

---

---

# IVRIS PAPERS

---

---

**SOCIAL POLICY REFORM**

**A CONCEPTUAL OVERVIEW**

**2008**

---

---

Václav Kulhavý

č. 08/03

**Institute for research on social reproduction and  
integration**  
Faculty of Social Studies Masaryk University



This text was reviewed.

This paper presents results of research project supported by Institute for Research on Social Reproduction and Integration (IVRIS, grant number: MSM0021622408)

ISSN 1803 - 0343

Copyright ©**Václav Kulhavý 2008**

*This text can be cited in accordance of usual academic principles. It's possible to download it only for personal use. It's not allowed to publish this text without the authors' permission. This text is for noncommercial academic use only.*

---

---

# SOCIAL POLICY REFORM. A CONCEPTUAL OVERVIEW

---

**VÁCLAV KULHAVÝ**, INSTITUTE FOR RESEARCH ON SOCIAL  
REPRODUCTION AND INTEGRATION

**FACULTY OF SOCIAL STUDIES, MASARYK UNIVERSITY**

---

## **ABSTRACT**

This text schematizes the changes of the welfare state ideology as they are realized in the pro-employment oriented social policy practice in 90's. The goal of this text is to suggest the possible transformation of the welfare state ideologies under shift of the policies. It means that the ideological concepts (as equality, inclusion, entitlements, citizenship, duties or contracts) are related to the shift of the practical pro-employment changes. The text aspires to answer the following question: How do welfare ideologies change within the context of the pro-employment driven changes of the 90's.

## **Keywords:**

Welfare state, ideology, citizenship (welfare and active), inclusion, exclusion, equality, rights, contract

Kulhavý, V. 2008 „Social Policy Reform. A Conceptual Overview" IVRIS Papers  
[online] Available from:  
<http://ivris.fss.muni.cz/papers/index.php?page=cislap&id=3>

## **CONTACT**

---

Contact author: +420 54949 4262, email: [kulhavy@fss.muni.cz](mailto:kulhavy@fss.muni.cz).  
Joštova 10, Brno, 602 00

---

## INTRODUCTION

The modernization of the social policy has been the focus of many research projects during last decades. The problem of the effects of the more tough social policy – as it is assumed - has been perceived from several perspectives. Similarly, different methodological approaches have been applied. The main research question is therefore as follow: What does the “pro-employment practice of the social policy” mean in the context of the mainstream welfare state theory? This paper shows this kind of transformation and ideologies of the search for the equilibrium of incentive and security as functions of the social security systems.

The first part identifies the main elements of the pro-employment driven changes of the social policies. However, the differences has significant trend, it does not mean that all European countries adopted the ideas of the activation in the same level. Similarly, it is argued that the strong employment tests had been applied before the return of the social democratic governance in 90’s. The reform does not start from a zero point.

In the second part, the elaboration of the policy principles takes place. Within the discussion about the rights and the economic and social problems, the discussion about the duties of the social benefits recipients must be at the first place. In the fourth chapter, there is the critic of the conservative perspective of the welfare state which was extremely influential in 80’s. Fundamentally, the critic says that the unemployment is the outcome of the generous provisions. The benefits do not facilitate a decent life as expected, but perversely are reasons of the welfare dependency as well as the asocial life styles. However, this approach is now overcome.

In further chapters, the shift is reformulated in terms of the theoretical aspects. I try to demonstrate the main aspects of the reforms towards the welfare state. I perceive the shift as the main indicator of the general welfare state modernization. In the same way, the stress of the individual economic performance influences the conception of the social security. The Marshall’s traditional conception of the 50’s is less and less relevant in the open national economies as well as the global competition for the investments. I show what the conception of the active citizenship (as the reaction rooted in the traditional settlements) means and I also try to identify the main challenges for the social policy.

The fifth chapter is devoted to the European “new labor” reaction to the liberalism of the 80’s. However, it seems that the approach absorbed the duties discourse, the ideology is not the same anymore. The European discourse accepted various versions of the rather Nordic approach of the strong work obligations. The level of benefits is generous on one hand and on the other hand, the accessibility of the systems is also an important aspect. It is called as a kind of “right as a contract”. The unemployed is eligible for the benefits only if tries to

intensively find a new job. However, the threat of the misuse of the social security is important; the more important aspect is the economic efficiency of the welfare state institutions. What questions the content of the rights is the fact that benefits are conditioned to the activity of the beneficiaries. From the beginning of the 90's, it was expected that the participation on the labor market would lead to the social inclusion itself. The European documents expected that the labor markets would ensure the social functions. The equality of citizens (according to their citizen rights) was replaced by the rights to inclusion.

Later, it was demonstrated that the labor market participation was not enough to the social functioning and the cohesion was become a dominant topic for the social policies. The problems how to ensure the quality of the jobs was become an important aspect of this approach. It is not only the battle against the social exclusion (especially unemployment) but rather a support of cohesion. The question is how to ensure the (high) quality of life without the destructed effects on the economic performance of those vulnerable workers - those workers who are in low competitive positions in the global economic context.

This text aspires to identify the most important principles and influences of the recent trends and tendencies. In the other aspects – such as culture, harming effects of the enormous economic growth or changes in the social hierarchies and values - are not involved in the texts. However, these ideas are important and highly relevant; the analysis is restricted to the crucial aspects of the economics and labor markets.

## **WHAT DOES THE PRO-EMPLOYMENT SHIFT OF THE SOCIAL POLICY MEAN IN THE NEW MILLENIUM?**

The period of the 1990's is important for understanding of the social policy trends. The social democratic parties were not the only ones who had embraced their central traditional message under pressure of obstacles to economic growth and national competitiveness. They also have had the ambition to hold the security at least in the rhetoric level. The government has gone with a new-found desire to celebrate entrepreneurs and to be 'pro-business', since the economy must 'produce the wealth' and provide a country its competitiveness. However, it is assumed with all the problematic aspects for the social development (Standing 2002: 35). Beyond national boundaries, phrases such as 'making benefit systems more employment friendly' (European Commission 1998, 2002) or 'transforming passive into active types of social protection' (e.g. OECD 1994) suggest a broad consensus about the direction in which income maintenance systems should move. In other words, employment has become the central agenda of the European Agenda to combat the social exclusion and the effectiveness and competitiveness of the governance.

