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New Welfare, New Policies: Towards Preventive Worker-Directed Active Labour-Market Policies

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Abstract

Debates about the new welfare, and the new social policies that go (or should go) with it, share an emphasis on risk-prevention strategies and pluralistic risk management. Focusing specifically on the risk of unemployment, this article discusses the case for so-called preventive worker-directed active labour market policies as part of the new welfare architecture. These policies are aimed at preventing unemployment and promoting labour-market transitions and employability. They involve responsibilities on the part of the state, social partners and employers. First, the case for these policies is elaborated by analysing the social investment, flexicurity and transitional labour-market literature. In this context, several issues related to the feasibility of the pluralistic management of preventing unemployment, as well as the possible impact of pluralistic risk management on dualisation, are discussed. Secondly, recent policy initiatives in the Netherlands are presented as an illustration of the incremental emergence of preventive worker-directed active labour-market policies. It is argued that although these policy initiatives were initially introduced as responses to the crisis, they may eventually turn out to reflect a more fundamental reorientation in managing and dealing with the risks of unemployment. The conclusion critically reflects and argues that pluralistic risk management may exacerbate, rather than mitigate, the insecurities of flexible and non-standard workers.

Introduction

During the last decade, academic and political debates about the future of the welfare state have intensified. The transformation from an industrial into a post-industrial society and the rise of new social risks (Bonoli, 2007; Taylor-Gooby, 2008) challenge the 'old' welfare architecture (Jenson and Saint-Martin, 2003) and are interpreted as requiring a 'new' welfare state (Esping-Andersen, 2002), 'new' policies (Bonoli and Natali, 2012) and 'new' forms of risk management (Abrahamson, 2010). One group of new social risks frequently discussed in the literature concerns risks related to labour-market changes, such as the increasing globalisation and flexibility of the labour market; the constant and rapid changes

in knowledge and, related to this, the risk that workers' skills and qualifications become obsolete; and the increasing frequency of labour-market transitions (Bonoli, 2005; Häusermann and Palier, 2008; Hemerijck, 2013; Schmid, 2015). Labour-market changes also affect the risk of unemployment, which, although an 'old' social risk *par excellence*, manifests itself in new ways in 'modern' labour markets. Furthermore, new welfare not only refers to new (or new manifestations of old) social risks. It also refers to new strategies for dealing with social risks of which the shift from passive to active policies (Vandenbroucke and Vleminckx, 2011) and, more recently, from curative to preventive strategies (see below) are clear examples.

Labour-market changes, their impact on the risk of unemployment and the policies welfare states do develop or should develop in response to these changes are being discussed from various theoretical perspectives. In the social policy literature, they are prominent themes in debates about the social investment state, currently a frequently used concept to denote the new welfare state (Cantillon and Van Lancker, 2012; Ellison and Fenger, 2013; Morel *et al.*, 2009; Van Kersbergen and Hemerijck, 2012). A parallel discourse emerged in labour-market and industrial-relations research, where the concepts of flexicurity (Bekker and Wilthagen, 2008; Burroni and Keune, 2011) and transitional labour markets (Schmid, 2006; Schmid, 2015) were developed. In analysing how welfare states do respond (a descriptive approach) or should respond (a prescriptive approach) to the risk of unemployment in modern labour markets, two issues crop up repeatedly. Firstly, the importance of a stronger focus on the prevention of unemployment is emphasised. Education is considered paramount in preparing people for more dynamic labour markets (Esping-Andersen, 2002) and in increasing their capacity to adapt to change (Jenson and Saint-Martin, 2003). Preventive approaches may promote employability and mobility and, thus, sustainable labour-market participation (Bekker and Wilthagen, 2008), and may support people in both voluntary and involuntary labour-market transitions over the life course (Schmid, 2015). The second issue focuses on what has been called pluralistic risk management (Abrahamson, 2010), which, in the context of managing labour-market related risks, refers to sharing responsibilities for social issues between the state, social partners and the collective agreements they negotiate, and (individual) firms¹ and their human resource management policies (Heilbron and Quak, 2012; Van Berkel and Leisink, 2013).

