
RESTRUCTURING EUROPEAN LABOUR MARKETS
IS EUROPE PREPARED FOR THE 4TH INDUSTRIAL REVOLUTION?
Graduate seminar
University of Greifswald – Winter term 2017/18

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Consultation hour: Wednesdays 1–2 pm (by appointment only)

I. Course description

The welfare state can be seen as a set of compensating initiatives mediating between capitalist labour markets and democratic society. Governments within the OECD have pursued different approaches to labour market policy (LMP) implementation that seek to change this dated understanding of welfare policy. Alongside traditionally passive LMPs, policymakers increasingly have implemented active LMPs. This so-called “activation turn”, which is characterized by an increased focus on active measures and reduction of traditional compensating social benefits, ultimately has led to a significant restructuring of the welfare state. The turn towards active measures can be observed across the entire OECD and can be explained by different theoretical approaches, which are in part new to welfare state research and in part build on established knowledge.

The seminar focuses on LMP reform, its objectives, influences and consequences, and institutional constraints. Beyond that, we will look socio-economic, political, institutional, and diffusional explanations for labour market reform. The aim of the seminar is to enable students to comprehend contemporary literature with a quantitative empirical focus on welfare state reform and labour market intervention. Term papers should include a time-series cross-section analysis in the given topic with an appropriate application of an explanatory approach.

II. Literature

Basic literature

Castles, F. G., Leibfried, S., Lewis, J., Obinger, H., and Pierson, C. (eds.) (2010). *The Oxford Handbook of the Welfare State*. Oxford University Press.

Clasen, J., and Siegel, N. (eds.) (2007). *Investigating welfare state change: the ‘dependent variable problem’ in comparative analysis*. Edward Elgar Publishing.

Advanced literature

Beramendi, P., Häusermann, S., Kitschelt, H., and Kriesi, H. (eds.) (2015). *The Politics of Advanced Capitalism*. Cambridge University Press.

Bonoli, G. (2013). *The Origins of Active Social Policy: Labour Market and childcare policies in a comparative perspective*. Oxford University Press.

Bonoli, G. and Natali, D. (eds.) (2012). *The politics of the new welfare state*. Oxford University Press.

Clasen, J., and Clegg, D. (eds.) (2011). *Regulating the risk of unemployment: National adaptations to post-industrial labour markets in Europe*. Oxford University Press.

Hemerijck, A. (2012). *Changing welfare states*. Oxford University Press.

Morel, N., Palier, B., and Palme, J. (eds.) (2012). *Towards a social investment welfare state? Ideas, policies and challenges*. Policy Press.

III. Course assessment

Term paper

- Quantitative-empirical analysis is **mandatory**.
- Deadline for paper is March 1st.
- Submission of paper i) via email (with replication files and dataset) **and** ii) a physical copy.
- Paper must consist of 20–25 pages of continuous text (excluding graphs, tables, and references)
- 12pt font size, with serifs, 1.5 line spacing
- Fully justified text, including hyphenation
- 2.5cm margins on all sides
- Paper can be written either in English or German.

IV. Course outline

1. Introduction and Planning (October 20th)

2. Fundamentals (November 3rd)

Reforming the welfare state and the labour market

Hemerijck, Anton (2013). *Changing welfare states*. Oxford University Press.

Chapter 5: Three Waves of Transformative Welfare State Change, pp. 118–151.

Chapter 7: Welfare Performance at a Glance, pp. 221–289.

Crucial specifics of indicators

Clasen, J., Clegg, D., and Goerne, A. (2016). Comparative Social Policy Analysis and Active Labour Market Policy: Putting Quality before Quantity. *Journal of Social Policy*, 45(1), 21–38. doi:[10.1017/S0047279415000434](https://doi.org/10.1017/S0047279415000434)

Siegel, N. (2007). When (only) money matters: the pros and cons of expenditure analysis, in: Clasen, Jochen/Siegel, Nico (Hrsg.). *Welfare Reform in Advanced Societies: the Dependent Variable Problem in Comparative Welfare State Analysis*. Edward Elgar. Part II, Chapter 4, S. 43–71.

Vlandas, T. (2013). Mixing apples with oranges? Partisanship and active labour market policies in Europe. *Journal of European Social Policy*, 23(1), 3–20. doi:[10.1177/0958928712463161](https://doi.org/10.1177/0958928712463161)

Institutional aims and provisions of the OECD and the European Union

Casey, B. H. (2004). The OECD jobs strategy and the European Employment Strategy: Two views of the labour market and the welfare state. *European Journal of Industrial Relations*, 10(3), 329–352. doi:[10.1177/0959680104047024](https://doi.org/10.1177/0959680104047024)

de la Porte, C., and Jacobsson, K. (2012). Social investment or recommodification? Assessing the employment policies of the EU member states. In: Morel, N., Palier, B., and Palme, J. (eds.). *Towards a social investment welfare state? Ideas, policies and challenges*. Policy Press. Part II, Chapter Five, 117–149.