On the conceptual level, a huge conceptual shift towards the concept of activation has taken place and the activating measures intended to bring welfare recipients back to work (Lødemel and Trickey 2001, Martin 2000). The pro-employment practice is however one of the main elements of the conceptual shift. Barbier (2000) however defines several specific approaches towards the activating the excluded people back on the labor market: activation (British concept), workfare (US concept) and insertion (French republican tradition). However, he finds differences in the emphasis put on them; their main goal is always the pressure on the long term unemployment to coerce unemployed to change the life styles and accept any employment. From the perspective of the major society, the concepts such as 'activation', 'insertion', raising 'employability' or making benefits 'more employment friendly' are getting more and more popular (Peck and Theodore 2000; OECD 1994; European Commission 1998, 2002). This is closely related to the fact that the vast bulk of the (often discrete) measures have been applied. For example, a worker who fails to meet certain requirements may be exposed to a sanction, for example a temporary cut in benefits (see Grubb 2001).

The stress on the incentive function and employment performance is however not especially new. Due to various and complex pieces of liberal tradition and further the Thatcher's reform of the social security and training legislation, the outlines of pro-employment practice have always taken its place in the social policy (Walker 1991: 18-26).

Many writers claim that the Conservative and New Labor governments have broken the post-war settlement based on the social rights, and have moved towards a conditional welfare regime (see for instance Mishra 1999). Begg and Berghman (2002) argue that the new concept contains a shift to the capabilities approach, which presumes a different relationship between the individual and the state. The state is called 'the active welfare state' or 'enabling society'. According to Giddens (1998), the 'social investment society' emphasizes the 'active' role of the government in preventing risks, by increasing people's prospects, by combating mechanisms of exclusion, and by providing means for participation.

Although, the unemployment benefits are only one factor in a much larger picture, which includes passive labor market policies, job security provisions, working-time arrangements and so on. The first-best solution in reducing unemployment is to remove those factors that contribute to it. The *OECD Jobs Study* (OECD 1994) outlined a wide-ranging strategy to combat high and persistent unemployment, involving reforms to labor. According to the range of the authors (i.e. Daly 1997), however, the shift was rather rhetorical than real.

Clasen and Clegg (2003) conclude that despite mounting empirical evidence of the large international success of activation policies (for overviews, see Gilbert and Van Voorhis 2001; Lødemel and Trickey 2001, Torfing 1999), a widespread assumption persists that radical activation is incompatible with a deep-rooted societal consensus around solidarity. Dean (1998) argues for the impoverishing the social citizenship due to the fact of the activation and other welfare reforms. Oorschot (2002) describes the trends in Dutch (un)employment from the 1980's onwards and critically discusses the successfulness of these measures. He concludes that it may not be justified to attribute the 'Dutch miracle' and that activation policies have endangered social rights and citizenship, especially of those groups which traditionally are most vulnerable.

Therefore, the effectiveness of pro-employment practice depends on participation on the labor market while respecting the threat of poverty risks (Gallie 2002: 101). Flexibility could result in (especially in the right-wing argumentation) social risks, since people are becoming increasingly more dependent on labor market records. As far as welfare institutions are dismantling, labor is becoming a commodity, such as money or other production sources (Esping-Andersen 1999). Ferrera et al. (2000) finds the solution in the idea of implementation of a mutually reinforcing relationship between flexibilization of employment relationships and protection afforded by safeguarding social security. The numeric flexibility is connected to harmonization of the passive and active policies, and respective to exit measures from the labor market (Auer 2002).

Further, Grimshaw and Rubery (1997) argue that unemployment benefit systems fail to take into account the increasing heterogeneity of both employment and unemployment. This critic says that the toughest pro-employment measures are for those unemployed/employed people, particularly women and young people. This makes limits of access of the particular groups to the social security systems due to the fact that these groups are the weakest on the labor market

and are not able to compete for their rights. Secondly, the pro-employment practice assumes that these groups are in the highest risks of the unemployment, poverty and exclusion just because of the fact of the de-motivational effects of the social security. The sensitivity targeting (profiling or referring) of the pro-employment practice in the social policy is therefore one of the most important problems (Eberts 1997).

---

## **DIMENSIONS OF THE WELFARE STATE**

The shift of the welfare state ideologies, it is valuable to say what it means from the perspective of the social institutions. The skeptics would say that the pro-employment approach within social policy does not mean anything else than the application of the practice of the classical theoretical models of unemployment (Fredriksson and Holmlund 2003, Hansen and Tranæs 1999, Fredriksson and Holmlund 2005) and consequential search for new optimality. At the same time, there is also a new stress in the political debate: It is generally a mainstream debate about the requirements implied on the unemployed what had been traditionally in times of high economic growth. It was due to the fact that the social rights were at the top of the labor emancipation.

In the simplest way, the emphasis on pro-employment practice in the social policy means the tough monitoring and the possibility of benefit sanctions as the outcome if a worker does not comply with search requirements. It also means the fact, that more people could not be eligible for the better insurance benefits, and instead of that, (especially those most disadvantaged) can reach just the strict social assistance benefits. There is also „European“ application of the American workfare – people must accept a program of the Active Employment Measures in order to get the benefits instead of the secondary jobs as it is in the USA.

The debate of the pro-employment social policy is held from two illustrative perspectives: the social scientists usually make critics of the approach just because of the negative effects on the quality of life of the unemployed. The economically oriented scientists, on the other hand, argue that this kind of the social policies is not strict enough and that this fact decreases the efficiency of the systems. From the economic point of view, the conditions should help to minimize the free ride problems (Hansen and Tranæs 1999).

The critics of the 'new' approach argue that the stress of the employment and/or generally incentives has not been anything new. They generally say that this kind of the emphasis on the activity has always been the mean of regulation or distinction of deserving and undeserving unemployed poor. This debate has evident parallels with the work of Esping-Andersen (1990) on decommodification, which draws on Marshall (1963). Esping-Andersen (1990: 21-23) claims that if social rights are inviolable and if they are granted on the basis of decommodification rather than performance, they would entail a decommodification of the status of individuals due to the effects to the labor market.

With particular reference to cash benefits, under decommodification it is clear that benefits are inviolable and pitched at replacement wage levels. If benefits are low and associated with social stigma, the relief system would compel all but the most desperate to participate in the labor market. In contrast, the position of citizenship regarding benefit levels and obligations are less clear.