This article aims to contribute to these debates about preventive policies, and shifting responsibilities in risk management, in the context of the risk of unemployment. It argues that the debates in the academic literature, about policy responses to risks of unemployment in changing labour markets, strengthen the case for the preventive dimension of active labour market policies (ALMP). Although the literature has not completely ignored the possibility of applying ALMP as part of a preventive strategy, research has almost exclusively focused

on reactive and remedial ALMP, focused on bringing unemployed people (back) into the labour market. This curative ‘bias’ in ALMP becomes problematic given the increasing emphasis on preventive strategies. Strengthening the preventive dimension of ALMP asks for an elaboration of what we will call preventive worker-directed ALMP: policies that are aimed at preventing workers’ unemployment by promoting their employability and by supporting work-to-work transitions, and that are grounded in specific mixes of responsibilities of the state, social partners and employers.

The article is structured as follows. The first section elaborates the case for preventive worker-directed ALMP based on a review of the social investment, flexicurity and transitional labour-market literature. It analyses how this literature discusses risk prevention and risk management in the context of unemployment and concludes that preventive worker-directed ALMP, grounded in pluralistic forms of risk management, are emerging in practice. But although preventive strategies may be considered adequate responses to modern risks of unemployment, concerns are raised regarding the feasibility of pluralistic risk management and how it affects different labour-market groups. These concerns deserve serious attention in further developing the concept of preventive worker-directed ALMP.

The second section illustrates the ‘embryonic’ emergence of preventive policies embedded in a pluralistic risk management approach in the Netherlands, based on an analysis of policy documents and evaluation studies that took place in the context of the EU’s 7th Framework Programme project INSPIRES.² The Dutch case is characterised by comparatively high levels of trust both between social partners and the state, and among social partners, which is seen as an important condition for successfully involving social partners in pluralistic risk management strategies through social dialogue and collective agreements (Bonoli and Emmenegger, 2010; Burroni and Keune, 2011; Schils and Houwing, 2010). Trust may facilitate policy change as well as promote the will to share risks – in this context, the Dutch case is characterised as one of responsive corporatism rather than corporatist immobility (Van der Veen *et al.*, 2012). Therefore, the Dutch case is interesting not because it is prototypical but because its institutional characteristics favour the development of preventive approaches to the risk of unemployment based on pluralistic risk management strategies. The final section is the conclusion.

Unemployment: risk prevention and pluralistic risk management

This section elaborates the case for preventive worker-directed ALMP embedded in forms of pluralistic risk management in three steps. First, it briefly explores the concept of prevention and explains how it is used in the context of our discussion of preventive worker-directed ALMP. Secondly, it elaborates how the academic

literature discusses preventive policies in the context of the risk of unemployment, focusing on the type of policies that are seen as part of a preventive approach. As these preventive policies reveal clear similarities, in terms of policy objectives and policy instruments, with ALMP focused on the unemployed, it makes sense to understand them as preventive worker-directed ALMP. Finally, the strengths and pitfalls of pluralistic risk management, especially in the context of preventing unemployment, are discussed.

Preventive active labour-market policies

Classifying policies as preventive or curative depends of course on the definition of the underlying risk. In the context of public health policies for example, various levels of prevention are distinguished (Sinfield, 2007): preventing disease, preventing serious consequences of disease and preventing complications, disabilities and pain. A similar distinction in terms of levels of prevention can be made in the context of unemployment (cf. McKinnon, 2010) by distinguishing between preventing unemployment as such, preventing the depletion of human capital during unemployment spells (Bonoli, 2009) and preventing long-term unemployment and multiple forms of social exclusion. In other words, a specific policy can be preventive, as well as curative, depending on the risk to which it relates. In this article, the risk of becoming unemployed is used as the point of reference in distinguishing preventive from curative policies. Curative ALMP are defined as policies targeted at people in situations of unemployment and aimed at (re-)integrating them into the labour market. Preventive ALMP are defined as policies that aim at preventing people from becoming unemployed in the first place. Although this article focuses on preventive ALMP directed at workers, these are not, by definition, limited to policies targeted at the employed. Policies that support school-to-work transitions in order to prevent young school leavers from becoming unemployed can be considered as preventive ALMP as well.

Preventive worker-directed ALMP can be further differentiated according to the time horizon that they focus on. Preventive worker-directed ALMP with a long-term focus are future-oriented and aim to promote sustainable employability and labour-market participation. Those with a short-term focus are aimed at workers confronted with an acute risk of becoming unemployed because of individual dismissal, firm reorganisations or firm closures. The latter type of preventive worker-directed ALMP has received most attention in recent years as a consequence of the crisis that presented many workers with an acute risk of unemployment.

