to which workfarism has been implemented. Although comparative welfare regime theory categorizes Germany and France as conservative welfare regimes and the UK as liberal, it is Germany and

Great Britain that have gone furthest in adopting the workfarist policies. Indeed, even when the UK and Germany previously had nominal left-of-center governments, the ‘Third Wayist’ (Corby & Symon 2011) orientation of the Blair-Brown and Schroeder governments were not only sympathetic to market capitalism (Streeck 2011), but also capable of rolling out pro-business policy in increasingly sophisticated ways. France’s reforms, by contrast, fit an overall picture of neoliberal change blocked, delayed, limited in scope, restricted to narrow areas of policymaking, and ineffectively implemented (Prasad 2007; Levy 2011). While France has adopted some of the institutional forms of a workfare regime, there is little sign of a re-commodification effect.

The following sections describe each country in terms of the shifts in policy towards conditionality and sanctioning, as well as the governance of the PES, contracting practices, the structure of service provision, and overall recommodification effects on the labour market.

Germany: Workfarism as liberalization

The Hartz laws, passed in 2003, reformed the welfare state and labour market after decades of relatively minor adjustments. The four acts produced a major reduction in the generosity of insurance-based unemployment benefits and a severe ratcheting up of pressures on job seekers to enter low-wage and non-standard forms of work. They also restructured employment services by imposing market discipline on much of the organizational landscape of contracting, through procurement for some services and vouchers for others, and by restructuring services within the PES. These reforms exacerbated already growing problems in Germany with low-wage insecure work and inequality, and there is strong evidence that they had disciplinary effects on the core workforce.

The most severe change was the reduction of entitlements to unemployment benefits pegged to past earnings. What had been for most a much longer-term earnings-related entitlement was reduced to one year of unemployment insurance (ALG I), followed by a shift into a flat-rate means-tested benefit that could also be used to top up the wages of low earners (known as Hartz IV or ALG II). Work requirements were intensified by broadening the definition of a ‘reasonable’ job offer whose acceptance by job seekers would be mandatory, including jobs with lower pay and occupational skill requirements than the client’s previous job. These requirements were introduced alongside the liberalization of temporary agency work and mini jobs, and more widespread use of barely remunerated make-work schemes known popularly as the one-euro job. Despite low sanctioning rates and high success rates for appeals, the reforms successfully undermined the principle of ‘status security’ that had been built into the system from its inception (Hassel and Schiller 2010; Klenk et al 2010). Among the effects of Hartz IV is its stigmatizing character for its claimants (Dörre et al 2013).

Under the Hartz regime, there was considerable continuity with the past in terms of overall governance of the PES. At the central level, the social security system was administered by the *Bundesagentur für Arbeit* (BA), with funds collected through payroll deductions as well as tax funds, operational autonomy from the responsible ministry, a tripartite governance board (albeit weakened by the reforms), and a powerful works council (*Personalrat*) representing its employees. After the reforms and the restructuring that followed, the BA remained Germany’s largest public agency in terms of employment. At the local level a division was created between the agency that administers the insurance-based unemployment benefit (a local office of the BA) and that which administers Hartz IV (which became either a jointly administered agency of the BA and the municipality or part of the municipal government). The power of local government in this structure was shored up by a 2007 constitutional court ruling that the initial structure did not sufficiently respect the role of local government in providing social assistance and by a 2010 law in response to that ruling that increased the number of fully municipalized Jobcenters (which now account for 20% of spending). With the exception of the latter, the BA retains considerable power in part due to its electronic systems, its centralized worker representation structure, and its role in restructuring the procurement function.

The reforms, however, did change the relationship between the PES and contractors. Whereas in the past it had been a relationship of delegation and built on a tradition of subsidiarity, after the reforms it was governed by market transactions. These changes were central to the branding of the reforms, which were known officially as the 'Laws for modern services on the labour market'; this is in part a response to accusations against the predecessor to the BA of patronage and corruption, in particular in relation to training providers run by the social partners. Exempted from this shift were make-work schemes, which were dominated by the non-profit sector and excluded from procurement law. Other activation programs – mainly short-term training measures – were subjected to price-based competition organized by new organs within the BA known as the regional purchasing centers (the *Regionale Einkaufszentren* or REZen) which gained considerable influence over the actual content of programs. A third variant were the placement vouchers and training vouchers, which were issued by BA staff to job seekers. Providers could redeem the vouchers if they attracted the job seekers to a training course or found them a job. The cumulative effect of these shifts was that the long-term relationships that shaped the landscape of service provision were transformed through competition between providers and through a new market-mediated relationship between funder and providers (Hipp

& Warner 2008). The voucher market is fluid and fast-moving, with transactions that are arms-length.