Sources for additional information

Official [website](#) of the Europe 2020 strategy of the European Commission with country specific statistics and informations on national reform programmes.

[OECD Employment Outlook 2017](#), reviews recent labour market trends and short-term prospects in OECD countries.

[Taxing Wages 2017](#), OECD publication with special feature on taxation and skills.

3. Labour market policy reform in Europe (November 17th)

Clasen, J., and Clegg, D. (eds.) (2011). *Regulating the risk of unemployment: National adaptations to post-industrial labour markets in Europe*. Oxford University Press.

Introductory and summarizing chapter (obligatory)

Chapter 1: Clasen, J., and Clegg, D. Unemployment protection and labour market change in Europe: towards 'triple integration'?, pp. 1–12.

Chapter 14: Eichhorst W., Konle-Seidel R., Kosloski A., and Marx, P. (2011). Quantity over quality? A European comparison of the changing nature of transitions between non-employment and employment, pp. 281–298.

Case studies (individually assigned)

Chapter 2: Clasen, J. The United Kingdom: towards a single working-age benefit system, pp. 15–33.

Chapter 3: Clegg, D. France: integration versus dualization, pp. 34–54.

Chapter 4: Dingeldey, I. Germany: moving towards integration whilst maintaining segmentation, pp. 55–74.

Chapter 5: Hoogenboom, M. The Netherlands: two tiers for all, pp. 75–99.

Chapter 6: De Deken, J. J. Belgium: a precursor muddling through?, pp. 100–120.

Clasen, J., and Clegg, D. (eds.) (2011). *Regulating the risk of unemployment: National adaptations to post-industrial labour markets in Europe*. Oxford University Press.

Chapter 7: Champion, C. Switzerland: a latecomer catching up?, pp. 121–141.

Chapter 8: Jessoula, M., and Vesan, P. Italy: limited adaption of an atypical system, pp. 142–163.

Chapter 9: Mato, F. J. Spain: fragmented unemployment protection in a segmented labour market, pp. 164–186.

Chapter 10: Andersen, J. G. Denmark: ambiguous modernization of an inclusive unemployment protection system, pp. 187–207.

Chapter 11: Sjöberg, O. Sweden: ambivalent adjustment, pp. 208–231.

Note: Prepare a short presentation on your assigned country with 2–3 sheets and a few informative graphs and/or tables. Within your presentation, you should refer to how labour market reforms of your chosen country fit the so-called 'triple integration'-approach described in the introductory chapter by Clasen and Clegg (2013). Create interesting graphs on recent labour market developments (up to 2016/17, depending on availability) within your country. Use the databases provided by the [OECD \(SOCX database\)](#) and the [European Commission \(spr and lmp database\)](#).

4. Consequences of LMP reform (December 1st)

Effectiveness of programs and policy mixes

Nickell, S., Nunziata, L., and Ochel, W. (2005). Unemployment in the OECD since the 1960s. What do we know? *The Economic Journal*, 115(500), 1–27. doi:[10.1111/j.1468-0297.2004.00958.x](https://doi.org/10.1111/j.1468-0297.2004.00958.x)

Card, D., Kluve, J., and Weber, A. (2010). Active labour market policy evaluations: A meta-analysis. *The Economic Journal*, 120(548), F452–F477. doi:[10.1111/j.1468-0297.2010.02387.x](https://doi.org/10.1111/j.1468-0297.2010.02387.x)

Escudero, V. (2014). Are active labour market policies effective in activating and integrating low-skilled individuals? An international comparison. MPRA Paper No. 55319, posted 16. April 2014. Online at <http://mpra.ub.uni-muenchen.de/55319/>

Kluve, J. (2010). The effectiveness of European active labor market programs. *Labour economics*, 17(6), 904–918. doi:[10.1016/j.labeco.2010.02.004](https://doi.org/10.1016/j.labeco.2010.02.004)

The Insider-Outsider divide

Rueda, D. (2014). Dualization, crisis and the welfare state. *Socio-Economic Review*, 12(2), 381–407. doi:[10.1093/ser/mwu015](https://doi.org/10.1093/ser/mwu015)

Schwander, H., and Häusermann, S. (2013). Who is in and who is out? A risk-based conceptualization of insiders and outsiders. *Journal of European Social Policy*, 23(3), 248–269. doi:[10.1177/0958928713480064](https://doi.org/10.1177/0958928713480064)

Economic growth and inequality

Huber, E., and Stephens, J. D. (2014). Income inequality and redistribution in post-industrial democracies: demographic, economic and political determinants. *Socio-Economic Review*, 12(2), 245–267. doi:[10.1093/ser/mwu001](https://doi.org/10.1093/ser/mwu001)