The case for preventive worker-directed ALMP

Despite the bias towards curative ALMP in policy discourse and academic research, several authors define ALMP in ways that acknowledge the preventive

potential of these policies. Kluge mentions ‘preventing unemployment for those individuals at risk’ (Kluge, 2010: 27) as one of the objectives of European ALMP. The definition of (passive and active) labour-market policies given by Auer and colleagues involves a broad definition of the target groups of these policies as well, and includes the underemployed and employed people looking for better jobs (Auer *et al.*, 2005). Mandl and colleagues argue that ALMP cover both those already in unemployment *and* those at risk of unemployment (Mandl *et al.*, 2010). Embroidering on this way of defining ALMP, the academic debate about policies to prevent workers’ unemployment can be interpreted as an elaboration of the preventive dimension of ALMP. A logical further step is to classify these policies as preventive worker-directed ALMP. This can be further substantiated by looking at how the literature discusses preventive approaches concerning the risk of unemployment.

The social investment state literature contains numerous references to risk prevention as a core objective of social investment policies. Esping-Andersen argues that ‘a truly effective and sustainable social investment strategy must be biased towards preventative policy’ (Esping-Andersen, 2002: 5). Hemerijck makes a similar point when he writes that ‘Social investment should become future oriented, with policies aiming to prepare individuals, families, organisations, and societies to pre-empt new social risks rather than simply repair damage’ (Hemerijck, 2013: 37). This focus, in the social investment approach, on preventing rather than repairing damage is also mentioned by various other authors (Bonoli and Natali, 2012; Daly, 2012; Jenson and Saint-Martin, 2003). The flexicurity literature has a similar orientation towards risk prevention. The long-term and short-term oriented types of policies distinguished above are manifest in flexicurity policy recommendations that aim to support work-to-work transitions, either to prevent acute threats of unemployment or to promote labour-market mobility within and between firms (Bekker and Wilthagen, 2008). As was mentioned before, short-term oriented policies aimed at preventing dismissals have recently received particular attention in the literature (Boulin and Cette, 2013; Heyes, 2013a). In a study of short-time working arrangements, which were one of the measures adopted in many EU countries to cope with the crisis and prevent dismissals, an ‘activation’ of these arrangements was recommended by combining temporary reductions in working hours – which is a preventive but not necessarily an active measure – with initiatives focused on investing in workers’ employability (Mandl *et al.*, 2010). A focus on risk prevention also characterises the transitional labour-market approach (Schmid, 2006), although in this approach risk prevention refers explicitly to a broad set of transition risks and not to unemployment exclusively (Schmid, 2015).

In sum, preventing unemployment, promoting sustainable labour-market participation and employability and supporting transitions over the life course are considered core aims of new welfare arrangements. Gallie (2002) argues that

the stigma of unemployment and the negative impact of unemployment on job acquisition strengthen the argument in favour of policies aimed at preventing unemployment. The focus, in preventive strategies, on (sustainable) labour-market participation and (sustainable) employability resembles the objectives of current curative ALMP. When it comes to the substance of the policies aimed at preventing unemployment, similarities with curative ALMP exist as well. Education and training, usually considered one of the cornerstones of curative ALMP (Kluve, 2010), are without doubt considered to be the number one priority in unemployment prevention strategies. In knowledge-based economies, low or obsolete skills are an important new social risk (Bonoli, 2005), and lifelong learning is considered vital in dealing with this risk in a preventive way. Some authors argue that these policies should specifically be targeted at low-skilled people who are the most vulnerable groups in knowledge-based economies and should be aimed at enhancing their capacity to learn (Lundvall and Lorenz, 2009). Obviously, education and training can be part of short-term as well as long-term oriented preventive strategies. Other preventive policies that are mentioned in the literature resemble what are generally known as ‘services’ in the context of curative ALMP (such as job mediation, guidance, removing obstacles for labour-market participation) and include lifelong guidance and lifelong career development (Sultana, 2013), policies aimed at providing support in work-to-work transitions (Bekker and Wilthagen, 2008; Schmid, 2015) and policies that help people to cope with difficult circumstances that might jeopardise their employment (Sinfield, 2007). We can conclude that, although curative and preventive ALMP address different target groups (the unemployed and the employed respectively), the distinction between the two policy types is blurred given the similarities that exist in terms of policy objectives and policy instruments.