The dominant actors in this system, however, are the local managers of the bodies that administer the two unemployment benefits and, increasingly, managers within the procurement function. While the statute sets out a series of 'instruments' (such as one-euro jobs or different kinds of training programs), managers have considerable flexibility as to which instrument to use, the design of the services, and the procurement process. Local Jobcenter managers can, for example, work with the REZ to procure an off-the-shelf program designed centrally and offered to local managers as a 'product'. Or they can design their own program and procure it through the municipal government. In the former case the goal is usually to extract low prices through competitive bidding; in the latter case it is often to maintain some existing structure of provision through a tendering specification that favors incumbent providers. The landscapes of provision that emerge from this process are dominated by local networks of nonprofits and small for-profit firms, with short contract cycles and low profit margins. Multinational providers have had little success in extracting profits from the German market, and an early attempt by the Dutch company Maatwerk to enter the German market led to its insolvency. Small local businesses and nonprofits (large and small) dominate the contracting landscape.

The effect of the Hartz reforms on the German labour market is one of recommodification. Policymakers succeeded in disrupting a system that provided 'status and income security for the standard male worker', weakening the role of social partners in governing the system (Hassel & Schiller 2010: 54). One detailed study of Hartz IV claimants showed, furthermore, that the new structures reframed unemployment as a competition, with periodic tests of eligibility or of meeting work requirements (Dörre et al 2013). The effect for others in the labour market, including many low earners in permanent jobs, is fear of downward mobility as a consequence of unemployment (Brinkmann et al 2006). This fear helps to explain why, despite the increase in precarious employment of various kinds, labour turnover in the core of German industry has actually been decreasing (Knuth 2011). Under this regime, however, the more illiberal aspects of workfare remain restricted. One-euro jobs, for example, which were illiberal in their conception (a make-work scheme that enforced work using administrative means rather than market compulsion), were restricted to 'social-benefit work'. Funding for these was sharply reduced after 2009 due to budget cuts and evaluations finding that they were not conducive to successful job placements in the non-subsidized 'first' labour market.

Great Britain: Illiberal workfare

Though Great Britain has taken a slow and incremental approach to reform, the accumulated changes made by governments since 1979 have produced a harshly punitive workfare regime. The effects of these policies were shaped by the abandonment of any Keynesian consensus for full employment in the 1970s, Thatcher's anti-union laws of the 1980s, and industry restructuring. Under the post-1997 New Labour government, there was an expansion both of mandatory welfare-to-work schemes and of other incentives to move into work, such as tax credits and the national minimum wage. Under the Coalition Government (elected in 2010), labour market regulation is losing some of its market-making incentives for job seekers introduced by Labour and is taking on new illiberal features (Mabbett 2013).

In Britain the balance of social rights and obligations was altered beginning in the 1980s by changes in conditionality and sanctioning; however, it was easy to exaggerate the speed and extent of reform during its early phase. Like Germany prior to the Hartz reforms, for example, there was support for labour market exit for workers made redundant due to industry restructuring (funded by the incapacity benefits system rather than the retirement system), which along with increasing numbers of people on benefits put a financial strain on the social security system. As this structural joblessness endured, especially in regions hit hardest by deindustrialization (Marsh & Rhodes 1992), a 'Stricter Benefits Regime' for job seekers was rolled out in the late 1980s with job seekers' agreements and mandatory meetings with advisors. Mandatory activation programs followed starting in 1996, and then were expanded after 1997. Since 2008, work requirements have been extended to large groups of disabled people and lone parents once eligible for inactive benefits. In all these programs, the main form of pressure on job seekers was the withdrawal of benefits, i.e. the removal of the means to subsist independently of the market. These have been reinforced since 2010 by intensified administrative oversight in the workplace, with the stated aim of sustaining job placements from the Work Programme, increasing hours worked by recipients of tax credits, and (unpaid) 'mandatory work activity' to enforce the disciplines of work.

The governance of the PES had a long history of centralization. In Great Britain, tripartism in the area of skills provision for the unemployed was abolished in the 1980s with the end of the Manpower Services Commission. Jobcentre Plus (JCP) was created in the early New Labour years by a merger of two national bodies and placed under the supervision of the Department for Work and Pensions (DWP). Centralization tendencies were reinforced by the Coalition Government through the abolition of regional bodies funding employment services, other funding cuts that undermined provision in local government and the demotion of JCP from ostensibly independent 'Executive Agency' to a 'brand' within the Department for Work and Pensions. Internally, JCP is hierarchically organized as well, with strict and detailed targets for local managers, who have very little discretion by local management to design new forms of provision, either in-house or outsourced.