As far as this part is devoted to the connections of social policies and the conceptions of employment, some important aspects will be mentioned here. From one perspective, it is evident that the legitimacy of the benefits has always been based on similar approaches of regulating what people expected from them. De Swaan (2001) divides his profound argumentation into two parts. First, he argues that reciprocity (of benefits entitlement) has always been an important aspect of community functioning. People have to contribute towards the common 'good,' in order to be eligible for the security in the closed community<sup>1</sup>. In other words, sole rights have never been a reality. He also exemplifies the fact that there were groups constantly battling for supremacy, and whoever owned something had something to lose, and something to defend. Hence, it was necessary to set up a relatively stable society, in order to enhance lowered transactional costs. In modern times, the relevance of internal and external security is even greater, because 'industrial societies are indeed more productive and hence more vulnerable (de Swaan 2001: 120-129).

Secondly, de Swaan (1988) argues that rights flow from the mutual collectivizing processes that allow their involvement in current impersonal forms. "The development of public system of social insurance has been an administrative and political innovation of the first order, comparable in significance to the introduction of the representative democracy" (De Swaan 1988: 148). A new social contract is based on European social citizenship; thus, a natural outcome of the collectivization process (insurance or even tax based) in the new context of globalization.

In modern times, the traditional distinction between the deserving poor was transformed into one between the working man, impoverished through no fault of his own, and others, who would not work for some reason that had to be bound up with their moral, personal, and social milieu. Employment is even more difficult to insure. Unemployment, like epidemics, comes and goes in waves, which may be cyclical, but remain unpredictable.

On the other hand, Schmid (2002) argues that, in the meantime, both the economy and society have changed fundamentally. The causes of unemployment,

---

<sup>1</sup> Foucault (1994) discusses similar aspects in the more concrete situation of the unemployed, poor and mentally ill. He says that society needs to control its members and punish those who do not behave normally, for a given society. This perverse situation helps the society to survive. His image of the 'excluded' is not optimistic in the perspective of these days: the roots of the concept of the deserving lays in history and current approaches are just their reformulation. Piven and Cloward (1972) shows (from the functional Marxist position) that the unemployed, are important for an industrial society because they constitute a 'reservation army of labour' for times of economic recovery. The trends analyzed in the first part, however supports the first thesis of Michael Foucault – controlling first. The well-integrated majority needs the workers even less and less.

especially of persistent long-term unemployment, are much more complex and objective to the individual. Moreover, the policies favored by Beveridge turned out to be ineffective. Thus, he advocates the general idea that the Beveridge's diagnosis and action needs to be updated. The question is how to achieve social integration (participation) through the labor market and employment policies. Today, this question of participation in production activities cannot be restricted to full-time paid work. Social integration and/or inclusion in society, now simply means more than "making work pay" (Schmid and Gazier 2002:5).

An important trend was imposed on the labor force, in order to make it more flexible in reaching the needs and expectations of global labor markets. This is called flexibilization of labor on a global level<sup>2</sup>. Flexibility has become one of those powerful words that shape policy and public perceptions. For those critics of the European labor markets (sometimes called Euro-sclerosis), it is deemed an 'economic illness to lack flexibility' (Standing 2002).

Esping-Andersen and Reginy (2000) argue for the need of flexibility in the labor force. Flexibility should be a reaction which leads to integration<sup>3</sup>. Disintegration – from this reasoning – is caused by regulation and rigidities. These two problems of the labor market, may therefore exclude certain groups from the labor market. Hence, social institutions are the reason for unemployment rates, as well as the structures. In particular, the groups of youth, women, and low-skilled workers are under the risk of social exclusion – which is connected to persistent long-term unemployment. All these people can be perceived as cheap labor, which is easily substituted by workers from abroad from the developing countries.

The labor market's importance is such that labor is a type of goods which a worker offers. The cost is determined by the law of supply and demand. The living standard of a worker and his/her family, due to the predominance of market, has become dependent on the cash nexus. However, the human working capacity is not a perfect commodity. Any person can ultimately be dependent on the market. This commodification process represents the main reason of social policy.<sup>4</sup> The extent to which workers have to sell their commodity (labor) or can rely on the social security benefits – i.e. the above-mentioned decommodification potential of cash benefits and other institutional features – is the main criterion to distinguish between different welfare regimes (see for instance Esping-Andersen 1990). This stream of thinking (welfare state regime theory) aims to study the

---

<sup>2</sup> The seven forms are identified for the context of the importance evaluation: (i) organizational flexibility, (ii) numerical flexibility, (iii) functional flexibility, (iv) job structure flexibility, (v) working time flexibility, (vi) wage system flexibility, (vii) labour force flexibility (Standing 2002).

<sup>3</sup> Konopásek (1998) says that this kind of the flexible contracts excludes from the rights of the welfare institutions because they do not reach the expected obligations (i.e. a certain period of employment for unemployment benefits or pension schemes).

<sup>4</sup> This is problematic, especially due to the consequences of the individualization process, where traditional family relations were aborted.

---

strength, scope and quality of social rights. In a sense, such a view can be used to classify welfare states.

It is necessary to note that labor market regimes (in the meaning of Esping-Andersen 1990) have shifted towards strategies against the problems. The level of decommodification is quite different for welfare state regimes. In Anglo-Saxon countries (e.g. USA and Canada), social rights are derived from social necessity, rather (social status) than labor performance (based on insurance, known as employment status), and decommodification is rather low. Decommodification in European countries (and especially their socio-democratic regimes) is greater and more developed. Workers are not dependent on market processes and hence –it is believed – their well-being is higher, as well. European citizens can more easily, without the risk of being fired, choose not to work. That is, when they decide it is necessary for reasons of health, problems in the family, age or self-education (compare Esping-Andersen 1990).

## **REACTION ON THE GENEROUS PROVISIONS: DISCOURSE OF UNEMPLOYED DUTIES – THATCHER AND REAGAN'S HERITAGE IN 80'S?**

The central idea of the approach of the pro-employment practice presents the fact that rights, and subsequent benefits, generate the welfare dependency attitudes and cultures<sup>5</sup>. For 'Neo-conservatives' the problem is the creation of the underclass<sup>6</sup> especially means the 'breakdown of the work ethic'. Lawrence Mead (1986) or Charles Murray (1984) hold the position that this kind of the social policy is the minimum to motivate the poor to seek and gain employment by making the servicing of their social right of citizenship to welfare, conditional upon their performance. Spontaneously, he asks: "How is the socialized society to take care of the deserving without encouraging people to become undeserving (pp.16)?<sup>7</sup>" The notion is important because it distinguishes the borders between the old, traditional Liberal tradition of less eligibility and the modern active one. However, both approaches have much in common. The elaboration of the ideology is important due to the fact that the period of the social policies links just 80's when the neo-conservative ideology was influential and therefore it is important to show the conservative principles of the social policies.