A crucial theme arising from the literature on the shift from curative to preventive policies concerns the issue of how social protection and prevention are related. Various authors point out that according to the social investment perspective, ‘there should be less emphasis on “social protection” than on being preventive and proactive’ (Jenson, 2012: 28). The notion of shifting priority from social protection to prevention has been criticised, in the same way that curative ALMP were criticised for undermining income protection. Several authors argue that decent social protection systems are a core element of active and preventive welfare arrangements. They prevent risk-averse behaviour and stimulate labour-market transitions and therefore should not be interpreted as opposite to active and preventive strategies (Schmid, 2015; Sinfield, 2007; Sjöberg, 2008). The importance of this issue becomes specifically pronounced in debates about the impact of labour-market changes and the policy responses to these changes on dualisation and the differential treatment of various groups in the labour market (Emmenegger *et al.*, 2012; Jessoula *et al.*, 2010).

Our discussion of preventive ALMP and the resemblances they bear to curative ALMP has thus far not paid attention to what are usually considered the most important characteristics of curative ALMP: their obligatory nature, the conditionality of income protection for the unemployed target groups of curative ALMP and sanctions in cases of non-compliance. In our opinion, it remains to be seen whether these characteristics constitute fundamental differences between both types of ALMP. Given the increasing emphasis on individual responsibilities in preventing and coping with risks (e.g., Lister, 2003), the differences may very well turn out to be gradual. We did not find any explicit discussion of this issue in the academic literature. Nevertheless, we believe it cannot be ruled out that the shifting responsibilities trend will, at some point, result in a debate about the issue of whether entitlements to unemployment benefits should be made conditional upon workers' efforts to maintain and improve their employability and avoid situations of unemployment.

Pluralistic management of unemployment prevention

Pluralistic risk management is another core issue frequently discussed in the new welfare literature. This issue is particularly salient in strategies aimed at preventing unemployment of workers and at promoting their employability in the firm and the labour market. Firstly, social partners and individual firms are expected to be more strongly committed to, and to have a stronger interest in, investing in employees than in the unemployed. Although the inclusive nature of this commitment and interest is highly contested where non-core and flexible workers are concerned (see below), generally speaking one may hypothesise that, compared to curative ALMP, the involvement of social partners and employers in preventive worker-directed ALMP will be easier to realise. At the same time, it has been pointed out that individual firms may be reluctant to invest in workers' skill formation for fear of poaching from competitors (Hemerijck, 2002; Van der Veen *et al.*, 2012). This is one of the reasons why it may be advisable to oblige employers to invest in education and training, as has been argued in the context of reduced working hours schemes (Heyes, 2013b). Secondly, various authors have argued that policy mixes and public-private cooperation and coordination – i.e., pluralistic risk management – are crucial for making preventive strategies successful (Bekker and Wilthagen, 2008; Hemerijck, 2013; Schmid, 2015; Van der Veen *et al.*, 2012). This underlines the hybrid nature of policies aimed at preventing unemployment: they are a mix of social policies in the traditional sense of 'policy of governments' (Marshall, 1965: 7), industrial relations and collective agreements as a source of social policies (Trampusch, 2007), and 'social policies of the firm' (Rein, 1982). There is some empirical evidence that pluralistic risk management does indeed contribute to the successfulness of preventive approaches. A study of German shorter-working schemes concluded that these schemes were successful precisely because they combined government policies,

collective agreements and firm-level measures rather than being merely state-subsidised reductions of working time only (Boulin and Cette, 2013). Mandl *et al.* carried out a comparative study of shorter-working schemes and found that these schemes (and flexicurity policies more generally) require 'a climate of trust and broadly-based dialogue among all stakeholders' (Mandl *et al.*, 2010: 79), including the state, trade unions and employers.