Contracting has also been shifted to the national level (Wiggan 2009). There has been a gradual shift since the 1980s from highly diverse and fragmented arrangements, which included non-marketized funding for the voluntary sector such as grants (with few strings attached) or contracts (with quasi-automatic renewal and payment for ‘bums on seats’ rather than performance), but also vouchers and highly competitive price-based forms of contracting. After a government-commissioned report by the banker David Freud (2007), the DWP sought to impose centralized coordination on this organizational landscape, first by moving the procurement function out of local JCP offices into national DWP offices, and then by outsourcing procurement to a small number of ‘prime contractors’ that subcontracted a substantial amount of their work to a ‘supply chain’. Parallel to the centralization of contracting was a trend to move provision of labour market programs into contractors and out of JCP, which had carried out most of New Labour’s early New Deals in-house and contracted-out specialist provision. Other funders at the sub-national level were abolished (such as England’s Regional Development Agencies and Learning and Skills Councils) or experienced severe budget cuts (local government).

The dominant players in the structure of contracted-out service provision are civil servants and ministers at the national level who design programs and large firms that manage these programs. By far the largest of the Coalition’s initiatives is the Work Programme, which has 18 prime contractors, all but 3 of which are for-profit companies. According to the DWP’s estimates immediately after commissioning this work, 75% of the volume of this work would be managed by multinational for-profit companies, who would subcontract with hundreds of other organizations. 426 subcontractors were charities, 335 subcontractors were for-profit companies, and 155 were public sector organizations. Executives of the prime contractors meet regularly with ministers and top civil servants to discuss policy in the Work Programme National Partnership Forum and constitute the core membership of the sector's lobbying organization, the Employment Related Services Association.[ii] In place of constitutional principles such as subsidiarity or federalism, the relationships between levels of government and between the state and civil society are governed as supply chains of for-profit firms.

Welfare reforms from the 1980s onwards have had a re-commodifying effect on the labour market with a distinctly illiberal edge. Despite years of reforms, in the late 1990s the intensity of case management remained quite low by international standards with a sanctioning regime underpinned by targets playing a far more important role (Considine 2001). The use of the welfare state to regulate the labour market reached a new level of institutional sophistication under New Labour, which created JCP and large outsourced labour market programs. The punishments and supports built into these programs were reinforced by incentives such as tax credits and the national minimum wage to increase the dynamism of the labour market (Grover 2005). The effects of New Labour's policies are difficult to separate from the boom in overall demand due in part to public sector spending, but social rights did become increasingly tied to labour market participation, and the welfare-to-work apparatus became far more sophisticated in both its incentives and its punishments.

Under the post-2010 Coalition Government, the illiberal side of labour recommodification has come to the fore. The use of labour market programs to shift core government functions started under New Labour with the Freud Report (2007) and was ratcheted up further by the Coalition. Ministers have focused their rhetoric on the social dysfunction of jobless families and neighborhoods with high levels of unemployment, although this also existed to some degree under Labour (Levitas 1998). Like the previous government as well, they have continued to ratchet up coercion at a time of weak employer demand and cuts to benefits levels, and like past governments their approach includes intensified pressure on the jobless to look for work. Perhaps the Coalition's main innovation is its use of welfare in the workplace. Under the Work Programme providers are paid for job placements sustained over two years and have therefore taken a role in ensuring that workers remain in their jobs. Under Mandatory Work Activity, Work Experience and Sector-based Skills Academies unemployed people are required to work for their benefit with no top-up. And under the Universal Credit the government plans to convert tax credits into in-work benefits conditional on efforts to increase hours worked. Great Britain's welfare state apparatus is now not only used to increase the supply of low-wage and flexible labour available on the market, but also to directly enforce work discipline in workplaces.

France: Workfarism stalled

In France the politics and institutions of workfarism are present, but the substance of labour re-commodification is lacking. Controlling the social welfare budget and reducing unemployment were primary policy aims of the conservative presidents Chirac (1995-2007) and Sarkozy (2007-2012). Like Germany and Great Britain, France has created contracted-out active labour market programs, merged its benefits payment and job search assistance agency, developed a discourse of encouraging work and discouraging idleness, and legislated job search requirements formally attached to benefit. Yet, reform has stalled at key moments, such as 2002-04, when the *Conseil d'Etat* (highest administrative court) censured the government for reducing benefit entitlements by reforming the job seekers agreements, and the governing party lost the 2004 local elections. In general, France lacks the clear lines of authority used in Germany and Great Britain to impose market discipline over providers and welfare claimants; professionals and non-profit associations retain considerable autonomy in front-line work; and the welfare entitlements attached to French citizenship have proven far more resilient. The conservative discourse of 'declinology', compounded with periodic flashes of serious social unrest among disenfranchised and marginalized groups in urban peripheries, have established France's own particular construction of *la crise* (Powell 2007; 22) or 'social anesthesia' (Levy, 2011).