For Mead (1986) the basic 'functional' problems are unemployment, underemployment and welfare dependency. According to his analysis, they are voluntary and are connected to personal unwillingness to accept their social duties, in the same way as the person accepts their rights. His prescription for the state is to pursue an interventionist, expansive and above all authoritative 'pro-employment' policy. Welfare benefits should become strongly conditional for able-bodied working-age persons. The obligation stresses the efforts to find and hold a job. The work ethic or the citizens' social duty to work should be enforced.

---

<sup>5</sup> The politics is connected with so-called the 'New Right' ideology which offers the alternatives to the public post-crisis welfare state. However, the clear effects are disputable and in the level of theorizing (compare to Glennerster and Midgley 1991). The importance of the ideology is its influence on the thinking of the modernizing 'Left'.

<sup>6</sup> For the way of thinking, the welfare state has been the main reason of the 'social exclusion' or underclass and the decay of the family.

<sup>7</sup> Murray (1984) makes a clear link to the problems resulting from social policy and the Liberalization of the rules for entitlements in the 1960's. Those parameters changed the access to the benefits, and hence the people have an easier option to leave the labour market. At least, this is a causality suggested by Murray (1984).

---

Mead (1986) advocates the employment approach, i.e. in the sense that it is "far from blaming people if they deviate, (the) government must persuade them to blame themselves (pp.10). The problem of the welfare state is not its size, but permissiveness. He asserts that federal programs have given benefits to their recipients, but have set too few requirements for how they ought to function in return.

For Murray (1984), similarly, the welfare state unwittingly produces a situation of perverse incentives to remain unemployed, influencing the choices of those who are assumed to be job-seeking. Basically, Murray and Mead differ in their perspectives about the underclass. However, they both accept the view of a 'culture of poverty'. Murray (1984) depicts the problems of ambivalence, non-rationality and lack of ability. They both refute the notion of the importance of racial and gender discrimination. They present the idea that the 'non-job' situation is very much an individual choice. They refuse any structural constraints mentioned in the previous part.

Charles Murray (1984) puts the rationale of employment and self-independence most starkly, stating that social policy should encourage 'independence' and allow 'better people' to receive their 'merit', because 'they deserve more of society's rewards'. This analysis of neo-Conservative cures to the problems of the underclass is related to problems of individual irresponsibility. From the point of view that it undermines citizenship, in the sense of encouraging the experience of claiming social rights to become disconnected from claimants' understanding of their broader citizen status with its rights, power, and responsibilities. The concept is rather moralistic. The New Right knows the best practice of the policy and has the clearest image about the future of society<sup>8</sup>. From their point of view, pro-employment practice in the social policy can hardly be conceptualized as an exercise of reminding citizens of duties they have allowed to lapse. However, the important difference is that neo-Conservatives do not accept the importance of the support schemes (at least in the theoretical value level). They believe in the invisible market hand, without an exception to social matters. They refuse public services, as institutions which destroy the natural common morality.

---

<sup>8</sup> This 'optimism' is perhaps one of the reasons for its success in the 1980's. It offered a 'positive' alternative to social, economical and political problems. In such light, the reformism tendencies in the labour parties are just the necessary reaction in order not to blame themselves for the problems.

---

## **WHICH CONCEPTION OF THE SOCIETY: WELFARE AND ACTIVE CITIZENSHIP – OLD AND NEW SOCIAL DEMOCRATS?**

The original conception of the citizenship (*welfare citizenship*) relates the rights of the full participation to the idea of redistribution. Every person is eligible to a part of the cultural and social heritage by their status. This means that people are equal in terms of basic needs. Consequently, unemployment is perceived as a social risk. It is the responsibility of society (and government) to ensure the needs of people. This conception was not new even in the 1950's, when there were the ideal conditions of economic and social development. People were able to reach a good level of economic development in society. It was the era of T.H. Marshall.

The concept of the citizenship implies the fact that people should be fully members of a given society. Although membership and participation<sup>9</sup> are necessary elements of citizenship, they are not sufficient. There is more to being a citizen than simply being one of a group and being able to take a full part in the shaping and development of society. Beyond those foundations, certain entitlements and duties were founded. Marshall<sup>10</sup> (1950) tended to explore the question of entitlements (or rights). However, right-wing writers (Mead 1986) stressed the importance of duties and obligations.

In the first phase of public education, 'rights were minimal and equal. But...a duty was attached to the right' (Marshall 1963: 111). Obligations involve the duty to pay taxes and make insurance contributions. Education and military service are also compulsory. The other duties are vague, and are included in the general obligation to live the life of a good citizen, giving whatever service one can to promote the welfare of the community. Paramount importance is the duty to work. It is no easy matter to revive the sense of personal obligation to work, in

---

<sup>9</sup> Turner (1986) defines membership as the most important aspect of citizenship. For a person to be a citizen, he or she must be a 'member' of particular community (most often of a state). Membership is usually betokened by certain kinds of relationships, in which individuals and states each acknowledge the other. Hence Turner (1986) depicts membership as a set of practices – juridical, political, economic and cultural – which define a person as a complement member of society. Citizenship is 'essentially about the nature' of social membership within modern political collectives (Drake 2001).

<sup>10</sup> In studying Marshall's work some important relations come up. There are possible similarities of his ideas with the Fabians social perspective on collectivism. At the end of the 19th century, the Fabians society argued for the national minimal income, intervention into the production processes and the banking sector; and finally, stress of the national level (McBrian 1966: 107-118).

---

a new form, in which it is attached to the status of citizenship. It is not made easier the fact that, the essential duty is not to have a job and hold it – since that is relatively simple in conditions of full employment – but to put one's heart into one's job and to work hard (ibid.: 122-4). What is not clear from these fragments are Marshall's views on what follows when someone fails to carry out their duties, or how these vary in periods of high unemployment.