However, the notion of pluralistic risk management is contested. Two issues are of particular importance in this debate. Firstly, the climate of trust considered necessary to make pluralistic risk management work is exactly what makes it highly vulnerable. Trust between the state and social partners or between trade unions and employers cannot be taken for granted (Bonoli and Emmenegger, 2010; Burroni and Keune, 2011), making concerted action involving the state, trade unions and employers not always likely and feasible. This raises important questions regarding characteristics of the institutional context in which pluralistic risk management may flourish or is likely to fail. The distinction, in theories about varieties of capitalism, between liberal and coordinated market economies is important in this context, of course. But, as Thelen (2014) argues in a recent study, of equal importance are the trajectories of institutional change that have taken place in the era of liberalisation and, as Thelen emphasises throughout her study, these are diverse. Secondly, the balance between public and private responsibilities is at stake. In this context, two closely connected issues are discussed. On the one hand, the literature points at the governance capacities of public and private actors (Knill and Lehmkuhl, 2002). In other words, the distribution of responsibilities between the state, individual firms and social partners in managing social risks is not only an issue of the readiness of actors (or the lack thereof) to accept responsibilities, it is also an issue of their abilities to realise social objectives, as well as about the interdependencies between these actors in successfully managing social risks (e.g., Van Berkel and Leisink, 2013). On the other hand, many authors argue that relying too strongly on collective agreements and firms' human resources policies in addressing social issues will favour core workers at the expense of atypical, non-standard workers, exacerbating labour-market segmentation and dualisation processes as well as in-company creaming practices. Therefore, various scholars conclude that strong state involvement remains crucial in order to ensure that those most in need of preventive policies are not excluded from them (Bekker and Wilthagen, 2008; Heyes, 2013a; Mandl *et al.*, 2010; Schmid, 2015). In a similar way, some authors emphasise that strengthening social partners' and firms' responsibilities in dealing with unemployment prevention will result in stronger efforts in some companies or sectors compared to others. Small and medium-sized enterprises working under high competitive pressure are considered especially unlikely to invest in the employability of their workers (Schmid, 2015).

Summarising, although the importance of the joint involvement of the state, social partners and employers in developing preventive strategies is recognised, the feasibility of pluralistic risk management is far from self-evident. And even when institutional conditions for pluralistic risk management are favourable, the state is seen as having core responsibilities in preventing labour-market segmentation, both in terms of standard/core versus non-standard/non-core workers and in terms of competitively strong versus weak companies/sectors.

Preventive worker-directed active labour-market policies in the Netherlands

Based on the previous section, some conclusions can be drawn. First, in terms of policy substance, the development of a preventive approach to unemployment requires a focus on investments in people's employability, skills and education throughout their careers, as well as support in work-to-work transitions and career planning. Secondly, pluralistic risk management involving the state (social policies), employers' organisations and trade unions (collective agreements), and individual firms (Human Resource Management policies) is considered necessary to make preventive approaches successful. However, pluralistic risk management is not a generally applicable strategy, and its social consequences – especially in terms of dualisation – need serious attention.

This section will elaborate on these conclusions by focusing on one case in particular: the Netherlands. We start by discussing several recent policies introduced in the Netherlands that represent an increasing focus on preventing unemployment. Then, we look at historical and institutional characteristics of the Dutch case that help to explain why a preventive approach to unemployment, grounded in pluralistic risk management, gained momentum in the Netherlands. Finally, we discuss how the Dutch preventive approach may exacerbate or mitigate processes of dualisation.

Policy substance: preventing unemployment

Generally speaking, until the financial crisis, preventive approaches in Dutch social policies mainly focused on the prevention of (long-term) sickness and disability. The privatisation of sickness benefits is probably the best-known example of this: since the early 2000s, Dutch employers have been obliged to pay sick workers at least 70 per cent of their wages for a maximum period of two years. The intention is that this will stimulate employers to invest in sickness prevention (by promoting healthy working conditions and healthy lifestyles) as well as in preventing long-term sickness absence (by promoting the reintegration of sick workers) (Van Gestel and Nyberg, 2009). The experiences in the area of sickness and disability prevention inspired debates about preventive approaches

to unemployment, but eventually it was the financial crisis that triggered the introduction of the first policies aimed at unemployment prevention.

One of the preventive measures that was introduced at the start of the crisis was a variety of the short-time working schemes that have been introduced in many European countries (Mandl *et al.* 2010): the part-time unemployment benefits regulation as it was called in the Netherlands. The main objective of this measure was to retain workers in times of economic crisis and prevent their unemployment. It was based on the assumption that groups of workers threatened with unemployment in times of crisis would be needed again when the economy recovered (labour hoarding). What made this preventive policy exceptional from an international perspective was that it included a future-oriented dimension: it obliged employers to invest in workers' employability by providing them with training opportunities while on reduced working hours. This obligatory element was absent in short-time working schemes in many other countries, where employers were stimulated but not obliged to provide training (Heyes, 2013b).