While there have been policy shifts towards conditionality and sanctioning, these have lacked the institutional sophistication seen in Great Britain or Germany and have been introduced in the context of much stronger and more persistent welfare entitlements (Barbier and Knuth 2010). For example in 1988 a new tax-funded social assistance benefit (*Revenue Minimum d'Insertion* [RMI]) with weak work requirements was introduced for people who fall outside of the insurance-based unemployment system; retrenchment in earnings-linked insurance-based benefits has been far less drastic than in Germany; and government-funded job placements for the unemployed lack the work-for-benefit logic of British workfare and German one-euro jobs. Conditionality has been built into the system formally. RMI and its successor *Revenu de Solidarité active* (RSA) included job-seekers agreements, an additional job-seekers agreement was introduced in 2001 for people in the insurance-funded system, and the 2008 legislation creating the Pôle emploi expanded the definition of a 'reasonable' job offer that claimants can be required to accept. But, despite these changes – which mirror the broader drift of policymaking internationally – it remains questionable whether conditionality and sanctions have been implemented.

It may be the governance of the PES that is an even more important force frustrating the application of sanctions and conditionality. Like the BA, the Pôle emploi manages both benefits payment and job placement services and is governed by the social partners and has its own funding source, based on social insurance contributions. In 2008, the system of administration of social insurance and support for the unemployed was reformed through the merger of the ANPE[iii] (which provided front-line support to the unemployed) into UNÉDIC[iv] (the agency overseen by the Social Partners administering workers' unemployment insurance) and the formation of the Pôle emploi as the PES (Pôle emploi 2011). The intention was to create a clearer connection between benefits payments and job-search assistance and to tighten conditionality and sanctioning practices. In addition to the bureaucratic restructuring, the Pôle emploi was given enhanced capacity to commission direct interventions.

The central position of the Pôle emploi, however, does not give it anything like exclusive governance powers in employment policy; indeed, while it administers insurance-based benefits, municipalities are formally responsible for administering RSA and organizing activation measures for RSA claimants. The result is a complex organizational network that includes regional and local government, as well as national government agencies and their recently 'deconcentrated' operations in the regions and locales. The latter includes, for example, DIRECCTE[v], which is a merger of several central government agencies' regional and local operations and combines multiple strands of policy making relating to various aspects of work, employment, and labour markets. In addition, associations and private contractors are commissioned to deliver complementary services that seek to enable the unemployed to take advantage of employment opportunities.

French public administration and economic management has historically been thought of as statist and dirigiste (Hantrais 1996) in a way that disqualified it from comfortable classification as a CME, in VoC parlance. The French system has also, however, for some time been characterized by its plurality and diversity of practice, with non-state agencies involved in policy implementation and with a trend toward devolution of decision making and priority setting to local actors with an aim of fine-tuning implementation to meet local needs. This may make sense in coping with the divergent needs, for example of industrial regions facing the decline of mining and heavy industry as opposed to the banlieus of Paris, where the most pressing social problem is with un- or underemployed youths, principally of North and West African origin (Smith 2004). However, this plurality undermined the concept of Pôle emploi as a joined up service by engendering a wide range of collective agreements, skill profiles, and cultures whose integration proved to be a challenge (Béraud & Eydoux 2009). The Pôle emploi project has been frustrated further by a freeze in its budget after 2009 (Clegg and Palier 2013).

Because of this fragmented structure, contracting in France cannot be used as a lever to re-engineer provision and push the jobless into work. Alongside the recent reforms there has been more intensive contracting of work to private firms and associations. Although bidding is on a competitive basis and there is an element of payment for placement in work or training, both commissioning bodies and contractors are clear that contracting of new programs is meant as a complement to, rather than replacement of, existing direct state provision. Temporary agencies including Manpower and Adecco carry out contracted-out job placement services for the short-term unemployed, and Ingeus, a multinational firm that is the largest player in the British market, also has a strong presence in France. Nonprofit associations work on longstanding contracts with specific groups, often in cooperation with a complex web of public agencies. Unlike the marketized parts of the German and British activation landscapes, occupational identities among front-line staff in France are resilient (Divay 2008), and in response to lackluster evaluation evidence French commissioning bodies have moved to assert more control and reduce flexibility in contracting (Fretel 2010).

In France there is little evidence of a recommodification effect. While the ‘insertion’ agenda has evolved in policy discourse towards a principle of using the welfare state to mobilize labour and clarifying conditionality rules within welfare administration (Clegg & Palier 2012), the labour market effects remain unclear. Labour market liberalization may have emanated from other areas of policy, such as liberalization of temporary employment contracts, and not from the benefits system. The use of subsidized jobs seems to have had ambivalent effects due in part to the fact that these are subsidized jobs rather than work-for-benefit schemes. While they may have opened the door for more low-wage and contingent work, subsidized jobs were used only for small numbers of RSA claimants (ibid.) and they reduced competitive pressure on the job market by increasing employer demand (Caroli et al 2008). Contrary to accounts of French dirigisme, therefore, the workfare story is one of limited state capacity, due to a fragmented institutional structure that prevents the marketization of state institutions and the recommodification on labour.