The definition of citizenship for the application of social rights is related to the historical background of the legislation flowing out of the relations between the state and individuals, and individuals between themselves. Although Barbalet (1988) connects the development of citizenship with decisions of political elites<sup>11</sup>, Turner (1986) and Marshall have stressed the role of social struggles. Work has always been central to social citizenship, in pro-work and achievement oriented societies. Bilateral transfers have always been more important than unilateral gifts, with a central fault line dividing the 'deserving' and the 'undeserving' poor.

The central idea of citizenship is, therefore, about bridging the binary opposition – 'contract versus charity'<sup>12</sup>. The welfare state is the articulation of the fact that social policy in modern society is not only a private matter of the individual, his/her family, or charity. It has become a public-democratic problem. This is principally articulated by the guaranteeing of minimal social conditions for every person.

The question is how to arrange the demands of equality in a society, which is excluding some groups of people out of the main societal course of events. The situation is a threat for society. The idea fails, because the people cannot approve the power to participate in the case of prospective events.

The pro-employment conception tries to solve the problem by enhancing the paradox. It finds an equilibrium between security (with decommodification, people are not dependent on the market trends and cycle) and economic activity (through recommodification – mainly the activity achieved through flexible contracts on both sides – employers and the unemployed). The ideal of 'active citizenship' is a combination of both flexibility and security, at a high level (Jæger and Kvist 2003): accessible and generous benefits, comprehensible pro-employment strategies – shift to stress recommodification, and less decommodification. This is a *functional* way how to understand employment strategies. However, participation in ordinary work is the most ambitious goal;

---

<sup>11</sup> "It would be a mistake, however, to assume that status (and therefore rights) is simply achieved through struggle. It may be attained through struggle certainly. But the status can be held only because it is publicly recognized as legitimate. In this sense, the expectations, capacities and entitlements associated with a status and which therefore define social positions are a part of the very fabric of society" (Barbalet 1988: 16).

<sup>12</sup> For critical analysis, see Jordan (1996).

---

social cohesion and better quality of life are the conditions of a successful policy (Jæger and Kvist 2003).

The critics say that social rights, such as the element of citizenship, have declined during the period of welfare reconciliation<sup>13</sup> (i.e. Esping Andersen 1990). The evidence is usually based on rather general assumptions; therefore, a precise conceptualization of social rights has not been advanced. It is difficult to view what it means and how to measure it. To find the measurement of differences over time, and their scope, is even more difficult.

On the other hand, Glennerster et al. (1991: 30-35) argues that the stress on paid work is nothing new. It was also elaborated in the texts of Beveridge and Marshall. Rights and responsibilities are firmly embedded in Marshall, especially in later writings – even if some superficial readings of his work miss the point. Gunsteren (1994) also contests the republican conception, as a parallel to Liberal one and offers alternatives. The argumentation against it lays in the refusal of the three main ideas of citizenship: citizenship as a calculating bearer, citizenship for all, and lastly, citizen as a member of community (communitarian conception).

An important aspect of the social rights reading is the fact that it is usually based on the dichotomy of contradictory concepts. The most important aspect is the relation between rights and responsibilities. (In the context of the text, the word 'right' could be replaced by the term 'security' – it means less dependence on the market forces and a given predisposition at the time of birth. There is responsibility, coming from a Protestant Liberal heritage of self-responsibility, and hence less of an intervention in the individual socio-economical situation, or strong behavioural requirements.) There are several similar dichotomies concerning the balance of the two sides. Although the classical texts hold a thesis at a contradictory position to them, this part is to show that it is fairly unnecessary to hold them in opposition. The development of the welfare states, budgetary pressures, and public expectations are pointing in that direction.

Lister (1997: 215) argues that the essential shift 'from equality to social inclusion' effectively encapsulates an important paradigm shift in thinking about the welfare state. However, both terms need unpacking. It has been claimed that there has been a number of moves away from 'equality' – in terms of abandoning redistribution, increasing means-testing, increasing charges, and transforming equality of outcome into equality of opportunity.

Like equality, social inclusion is a complex concept. The neat progression 'from equality to social inclusion' (Lister 1997) is deceptive, and hides the more difficult issues of identifying the more precise conceptions of the terms. Indeed, a

---

<sup>13</sup> It is not necessary to say what happened. The concept of welfare is wide, and the task is to show and interpret the development, in terms of rights and obligations (or entitlement, obligations and provisions).

number of writers, including Lister, have discussed citizenship in terms of relative poverty, social exclusion and the underclass (van Steenberg 1994, Levitas 1998). The 'exclusive society' excludes the poor from citizenship (Lister 1997).

The active conception, therefore, means that entitlements for benefits are limited by the conception of making people active. The goal is to change their attitudes towards their lives. The approach aspires to cure the whole problem, by attaching excluded people to certain jobs. It is believed that this *productive* perspective is to make a new kind of equilibrium.

---

## **RIGHTS AS A CONTRACT: FROM EQUALITY TO**

### **INCLUSION**

Social rights – i.e. the most important – are defined by T.H. Marshall as “the right to a modicum of economic welfare and security (and) the right to share fully in the social heritage and to live the life of a civilized being according to the standards prevailing in the society” (Marshall 1963: 8). A complex definition of rights under different - Liberal, socialist or Fabians - tradition, – where rights play active role, are in Jordan (1996: 37-47).

On the other hand, Faulks (2000) introduces the industrial notion concerning aspects of the class structure and bestowed rights. “The economic crises may lead to a reduction in rights, as social entitlements are rolled back in the name of the industrial competitiveness” (pp. 7). As societies limit social development to economic prospects “that there is a limit beyond which inequalities cannot be abolished – they become ‘socially acceptable’... Marshall has supplemented this thesis by the assertion that classes may not have disappeared altogether, but have changed their character: they are no longer homogeneous interest groups whose unity is based of a common position in production (of goods)...”(pp. 102).

The definition of rights is complicated because of the broad complexity of further concepts attached to the concept of social rights. At the general level, rights are dependent on the prevailing conceptualization of justice, liberty and equality<sup>14</sup>. In this sense, rights are subordinate and dependent (Drake 2001). However, White (1984) takes up the fact that a comprehensive set of four fundamental headings of rights. They are benefits, choices, entitlements and sanctions. Rights may be utilitarian or functional, as well as moral or ethical in nature. Where rights are belonging to all members of society, they preserve society and prevent conflicts and disorder. Rights may be the expression of the part of a personal heritage on the economic growth. The term of rights describes a mutual relationship: citizens have both entitlements and obligations. A person’s citizenship is damaged if rights are denied, but also if the obligations are not fulfilled.