Whereas this policy intended to retain employees during times of economic crisis, a second policy aimed at promoting work-to-work transitions of workers who were going to lose their job. The Dutch government temporarily subsidised nine regional or sector pilots in this area. The objective of this policy was to promote a stronger role for employers and trade unions in finding new jobs for employees threatened with job loss, and to find out under what conditions pluralistic risk management may have a positive impact on facilitating work-to-work transitions. Some pilots were initiated by employers, whereas others were joint initiatives of employers and trade unions. The pilots used a large variety of instruments in supporting employees in finding new jobs, such as education and training, job guidance, mediation and outplacement services, job hunting and job carving (Visscher *et al.*, 2012). These preventive instruments closely resemble those used as part of curative active labour-market measures.

The third policy that we discuss here concerns the establishment of mobility centres. These centres intended to provide a regional infrastructure for facilitating early interventions in cases of mass dismissals and for coordinating public and private efforts. In addition, services of the Dutch unemployment benefit agency could be mobilised before workers actually became unemployed, redirecting 'curative' public resources towards unemployment prevention initiatives. Since 2010, the mobility centres and their services have been integrated into the unemployment benefit agency through the establishment of employer services agencies.

The prevention of acute unemployment was the main aim of these preventive worker-directed ALMP, although the short-time working scheme also included a longer-term employability perspective. Although innovative in the Dutch context, these preventive policies did not represent a radical shift in dealing

with unemployment. Some were temporary and their coverage – in terms of the percentages of people threatened with unemployment that were affected by these policies – was very modest. For example, the proportion of Dutch employees that used the short-time working scheme was 1 per cent of the labour force (De Groot *et al.*, 2012), which is low in comparison with countries such as Germany (Schmid, 2015). Nevertheless, taking into account the incremental nature of many more fundamental policy reforms, these policies may turn out to be forerunners of a more significant shift towards preventive worker-directed ALMP. Recent policy reforms seem to confirm this. In 2013, a social pact was concluded between the Dutch government and social partners (Stichting van de Arbeid, 2013). The implementation of the agreements in this social pact requires new legislation, of which the Work and Security Bill that was introduced into the Dutch parliament in November 2013, is the first step. The pact puts a clear emphasis on the prevention of unemployment and promoting work-to-work transitions, as well as on the joint responsibilities of the state, social partners and employers in developing preventive strategies. According to the pact, social partners will be made responsible, as of 2020, for policies concerning prevention, support, job-mediation and reintegration (that is, ALMP targeted at workers as well as unemployment benefit recipients), representing a clear shift from state-dominated to pluralistic risk management. In terms of preventive measures, the introduction of so-called transition payments in cases of dismissal is presented as an important innovation that should support work-to-work transitions of people threatened with unemployment. The entitlement to transition payments – an example of preventive ALMP with a short-term focus – is regulated in the Work and Security Bill.

The preventive approach and pluralistic risk management

As we saw, pluralistic risk management is a core feature of the preventive approach to unemployment in the Netherlands, which confirms the critical role the academic literature ascribes to pluralistic risk management in making preventive approaches both feasible and successful. A useful theoretical perspective that helps to explain the rise of pluralistic risk management in preventive approaches in the Netherlands, and that goes beyond the distinction between the varieties of capitalism, i.e., liberal and coordinated market economies, is provided by Trampusch (2007). Although Trampusch's research focused on the role of collective agreements negotiated between social partners as a compensation for welfare state retrenchments, her typology of institutional conditions that support or hinder collective agreements on social risk protection is also useful when we want to understand the involvement of Dutch employers and trade unions in policies aimed at preventing unemployment. Trampusch's typology distinguishes two dimensions: the timing of the institutionalisation of industrial and political citizenship, and the role of the state (active or passive) in

promoting and facilitating collective agreements between social partners on social protection arrangements. In countries where industrial citizenship preceded political citizenship *and* where the state plays an active role, social partners are most likely to develop collectively negotiated social protection schemes. And it is exactly this group of countries to which the Netherlands belong (Trampusch, 2007; Yerkes and Tijdens, 2010). If we consider policies aimed at preventing unemployment as a form of social protection, and if we take into account the crucial role of pluralistic risk management in developing these policies, countries such as the Netherlands are likely candidates for providing a relatively favourable institutional context for the development of preventive approaches.