Table 1 about here

The cases in comparison

Table 1 displays the main relevant similarities and differences between the cases. Great Britain’s workfare regime has evolved slowly since the 1980s, and since the late 2000s it has been dominated by large firms and governed by complex financial incentives. The German system, by contrast, was reformed through a single package of reforms passed in 2003 which significantly reduced the decommodifying nature of the unemployment insurance system. It is coordinated by local public-sector managers, who use highly marketized forms of contracting to tightly control their subcontractors. France's adoption of workfare has stalled, with significant legislative and legal setbacks and a complex and fragmented structure of service provision that resists change and restricts labour recommodification. How do we account for these differences?

A comparison between the cases shows that the market structures imposed by the state as a tool for public administration matter for whether workfarist policies translate into labour re-commodification. In all three countries, policymakers have attempted to impose market relations in different ways. They have sought, in line with the constraints of EU open market legislation, to address unemployment and the apparent inflexibility of labour markets by contracting out certain welfare functions. In Great Britain it has taken the form of the dominance of a few large prime contractors who contract directly with central government on a relatively long-term basis and manage supply chains of smaller contractors at the regional level on a pay-for-performance basis. In Germany it has taken the form of the dominance of local public-sector managers, and the assertion of their control over local markets of contractors by relatively short-term contracts distributed mainly on the basis of price. For job placement services, externalized work funded by vouchers is an extreme case of marketization where there is no payment without a job outcome and no contractual relationship between funder and provider. In both cases, contracting creates uncertainty for contractors and a strong incentive to conform to objectives prescribed in tendering documents by funders which, in various ways, seek to keep them accountable. In France, by contrast, there is a multiplicity of funding bodies, with different contracting processes and a highly fragmented and decentralized governance structure. Generally, funding is stable enough in France to provide a secure and specialized niche for non-profit providers; this and the lack of a central steering agent for activation services makes it impossible for policymakers to use the commissioning process as a lever to re-engineer services. Great Britain and Germany possess a kind of dual marketization – in public administration and in the labour market – that France lacks.

The power of central government matters in explaining qualitative differences between the British and German workfare regimes. In Germany strong constitutional protections for state and local government and persistent practices of self-administration of unemployment insurance by the social partners limit the degree of penetration of multinational providers in contracting markets. Active labour market programs are commissioned at the local level for small packages of work with the aid of a procurement agency at a higher, regional level. The result is that for-profit providers tend to be small, and multinational providers report difficulties in justifying investment. In Great Britain, by contrast, the central government, unencumbered by social partnership arrangements or a constitutionally anchored division of powers with local or regional government, has handed over some core functions of the DWP to MNCs and imposed far more draconian controls over claimants both in and out of work. Germany pursued a more consistent drive towards marketization that created a liberalizing form of workfarism (aimed at reducing the status-securing aspect of the welfare state and the role of social partners in provision), whereas Great Britain kept marketization within strict limits (to ensure commercial viability for contractors), coupled it with more direct state intervention in the workplace, and imposed more direct state control over the lives of claimants both in and out of work. While it is difficult to say whether re-commodification is greater in the UK or Germany, there is a clear qualitative difference.

The critical school captures the overall drift towards workfarism – as opposed to stability in conservative welfare states or alternatives such as ‘flexicurity’ – as policy makers become increasingly preoccupied with moving the jobless into jobs. Policy makers in all three of our cases seek to contract out services and customize policy interventions to meet particular local labour market needs. These trends run parallel to a broader trend of a weakening in the kinds of human capital investment, high and egalitarian wages for workers, and social partnership arrangements analyzed by comparative institutionalism and favored by the Lisbon protocols. However, there is significant variation in the extent to which social policy has introduced conditionality and sanctions, the governance of the PES, the degree to which contractors take over the core work of the public sector, the prevalence of MNCs in the contracting markets, and the degree to which contracting is coordinated, centralized, and marketized (open to the private sector, arms-length, short-termist, and price-based). These differences mark France out as a country that has failed to implement neoliberal-inspired policies. There is also an interesting difference between Germany and Great Britain in the kind of coercion exerted, which suggests qualitative variations within neoliberalism.

These differences constitute an important gap in the comparative institutionalist literature, namely the characterization of what happens when socially protective welfare and industrial relations institutions are rolled back. At issue is not only the emergence of groups with weak or no welfare entitlements, collective agreements, or strong statutory protection (as per the dualization literature), or the overall rollback of these protections (as per the liberalization literature). At issue as well is the changing nature of state intervention in the labour market that constitutes a new regulatory space of neoliberalism, including complex changes to punishments and incentives built into benefits and tax systems, as well as the assessment and case management of clients and governance of welfare-to-work schemes. These changes can have disciplinary effects both on job seekers and job holders, and can have both liberalizing effects (more market exposure) and authoritarian tendencies (more direct administrative control). These effects on job holders are a blind spot for the dualization discussion, just as these authoritarian tendencies are for writers on liberalization.