---

<sup>14</sup> The important question raised by post-structuralist philosophers is: the opposition to equality is the acceptance of the difference which postulates special kinds of actions to enhance equal chances in society. This is heavily critical on the Liberal way of thinking; however, it is even more criticized due to the rationale of the approach (for a discussion see Faulks 2000: 83-105 or Lister 1997).

---

Roche (1992) stresses the importance of the rights-duties balance as a problem of moral hazard. Duties are important because they can be perceived as a qualifier for benefits. Under the decentralized design, duties of welfare recipients are given at the level of the employment services. Here, the human factor plays the important role. Beyond the official qualifying criteria, there are also discrete ones; often allocated by individual workers<sup>15</sup>.

Citizenship rights (political and social) are more problematic for the capitalist order. As far as the working classes yield a part of political power, social rights become the prize that the working class fought for, in series of class conflicts with the ruling classes. However, this point is highly criticized because of the over-estimation of the working class influence (Barbalet 1988, also Turner1986).

Turner (1986) points out the importance or influence of equality in society, as a cornerstone for societal functioning and in the evaluation of the shift to greater openness. "Modern citizenship presupposed some notions of equality, an emphasis on universalistic criteria and secular system of values to reinforce claims and obligations. Societies organized on this principle emphasize contract over status, the dominance of secular reality over the sacred, the importance of universalism over locality and particularity, and the importance of extending citizenship rights to women and children so as to call the question the dominance of patriarchy" (Turner1986: 22). "Non-membership is constituted by alien outsiders who are ritually excluded from the membership by various strategies which have the effect of reinforcing the sacred boundary of the society" (ibid.: 22).

The narrow relation to the unemployment benefits is therefore, more complicated. It is evident that the possibility not to sell the labor of the individual is a new modicum for the 20<sup>th</sup> century in Europe. In the precedent centuries, people had to earn money through their labor; or they had to change the labor as a kind of the relation.

---

<sup>15</sup> The historicist discussion about conditionality, show the reasons and processes that have influenced the contemporary image of the concept of the deserving and undeserving unemployed (see also Mareš 2002).

---

## RECENT CHANGES: FROM EXCLUSION TO INCLUSION

As far as the pro-employment approach contains the questions of the effective battle against exclusion, the conception of *active* citizenship is crucial for understanding. This is the perspective of the welfare state theories in complementation with the labor economics application. An important implication of pro-employment policies is the battle against the risk of exclusion. In the consideration of the reason, this is not value-free. Although there is not a strong conflict between theorists in defining exclusion, they are not able to agree on the reasons why some groups tend to be outside main-stream society. The miserable life conditions of these people could be caused by a wide variety of aspects. It could be, as right individualists say – self-induced by poverty and their moral character; or on the other hand, from the political spectrum of a Marxist-oriented approach to exclusion – society induces itself as a part of the internal conditions. The centrist position believes that the pro-employment approach synthesizes both approaches. It accepts the moral failure of the excluded individual, as well as the effects of the societal exclusive trends of the most vulnerable and disadvantaged.

One of the most prominent claims is that social exclusion is primarily about relational issues (Room 1997, 1999). Room lists social exclusion's relational features as 'inadequate social participation, lack of social interaction and lack of power' (Room 1997: 5, 1999: 169). He also analyses social exclusion in relational terms, as a denial of social rights or 'the extent to which the individual is bound into the membership of a moral and political community' (Room 1997: 7). An appropriate definition distinguishes the analytical frameworks for the analysis. Applying Room's notion of exclusion (Room 1997), suggests focusing on the relational issues. These are an inadequate social participation, a lack of social integration, and a lack of power. Social exclusion is the process of becoming detached from the organization and communities; as well as from the rights and obligations that they embody. Unemployment destroys such common sources offering the power to participate.

Levitas (1998: 9-28) analyses integrative policies through influencing concepts under competing discourses of meaning. Her analysis is important to understanding the problems of exclusion from the perspective of social policies. She suggests that pro-employment strategy has tended to abandon RED in favor of MUD and SID; but arguably social citizenship was characterized more by SID and MUD, and less by RED than Levitas allows. Social citizenship focuses on status rather than outcome, and on horizontal rather than vertical equality. The normalizing (strong work ethic) interpretation of social inclusion (SID) seems to be an antonym of participatory citizenship. The relation goes through the notion of participation. 'Active participation is what makes you a full citizen' (Lister 1997: 80).

Doyal and Gough (1991) highlight the link between needs and citizenship. Since need satisfaction is a prerequisite for the fulfillment of citizenship duties, social rights of citizenship follow from an unambiguous concept of human need. One element of basic human needs, he argues, is the autonomy of agency – the capacity to make informed choices about what should be done and how to go about doing it. “Crucial to social autonomy is the opportunity to participate in the social role of production, reproduction, cultural transmission and political authority,” concludes Lister (1997: 7).

In this sense, social rights suspend the harming of citizenship, a failure to meet the ‘needs’ follows<sup>16</sup>. Doyal and Gough (1990) describe that a consequence of need is an obligation to society, through the medium of the state, to compensate the individual by rectifying injustice. To synthesize the triangle of the main relevant concept is viewed by the concept of citizenship, which is central to renewing the importance of rights (needs) and justice. An important quality of citizenship is the presumption that each individual must enjoy the same status or equality of citizenship as every other member of that same society (Drake 2001). Non-inclusion from such processes leads to exclusion and oppression<sup>17</sup>.

Traditional representation of needs emphasizes the physical and psychological conditions necessary to sustain human life. Here, the emphasis is drawn on the work of Doyal and Gough (1991), who propose a fundamental set of social, as well as cognitive and physical needs. It is contended that there is a relation between the existences of rights and needs that arise where rights are denied (Drake 2001). Doyal and Gough (1991) argue that needs are a consequence of social exclusion. Therefore, needs are definable by specific disadvantages that that occur when rights are traduced.