Whereas Trampusch's typology focuses on the diversity of institutional conditions in various countries, a recent study by Thelen (2014) highlighted differences between the 'traditional' manufacturing sector and the 'new' service sector. And although Thelen points at these differences in the context of an argument on varieties of liberalisation, they may also affect the likelihood of the successful development of pluralistic risk management in both sectors. Until now, the issue of the impact of sector differences on the feasibility of pluralistic risk management has received little attention in the literature. But sector differences may have played a role, for example in the Dutch work-to-work pilots – only a few survived after state subsidies were withdrawn and those that did involved traditional industries with a long tradition of cooperation between social partners and strong sector institutions. Thus, institutional conditions for pluralistic risk management may differ between countries as well as between sectors of industry within countries.

In terms of the social consequences of pluralistic risk management, Trampusch (2007) points out that collectively bargained social protection arrangements may strengthen social inequalities between, among others, workers in 'typical' and those in 'atypical' employment. As we saw, this is a crucial issue in the context of preventing unemployment, as people in atypical employment are most strongly exposed to risks of unemployment and can be considered most in need of policies that promote their employability and support successful work-to-work transitions. This focuses attention on another aspect of the 'active' role of the state: the protection of vulnerable groups in the labour market and the degree to which the state intervenes to avoid a situation in which an increasing role of social partners and firms in providing social protection arrangements aimed at unemployment prevention results in processes of dualisation.

Pluralistic risk management and dualisation

In the academic literature, the Netherlands is mentioned as one of the countries where processes of dualisation have been modest, at least from an international perspective. Thelen's (2014) recent study of varieties of liberalisation, for example, showed that the Netherlands has become less dualistic

and more 'solidaristic' during the period from the 1980s to the late 2000s. According to Thelen, social policies played a role here: the Dutch government introduced policies strengthening the position not only of part-time workers – in the Dutch context, part-time work has increasingly become considered a form of regular rather than flexible work – but also of flexible workers, including temp agency workers. In other words, the Dutch state has taken an active role in introducing policies that intend to mitigate and even reduce dualisation between 'regular' and 'atypical' workers. Thelen's argument that the Dutch state assumes an active role in the dualisation issue also seems valid in the context of the increasing emphasis on unemployment prevention. Both the social pact and the Work and Security Bill specifically address the position of flexible workers. The social pact states that flexible workers have equal access to education activities in their firm/sector and the same entitlements as 'regular' workers to work-to-work transition facilities. The Work and Security Bill stipulates that workers become entitled to transition payments after having worked with the same employer for two years.

However, this does not mean that dualisation is no longer an issue in the Netherlands. Even the small-scale policies focusing on unemployment prevention, discussed above, showed that dualisation is a real threat. For example, the majority of employees using the part-time unemployment benefit scheme were experienced workers who had been working with their employer for over ten years, whereas workers on temporary contracts were under-represented (De Groot *et al.*, 2012). In the context of preventing long-term sickness and disability, which as we saw is subject to pluralistic risk management as well, processes of dualisation between 'regular' and flexible workers are clearly visible (Van Berkel, 2013). This raises the question of whether state social policies are providing adequate protection for atypical workers. It also raises the issue of the effectiveness of social policies in changing sector and firm-level practices in dealing with various groups of workers; that is, the issue of the capacity of the state in successfully countering or preventing dualisation. In other words, even though the state may be committed to addressing the labour-market position of flexible workers and processes of dualisation between 'regular' and flexible workers, this does not necessarily imply that its policies are effective. Therefore, the debate on dualisation should not only focus on the role of the state and state social policies, but also on the implementation or 'translation' of these policies in sectors and firms (Van Gestel and Nyberg, 2009).