Conclusion

Above we have examined the rise of workfare regimes in three countries, including policies to roll back social citizenship rights and recommodify the labour of citizens using the administrative power of the state. Two features of the administrative apparatus ignored by comparative-institutional theories were crucial: the use of market mechanisms in public-service delivery determined whether a workfare regime with recommodifying effects really emerged, and the power of central government determined whether it took a liberalizing or illiberal form.

We draw on the critical school to draw attention to these issues neglected in comparative industrial relations. The critical literature contains a strong conceptualization of a common trend toward workfarism, but without an explanation of variation. The comparative literature theorizes variation in trajectories of overall change, but neglects the substance of marketizing regulation highlighted by the critical school. The nascent discussion of liberalization by comparative institutionalists is a partial exception; it is, however, much stronger in discussing disorganization and deregulation than it is in capturing the institutions that emerge to shape, govern, and enforce market relations in micro-level practice.

Industrial relations scholars interested in market-driven change still have much to learn from critical students of welfare states, especially when it comes to the illiberal side of welfare reform. The UK's Coalition Government is using welfare reform to intervene in new ways in work and employment, both paid and unpaid, including pressures on workers in low-wage workplaces through mandatory unpaid job placements and in-work conditionality. While these policies could not have been implemented without techniques developed through earlier rounds marketizing reforms, they are far from a 'free-market' intervention. More research on employers and job seekers is needed to understand the effects of these policies and to explore the authoritarian aspects of state intervention in so-called liberal regimes.

We have grounded our argument in three national cases, which is admittedly a small sample size. However, there is no comparative dataset that would allow us to compare workfare regimes and their outcomes across a larger number of countries; given the state of the data, even a rigorous within-country longitudinal study assessing these effects would be a challenge. With a dataset capturing the institutional changes discussed above in more countries and over time, we could assess with more precision the extent to which a country's degree of workfarism co-varies with other national characteristics such as inequality, insecurity, and other aspects of wellbeing and job quality. Our comparison allows us to make a strong case for a causal relationship between workfarist reforms and these outcomes, but this is not an issue that has been studied using larger comparative longitudinal datasets.

Social scientists have yet to discover how workfarist policy and politics have changed the behavior of job seekers or employers. A fine-grained comparative-institutional analysis is needed to understand the pressures that these shifts have put on benefits claimants to force them into paid work and the effects of these pressures. More work along these lines may conclude that the political and administrative paralysis observed in France has produced a superior outcome – lower levels of inequality – compared to the welfare-reform ‘success stories’ of Great Britain and Germany.

Notes

[i] Our analysis does not include Northern Ireland, where social security is a devolved matter, and where the Executive has considerable flexibility in implementing legislation from the Westminster Parliament (Wiggan 2012).

[ii] Lists of contractors are available on the DWP website, as are minutes from the Work Programme National Partnership Forum, and ERSA publishes a full membership list on its website.

[iii] ANPE stands for ‘Agence Nationale pour l'Emploi‘.

[iv] UNÉDIC stands for ‘Union nationale interprofessionnelle pour l'emploi dans l'industrie et le commerce‘.

[v] DIRECCTE stands for ‘directions régionales des entreprises, de la concurrence, de la consommation, du travail et de l'emploi’

References

Amin, S. (1997). *Capitalism in the Age of Globalisation*. London: Zed Books.

Baccaro, L. and Howell, C. (2011). A common neoliberal trajectory: the transformation of industrial relations in advanced capitalism. *Politics & Society*, 39(4): 521-563.

Barbier, J.-C. and Fargion, V. (2004). Continental inconsistencies on the path to activation. *European Societies*, 6(4): 437-460.

Barbier, J.-C. and Knuth, M. (2011). Activating social protection against unemployment: France and Germany compared. *Sozialer Fortschritt*, 60(1-2): 15–24.

Béraud, M. and Eydoux, A. (2009). Activation des chômeurs et modernisation du service public de l'emploi: les inflexions du régime français d'activation. *Travail et Emploi*, 119: 9-21.

Bosch, G. and Weinkopf, C. (2008). Low Wage Work in Germany. New York: Russell Sage Foundation.

Boyer, R. (2004). New growth regimes, but still institutional diversity. *Socio-economic Review*, 2(1): 1-32.

Bredgaard, T., Larsen, F. and Madsen, P. (2007). Transitional labour market and flexicurity arrangements in Denmark: What can Europe learn?, in R. Rogowski (ed.) *The European Social Model and Transitional Labour Markets: Law and Policy*. 189-208, Farnham: Ashgate.

Bredgaard, T. and Larsen, F. (2008). Quasi-markets in employment policy: do they deliver on promises? *Social Policy and Society*, 7(3): 341-352.

Brenner, N., Peck, J., and Theodore, N. (2010). Variegated neoliberalism: geographies, modalities, pathways. *Global Networks*, 10(2): 182–222.