Inclusion and exclusion play a crucial role. The remarks about ‘second-class’ citizens, or the new underclass – however not defined in Marxist terms, or ‘two-thirds society’ (see Dahrendorf1988) – only reflect problems of the social policy. As far as citizenship means social participation and integration (see Marshall 1963), the best way how to reach the goal is to increase labor participation. This is because work proves to be an important factor in society, especially during the decades of unprecedented economic growth in a society with a strong work ethic. This is particularly significant when other cohesive institutions (religion, family and local community) have eroded (Steenbergen 1994).

---

<sup>16</sup> Lister (1997) notes to their theory of needs that it is rooted in a universalist understanding of basic human needs which are then subject to different cultural and historical interpretation. That said, the difficulties are not to be underestimated. At the political level, the task is to promote the voice and citizenship claims of marginalized groups, both insiders and outsiders, without provoking an exclusionary backlash from dominant groups who currently hold the citadels of citizenship.

<sup>17</sup> “Rights”, says Marshall (1963: 69), “are not a proper matter for bargaining”.

---

## CONCLUSION

In the text, I try to show the main elements of the reform of the social policy as it has been realized in the 90's in the European countries. It is argued that the conceptual shift of the welfare states towards the orientation on the employment promotion was motivated by the low level of the absorption of social problems. The provisions and institutional settings were analyzed as main reasons of the economic inactivity and passivity of the huge segments of the labor force.

Since the time of 90's, the left ideology has been on the crossroad between the traditional and "modern" approaches of the social policy. The main question is however about the origins of the concept. Some sociologists argue that the modern version of the social democracy is a new innovative approach that looks for new ways of the tackling social problems. In the text, although, I argue that the new approaches (i.e. activation) are rather a result of the "best practice" and copying the experiences of the others under the pressure of the more dynamic external conditions. The "modern" ways just try to equilibrate the tension between policy and conditions.

Meanwhile, the practice of (European) social policy makes shifts within the coordinates of the social policy trends. The debate is about the development of the traditional welfare state towards the active welfare states. The modern welfare states are active just because they try to promote the activity of the excluded people. In principle, the policy absorbs more economic and social incentives through closely defined duties. However, there have always been the duties in the social security schemes, the shift of the emphasis does not make distinction of the entitled unemployed but try to equilibrate the quality of provisions towards the new social economic conditions (especially for those people – i.e. low educated - who do not have similar employment chances as it was fifty years ago in the period of the post war industrial recovery).

The social policy which accepts the more stress of the incentives of policy would be just the liberal (Anglo-Saxon) version, or also battle against the exclusion through the participation on the labor market. Acceptation of the approach could only mean the fact of the poor-working people. Therefore, the inclusion (and cohesion) approaches are accepted to ensure the quality of jobs besides the quantity. The converted strategy however also means the movement from the equality (in terms of income and social benefits) to the inclusion (in terms of the potentials and abilities). This perspective constitutes the ideological metamorphosis of the conception of the welfare provisions: the entitlements come into existence through the contract between the community (state) and the unemployment person. However, some regulations have always been the internal part of the security systems; the contract determinates the entitlement for benefits instead of the rights which were unconditional in general. The nowadays duties are related to the economic performance instead of the differentiation of

the entitled unemployed.

It is therefore expected that the more incentives promote the attachments on the labor market. It is believed that the employment promotes economic independence as well as self respect of the excluded people. The increased efficiency of the redistributive scheme should also be the factor of the legitimacy of the policy. It is analyzed that the pro-employment approach can constitute a negative tendency of the exclusion. It is defined as the second order exclusion that means the fact that the increased expectation on the potential beneficiaries can lead to their exclusion from the social security schemes out of the labor market without any coverage of the social policy measures.

The normative conclusion defines the need of the equilibrium. The policy should set such conditions that provide a certain level of the support and security to cover individual dynamic needs of people in the global society. People should be aware that the drop of job is not a tragedy. In the same way, however the policy should set such incentive to motivate people to accept even un-pleasured job for a certain time than another better job is acceptable. The incentives should limit the frauds as well as to promote economic efficiency.

Václav Kulhavý (1975) holds the job as Assistant Professor at the Department of Social Policy and Social Work, Faculty of Social Science, Masaryk University. He is interested in the evaluation of public programs and welfare state changes.

---

---

## LITERATURA

---

Auer, A. 2002. Flexibility and Security: Labour market policy in Austria, Denmark, Ireland and the Netherlands. In Schmid G., Gazier, B. 2002. The Dynamics of Full Employment. Social Integration Through Transitional Labour Markets. Cheltenham, UK: Edward Elgar Publishing Limited.

Barbalet, J.M. 1988. Citizenship. Rights, Struggle and Class Inequality. Minneapolis: University of Minnesota Press.

Barbier, C.J. 2000. Activation Policies, Workfare and "Insertion", The Welfare State in the Age of Globalization, Lessons from the USA, France and the UK. Paper presented to the French-South African workshop The Impact of Globalisation on the World of Work. Pretoria, November 8-102000.

Begg, I., Berghman, J. 2002. Introduction: EU social exclusion) policy revisited? Journal of European Social Policy. Vol. 12, 3: 179 – 194.

Berger, S., Piore, M. J. 1980. Dualism and Discontinuity in Industrial Societies. Cambridge

Clasen, J., Clegg, D. 2003. Unemployment Protection and Labor Market Reform in France and Great Britain in the 1990s: Solidarity Versus Activation? Journal of Social Policy, 32, 3.

Dahrendorf, R. 1988. The Modern Social Conflict-an Essay on the Politics of Liberty. London: Weidenfeld and Nicolson.

De Swaan, A. 1988. In Care of the State. Health Care, Education, and Welfare in Europe and the USA in the Modern Era. UK, Oxford, Polity Press.

De Swaan, A. 2001. Human Societies:an introduction. USA, Malden, Blackwell Publishers.

Doyal, L., Gough, I. 1991. A Theory of Human Need. Hampshire, London: MacMillan.

Drake, R. 2001. Principles of social policy. Hampshire: PALGRAVE.

Eberts, R.W. 1997. The Use of Profiling to Target Services in State Welfare-to-Work Programs: An Example of Process and Implementation. Working Paper. W.E. Upjohn Institute for Employment Research. Kalamazoo, USA.

Esping-Andersen, G. 1999. Social foundations of postindustrial economies. New York : Oxford University Press.

Esping-Andersen, G., Regini, M. ed.) 2000. Why Deregulate Labour Markets? Oxford: Oxford University Press.