Conclusion

This article argues that the importance attached in the social investment, flexicurity and transitional labour-market literature to strategies to prevent unemployment strengthens the case for broadening the traditional curative

concept of ALMP to include preventive worker-directed ALMP. The development and introduction of preventive worker-directed ALMP may be conceived as an innovative way to deal with the risk of unemployment in labour markets that are becoming more dynamic. These policies may have a long-term focus, aimed at investing in workers' future employability and career opportunities and at offering support in managing their employability and careers. They may have a short-term focus, aimed at preventing unemployment in cases of acute risks of job-loss. Although curative and preventive ALMP, as they have been defined in this article, address different target groups, both types of policies partly overlap in terms of policy objectives and instruments, making the dividing lines between the two types of ALMP blurred. As we saw in our review of the literature and in our discussion of Dutch preventive policies, several policy initiatives – often introduced as responses to the crisis – already exist that reflect this orientation towards preventive strategies in dealing with unemployment. Indeed, we expect that more preventive initiatives exist than we have paid attention to here. And even though the impact of these policies on alleviating the problems of the crisis may have been modest, or even negligible, their role in placing risk prevention on the policy agenda and in providing opportunities to learn about the design and potential effects of preventive policies may be more important than their current impact leads one to suspect. This seems indeed to be the case in the Netherlands: the small-scale preventive policies developed as a response to the crisis have recently acquired a more structural position in social policy reforms.

Whereas scholars who preach a preventive focus in social policies as a means of dealing with the risk of unemployment meet little resistance, the pluralistic management of these policies, that various authors consider necessary in making preventive approaches of unemployment successful, raises two highly controversial issues. First of all, the feasibility of a co-ordinated preventive approach involving the state, social partners and employers is seen as differing considerably across countries (and possibly also across sectors of industry). The levels of trust between public and private actors considered necessary for pluralistic risk management; the readiness of the state, social partners and employers to share responsibilities in preventing unemployment; and the existence of institutional conditions that are favourable to the development of pluralistic risk management are core issues in this respect. As a consequence, pluralistic risk management is considered more feasible and more likely to be successful in some countries than in others – a point that has also been emphasised repeatedly in critical debates about flexicurity and the transferability of experiences in this area from countries such as the Netherlands to other European countries (Bonoli and Emmenegger, 2010; Burrioni and Keune, 2011). Thus 'what works' in the Dutch case tells us little about what will work in other countries, unless we take into account the institutional context characteristics that contribute to successful pluralistic risk management.

Secondly, the social consequences of pluralistic risk management raise major concerns. Several authors argued that social security arrangements, provided through collective agreements between social partners or through firms' human resource management policies, may include some labour-market groups while excluding others, and may therefore reinforce inequalities in the workplace as well as between sectors and firms (e.g., Rein, 1982; Trampusch, 2007). Although the Dutch evidence on this issue is thin, it seems to confirm these concerns. In sum, the issue of who benefits from preventive ALMP in the context of pluralistic risk management is highly relevant. Phrased in a more provocative way, we cannot rule out the possibility that the pluralistic management of unemployment prevention will increase the very problem it set out to solve. It may increase rather than reduce the vulnerability and unemployment risks of the people most in need of new forms of security because they are (voluntarily or involuntarily) most flexible in the labour market and most frequently confronted with labour-market transitions. Here, the roles and responsibilities of the state are considered of particular importance, either in providing public preventive ALMP for flexible workers and workers in weak or vulnerable companies/sectors, or by obliging and financially stimulating social partners and employers to assume this responsibility. At the same time, we argued that attention should be paid as well to whether these policies are effective in changing sector and firm practices, as this cannot be taken for granted although it is vital for successfully addressing dualisation.

We hope that this article has contributed to making a case for the introduction of preventive worker-directed ALMP in the context of the new welfare architecture and its orientation towards risk prevention. In addition, we hope that it will stimulate interdisciplinary debate and research, bringing together insights from social policy, industrial relations, labour-market and human resource management scholars in further investigating the substance of preventive ALMP, the distribution of responsibilities in strategies aimed at preventing unemployment and the social consequences of various modes of pluralistic risk management. A core question concerns the ways in which, and the conditions under which, state social policies, collective agreements between social partners and firms' human resource management policies can realise 'institutional complementarity' (Burroni and Keune, 2011) in what many scholars consider as an important challenge in post-industrial societies: preventing unemployment and promoting sustainable employability and employment for all.

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Notes

- 1 The words firm and company in this article refer to private as well as public organisations.
- 2 Innovative Social Policies for Inclusive and Resilient Labour Markets in Europe. See <http://www.inspires-research.eu/>.

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