Nickell, S., and Layard, R. (1999). Labor market institutions and economic performance. *Handbook of labor economics*, 3, 3029–3084. doi:[10.1016/S1573-4463\(99\)30037-7](https://doi.org/10.1016/S1573-4463(99)30037-7)

5. Influences on LMPs (December 15th)

Implementing institutional recommendations

Armingeon, K. (2007). Active labour market policy, international organizations and domestic politics. *Journal of European Public Policy*, 14(6), 905–932. doi:[10.1080/13501760701497923](https://doi.org/10.1080/13501760701497923)

Paetzold, J., and Van Vliet, O. (2014). EU Co-Ordination and the Convergence of Domestic Unemployment Protection Schemes. *Journal of Common Market Studies*, 52(5), 1070–1089. doi:[10.1111/jcms.12139](https://doi.org/10.1111/jcms.12139)

Political parties and ideologies

Allan, J. P., and Scruggs, L. (2004). Political partisanship and welfare state reform in advanced industrial societies. *American Journal of Political Science*, 48(3), S. 496–512. doi:[10.1111/j.0092-5853.2004.00083.x](https://doi.org/10.1111/j.0092-5853.2004.00083.x)

Huo, J., Nelson, M., and Stephens, J. D. (2008). Decommodification and activation in social democratic policy: Resolving the paradox. *Journal of European Social Policy*, 18(1): 5–20. doi:[10.1177/0958928707084449](https://doi.org/10.1177/0958928707084449)

Cronert, A. (2017). Unemployment reduction or labor force expansion? How partisanship matters for the design of active labor market policy in Europe. *Socio-Economic Review*, online first April 26th, 2017. doi:[10.1093/ser/mwx014](https://doi.org/10.1093/ser/mwx014)

Loftis, M. W., and Mortensen, P. B. (2017). A new approach to the study of partisan effects on social policy. *Journal of European Public Policy*, 24(6), 890–911. doi:[10.1080/13501763.2017.1298656](https://doi.org/10.1080/13501763.2017.1298656)

Swank, D. (2011). Activating workers? The political economy of active social policy in postindustrial democracies. In: Brady, David (editor), *Comparing European Workers Part B: Policies and Institutions (Research in the Sociology of Work)*, 22, 9–51. Emerald Group Publishing Limited. [Link to publication](#)

Policy diffusion and policy learning

Casey, B. H., and Gold, M. (2005). Peer review of labour market programmes in the European Union: what can countries really learn from one another? *Journal of European Public Policy*, 12(1), 23–43. [Link to publication](#)

Gilardi, F. (2010). Who learns from what in policy diffusion processes? *American Journal of Political Science*, 54(3), 650–666. doi:[10.1111/j.1540-5907.2010.00452.x](https://doi.org/10.1111/j.1540-5907.2010.00452.x)

Helmdag, J., and Kuitto, K. (2017). Interdependent learning from policy success: Contextual diffusion of active labour market policies. In: Dunlop, Claire; Radaelli, Claudio and Trein, Philipp (eds.). *Learning in Public Policy: Analysis, Modes and Outcomes*. Forthcoming. Manuscript version: <http://comparativepolitics.uni-greifswald.de/gcp/GCP-10-2016.pdf>

Supplemental material

[Replication files](#) for Allan and Scruggs (2004).

[Replication files](#) for Gilardi (2010).

Replication material for Helmdag and Kuitto (2017) can be found on Moodle.

6. The future of labour markets and Discussion of term paper drafts (January 12th)

Frey, C. B., and Osborne, M. A. (2017). The future of employment: how susceptible are jobs to computerisation? *Technological Forecasting and Social Change*, 114, 254–280. doi:[10.1016/j.techfore.2016.08.019](https://doi.org/10.1016/j.techfore.2016.08.019)

Autor, D. H. (2015). Why Are There Still So Many Jobs? The History and Future of Workplace Automation. *Journal of Economic Perspectives*, 29(3), 3–30. doi:[10.1257/jep.29.3.3](https://doi.org/10.1257/jep.29.3.3)

Optional reading:

Schwab, K. (2017). *The fourth industrial revolution*. Crown Business.

Steiner, C. (2012). *Automate this: How algorithms took over our markets, our jobs, and the world*. Penguin Press.

Susskind, R., and Susskind, D. (2015). *The future of the professions. How technology will transform the work of human experts*. Oxford University Press.

Osborne, M. (2015). [Future of Working: The Future of Employment & Job Automation](#).

Term papers:

See the [check list](#) for term papers and theses. Work through all eleven points on that list and prepare a short presentation with your preliminary results. The subsequent discussion should help you in finalizing your term paper. Also try to present ready-made datasets and preliminary analyses. This way the consultation can be more helpful and insightful for you.