Brinkmann, U., Dörre, K., Krämer, K., Röbenack, S. and Speidel, F. (2006) *Prekäre Arbeit. Ursachen, Ausmaß, soziale Fogen, und subjektive Verarbeitungsformen unsicherer Beschäftigungsverhältnisse*. Bonn: FES.

Burroni, L. and Keune, M. (2011). Flexicurity: a conceptual critique. *European Journal of Industrial Relations*, 17(1): 75-91.

Carney, T. and Ramia, G. (2002). *From Rights to Management: Contract, New Public Management and Employment Services*. The Hague: Kluwer.

Caroli, E., Gautie, J., and Askenazy, P. (2008). Low-wage work and labour market institutions in France, in E. Caroli and J. Gautie (eds). *Low-Wage Work in France*. 28-87. New York: Russell Sage Foundation.

Clarke, J. and Newman, J. (1997). *The Managerial State*. London: Sage.

Clegg, D. and Palier, B. (2013). Implementing a myth: The evolution of conditionality in French minimum income provision, in I. Lødemel, and A. Moreira (eds.). *Workfare Revisited*. New York: Oxford University Press (forthcoming).

Considine, M. (2001). *Enterprising States: the Public Management of Welfare-to-Work*. Cambridge: Cambridge University Press.

Corby, S. and Symon, G. (2011). From New Labour to a new era? in S. Corby and G. Symon (eds.) *Working for the State*. 3-21, Basingstoke: Palgrave Macmillan.

Dean, H. (2007). The ethics of welfare-to-work. *Policy and Politics*, 35(4): 573-590.

Divay, S. (2008). Professionals of policies for fighting unemployment in France: the construction and de-construction of professionalism. *European Societies*. 10(4): 673-686.

Doellgast, V. (2012). Disintegrating Democracy at Work. Ithaca: Cornell University Press.

Dörre, K., Scherschel, K., Booth, M., Haubner, T., Marquardsen, K. and Schierhorn, K. (2013) *Bewährungsproben für die Unterschicht? Soziale Folgen aktivierende Arbeitsmarktpolitik*. Frankfurt: Campus.

Eichhorst, W. and Konle-Seidl, R. (2008) *Contingent Convergence: A Comparative Analysis of Activation Policies*. Bonn: IZA.

Emmenegger, P., Häusermann S., Palier, B. and Seeleib-Kaiser, M. (2012). How we grow

unequal, in P. Emmenegger, S. Häusermann, B. Palier, and M. Seeleib-Kaiser (eds.). *The Age of Dualization*. 3–26. Oxford: Oxford University Press.

Esping-Andersen, G. (1990). *The Three Worlds of Welfare Capitalism*. Cambridge: Polity Press.

Esping-Andersen, G. (1999). *The Social Foundations of Postindustrial Economies*. Oxford: Oxford University Press.

Fretel, A. (2010). Recrutement: le rôle des intermédiaires. Notes du Département des Synthèses, 3 November.

Freud, D. (2007) *Reducing Welfare Dependency, Increasing Opportunity: an Independent Report to the Department for Work and Pensions*. London: The Stationery Office.

Gingrich, J. (2011). *Making markets in the Welfare State: The Politics of Varying Market Reforms*. Cambridge: Cambridge University Press.

Grover, C. (2005). New Labour, welfare reform and the reserve army of labour. *Capital and Class*, 27(17): 17-23.

Gold, M. (ed.) (2009). *Employment Policy in the European Union: Origins, Themes and Prospects*. Basingstoke: Palgrave Macmillan.

Greer, I., Böhlke, N. and Schulten, T. (2013). How does market making affect industrial relations? Evidence from eight German hospitals. *British Journal of Industrial Relations*, 51(2): 215-239.

Hall, P. and Soskice, D. (eds.) (2001). *Varieties of Capitalism: the Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press.

Hantrais, L. (1996). France: squaring the welfare triangle, in V. George and P. Taylor-Gooby (eds.). *European Welfare Policy*. 51-70. London: Macmillan.

Hassel, A. (1999). The Erosion of the German system of industrial relations. *British Journal of Industrial Relations*, 37 (3): 483-505.

Hassel, A. and Schiller, C. (2010). *Der Fall Hartz IV. Wie es zur Agenda 2010 kam und wie es weitergeht*. Frankfurt: Campus.

Hipp, L. and Warner, M. (2008). Market forces for the unemployed? Training vouchers in Germany and the USA. *Social Policy & Administration*, 42(1): 77-101.

Holst, H. (2014). Commodifying institutions:vertical disintegration and institutional change in German labour relations. *Work Employment and Society*. Forthcoming.

Höpner, M., Petring, A., Seikel, D., and Warner, B. (2009). Liberalisierungspolitik: Eine Bestandsaufnahme zweieinhalb Dekade marktschaffende Politik. MPIfG Discussion Paper No. 09/7, Cologne, Max Planck Institute for the Study of Societies.