Esping-Anderssen, G. 1990. The three worlds of welfare capitalism. Princeton: Princeton University Press.

---

European Commission, 1998. Social Protection in Europe 1997. DG for Employment and Social Affairs, Luxembourg, Official Publications of the European Communities.

European Commission, 2002. Social Protection in Europe 2001. Employment and Social Affairs. Brussels.

Faulks, K. 2000. Citizenship. London: Routledge.

Fredriksson, , Holmlund, B. 2003. Improving incentives in unemployment insurance: A review of recent research. WORKING PAPER 5. IFAU – Institute for Labor Market Policy Evaluation. Upsala, Sweden.

Fredriksson, , Holmlund, B. 2005. Optimal unemployment insurance design: time limits, monitoring, or workfare. WORKING PAPER 13. IFAU – Institute for Labor Market Policy Evaluation. Upsala, Sweden.

Gallie, D. 2002) The Quality of Working Life in Welfare Strategy. In Esping-Andersen, G. 2002) Why We Need a New Welfare State. Oxford: Oxford University Press.

Giddens, A. 1998. The third way :the renewal of social democracy. Cambridge: Polity Press.

Gilbert, N., Voorhis, R. Van 2001. Activating the Unemployment: A Comparative Appraisal of Work-Oriented Policies. New Brunswick: Transaction.

Glennerster, H., Midgley, J. 1991. The Radical Right and the Welfare State. An International Assessment. Hertfordshire, UK: Harvester Wheatsheaf, Barnes & Noble Books.

Grimshaw, D., Rubery, J. 1997. Reassessment in the European Union Workforce Heterogeneity and Unemployment Benefits: the Need for Policy. Journal of European Social Policy. 7; 291.

Grubb, D 2001. Eligibility Criteria for Unemployment Benefits. Paris: OECD.

Gunsteren, van H. 1994. Four Conceptions of Citizenship. In Steenbergen, B. van 1994. The Condition of Citizenship. London: SAGE Publication.

Hansen, C.T., Tranaes, T., 1999. Optimal workfare in unemployment insurance. Working paper 99-06. Institute of Economics. University of Copenhagen. Copenhagen, Denmark.

Jæger, M.M. and Kvist, J. 2003. Pressures on State Welfare in Post-industrial societies: Is More or Less Better? Social Policy and Administration. Vol. 37, 6: 555 – 572.

Jordan, B. 1996. A Theory of Poverty and Social Exclusion. Cambridge: Polity Press.

Konopásek, Z. 1998. Estetika sociálního státu: o krizi reprezentace nejen) v sociálním zabezpečení. Praha: G plus G.

Levitas, R 1998. The inclusive society? :social exclusion and new

labour. Houndmills : Macmillan Press.

Lister, R. 1997. Citizenship: Feminist perspectives. New York, USA: New York University press.

Mareš: 2002. Nezaměstnanost jako sociální problém. Praha: Slon.

Marshall, T. H. 1950. Class, citizenship, and social development. Garden City: Anchor books.

Marshall, T.H. 1963. Citizenship and Social Class. In Sociology at the Crossroads and other essays. London: Heinemann.

Martin, J. P. 2000. What Works Among Active Labor Market Policies: Evidence from OECD Countries Experiences. Economic Studies No. 302000 I. 276-302.

McBrian, A.M. 1966. Fabian Socialism and English Politics 1884-1918. Cambridge: Cambridge University Press.

Mead, L. 1986. Beyond Entitlement. The Social Obligations of Citizenship. New York, USA: Free Press.

Mishra, R. 1999. Globalization and the welfare state. Cheltenham : Edward Elgar 1999.

Murray, C. 1984. Losing Ground. American Social Policy 1950 – 1980. New York, USA: Basic Book. Harper Collins Publisher.

OECD 1994. The OECD Jobs Study: Evidence and Explanations. Paris: OECD.

OORSCHOT, W. VAN 2002. Miracle or Nightmare? A Critical Review of Dutch Activation Policies and their Outcomes. Journal of Social Policy. 31, 3.

Peck, J. and N. Theodore 2000. Beyond "Employability". Cambridge Journal of Economics 24.

Roche, M. 1992. Rethinking citizenship. Welfare, Ideology and Change in Modern Society. Cambridge, UK: Polity Press.

Room, G. 1997. Beyond the threshold :the measurement and analysis of social exclusion. Bristol: Policy Press.

Room, G. 1999. Social exclusion, solidarity and the challenge of globalization. International Journal of Social Welfare. Vol. 8 166-174.

Schmid G., Gazier, B. 2002. The Dynamics of Full Employment. Social Integration Through Transitional Labour Markets. Cheltenham, UK: Edward Elgar Publishing Limited.

Schmid, G. 2002. Employment systems in transition: Explaining performance differentials of post-industrial economies. In Schmid, G., Gazier, B. 2002. The Dynamics of Full Employment. Social Integration Through Transitional Labour Markets. Cheltenham, UK: Edward Elgar Publishing Limited.

Standing, G. 2002. Beyond the new paternalism: basic security as equality. London: Verso.

Steenbergen, B. van 1994. The Condition of Citizenship: An introduction. in Steenbergen, B. van 1994. The Condition of Citizenship. London: SAGE Publication.

Torring, J. 1999. WORKFARE WITH WELFARE: RECENT REFORMS OF THE DANISH WELFARE STATE. In Journal of European Social Policy. Vol 9 1. 5–28.

Turner, B.S. 1986. Citizenship and Capitalism. The Debate Over Reformism. Controversies in Sociology 21. Boston: Allen and Unwin.

Walker, R. 1991. Thinking about Workfare. Evidence from the USA. London: HMSO.

White, A. 1984. Rights. London: Clanderon Press.

---

**IVRIS PAPERS**

---

**SOCIAL POLICY REFORM  
A CONCEPTUAL OVERVIEW**

---

**Václav Kulhavý**

---

Edice IP číslo 08/03

*Redakce*

Tomáš Katrňák - šéfredaktor  
Barbora Vacková  
Ondřej Hofírek

*Redakční rada*

Radim Marada  
Petr Mareš  
Ivo Možný  
Tomáš Sirovátka

*Vydavatel*

FSS MU, Joštova 10, 602 00 Brno

*Kontakt*

wpivris@fss.muni.cz

---