Jessop, B. (1994). The transition to post-Fordism and the Schumpeterian workfare state, in R. Burrows and B. Loader (eds.) *Towards a Post-Fordist Welfare State?* 13-36. London: Routledge.

Jessop, B. (2002). *The Future of the Capitalist State*. Cambridge: Polity.

Klenk, T., Nullmeier, F., Weyrauch, P., Haarmann, A. (2009). Das Ende einer Bismarck-Tradition. Soziale Selbstverwaltung zwischen Vermarktlichung und Verstaatlichung', *Sozialer Fortschritt*, 5(1): 85–92.

Knuth, M. (2009). Path Shifting and Path Dependence: Labour Market Policy Reforms Under German Federalism. *International Journal of Public Administration*, 32(12): 1048–1069.

Knuth, M. (2011). Widersprüchliche Dynamiken im deutschen Arbeitsmarkt. *WSI-Mitteilungen*, 64(11): 580-587.

Larsen, F. (2013). Active labour market reform in Denmark: the role of governance in policy change. In E. Brodkin and G. Marsden (eds.) *Work and the Welfare State: The Politics and Management of Policy Change*. 210-232. Washington: Georgetown University Press.

Levy, J. (2011). The return of the state? French economic policy under Nicolas Sarkozy. Paper presented to the 12th Biennial Meeting of the European Studies Association, Boston, MA, 3-5 March 2011.

Lillie, N. and Greer, I. (2007). Industrial relations, migration and neo-liberal politics: the case of the European construction sector. *Politics and Society*, 35(4): 551-581.

Mabbett, D. (2013). The second time as tragedy? Welfare reform under Thatcher and the Coalition. *The Political Quarterly*, 84(1): 43-52.

Marsh, D. and Rhodes, R. (eds.) (1992). *Implementing Thatcherite Policies: Audit of an Era*. Buckingham: Open University Press.

Palier, B. and Thelen, K. (2010). Institutionalizing dualism: complementarities and change in France and Germany. *Politics & Society*, 38(1): 119-148.

Peck, J. (2006). Neoliberalization at work: the long transition from welfare to workfare. In G. Wood and P. James (eds.) *Institutions, Production and Working Life*. 332-345. Oxford: Oxford University Press.

Pôle emploi (2011). *Rapport d'Activité 2011*. Paris: Pôle emploi.

Powell, F. (2007). *The Politics of Civil Society: Neoliberalism or Social Left?* Bristol: The Policy Press.

Prasad, M. (2007). *The Politics of Free Markets: the Rise of Neoliberal Economic Policies in Britain, France, Germany, and the United States*. Chicago: University of Chicago Press.

Scherschel, K., Streckeisen, P. and Krenn, M. (eds) (2012). *Neue Prekarität. Die Folgen aktivierender Arbeitsmarktpolitik - europäische Länder im Vergleich*. Frankfurt: Campus.

Smith, T. (2004). *France in Crisis: Welfare, Inequality, and Globalization Since 1980*. Cambridge: Cambridge University Press.

Standing, G. (1999). *Global Labour Flexibility*. London: Macmillan.

Streeck, W. (2011). The crisis of democratic capitalism. *New Left Review*, 71: 5-29.

Vidal, M. (2013). Postfordism as a dysfunctional accumulation regime: a comparative analysis of the USA, the UK and Germany. *Work, Employment & Society*, 27(3): 451-471.

Vogel, S. (1998). *Freer Markets, More Rules: Regulatory Reform in Advanced Countries*. Ithaca: Cornell University Press.

Western, B. and Beckett, K. (1999). How unregulated is the U.S. labour market? The penal system as a labour market institution. *American Sociological Review*, 104(4): 1030-1060.

Wiggan, J. (2009). Mapping the governance reform of welfare to work in Britain under New Labour. *International Journal of Public Administration*, 32(12): 1026–1047.

Wiggan J. (2012). A kingdom united? Devolution and welfare reform in Northern Ireland and Great Britain. *Policy and Politics*, 40(1): 55-70.

Table 1: Workfarism in France, Germany and Great Britain

	France	Germany	Great Britain
Conditionality and sanctioning	Minimalist, despite government rhetoric	2003-5 overhaul and intensification through the Hartz reforms by a centre-left government	Far-reaching incremental reforms by every gov't since 1979
Public Employment Service (year founded)	Pôle emploi (2008)	Bundesagentur für Arbeit and local Jobcenters (2004)	Jobcentre Plus (2002)
Governance of PES	Insurance funding. Roles for social partners and local government, though stronger in France than in Germany		National executive agency, since 2011 a 'brand'.
Functions of contractors	Specialized, designed as complement to public provision		End-to-end, displacement of public provision
Contracting structure	Local/regional, fragmented	Local/regional, coordinated	National, centralized
Prevalence of MNCs	Medium	Low	High
Marketization of contracting	Low	High	Medium
Labour market recommodification	Low	High – liberalizing	High – illiberal