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# Governance of the activation policies in Europe

# Introduction

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#### **Abstract**

**Purpose** – The purpose of this introduction to the special issue is to give an overview of the key aspects of the governance of activation policies as discussed in the existing literature. It explains the focus and contribution of this special issue and provides a brief summary of the main findings in the individual articles.

**Design/methodology/approach** – In this special issue the comparative analysis of the key aspects of governance of activation policies like centralization/decentralization, new public management, marketization and network governance is covered, accompanied by an assessment of the role of implementation conditions in shaping the real trends of governance reforms of activation policies. Further, the effects of governance reforms and the influence of EU governance on the dynamics of national activation policies are discussed. This comparative analysis leads to a typology of the "worlds of governance" of activation policies in Europe.

**Findings** – All the countries show certain comparable converging trends in the reforms of governance of activation, although a closer look helps us determine the shape of increasingly different patterns of governance in several respects. In spite of this variety, another general finding is the common discrepancy between aims and effects: the key explanation involves implementation failures. Three governance regimes may be distinguished in the EU countries: committed marketizers, modernizers and slow modernizers.

Originality/value – This paper suggests a new typology of governance regimes.

**Keywords** Governance of activation policies, Governance reforms, Governance regimes, Governance, Politics and political science

Paper type Research paper



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# Introduction: the purpose of this special issue

The idea of activation represents an increasingly important part of the "modernization" of welfare states in Europe. The European employment strategy and recently "Europe 2020" consider the increased employability and labour-market participation of the unemployed and recently also of the marginal categories of the workforce/"inactive" as necessary in order that employment targets might be achieved and welfare

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dependency ended, with positive consequences for welfare expenditure. The mutually reinforcing adaptations of active labour market policies, tax-benefit schemes, social assistance in particular, employment and other services have become central in the current policy drift.

These policy reforms include both operational and formal aspects (Carmel and Papadopoulos, 2003): while the latter regulates substantial aspects of social policies, the former regards the organization of policy delivery – the ways in which the provision and delivery of social policies are organized; this is the governance of social policies (Borghi and van Berkel, 2007).

The issue of governance represents a crucial aspect of activation policies for several reasons: activation policies require coordination of minimum income support schemes and unemployment compensation with active labour market policies, tax-benefit schemes and services of different kinds. Activation also presupposes integration of social policy functions and institutions: cross-field (e.g. one-stop shops) and levels of public administration (national, regional and local). Such integration implies cooperation of various actors and agencies responsible for specific partial policy functions. Finally, it includes implementation conditions for activation: personnel, professional, managerial and institutional.

A growing body of literature has been devoted to the various aspects of governance of the welfare state and activation policies in particular, including the special issues of the *International Journal of Sociology and Social Policy* (Borghi and van Berkel, 2007; Bonvin and Orton, 2009). Several contributions have examined the key trends and problems in the governance of activation (Bredgaard and Larsen, 2005; Larsen and van Berkel, 2009; van Berkel and Borghi, 2008; van Berkel, 2010; van Berkel *et al.*, 2011); some have been typically focused on the specific selected aspects of governing activation like marketization and contractualization (Sol and Westerveld, 2005; Struyven and Steurs, 2005; van Berkel and Van der Aa, 2005; Sol, 2010), the new public management (NPM) of activation (Weishaupt, 2010), individualization (van Berkel and Valkenburg, 2007), inter-agency cooperation (Lindsay and McQuaid, 2008), or organizational innovation at the local level (Bonvin and Orton, 2009), although the governance of activation is evidently a complex issue (van Berkel, 2009, 2010). Recently, a complex of trends in the governance of activation in nine country studies has been analysed (van Berkel *et al.*, 2011).

In this special issue we attempt to comparatively analyze the key aspects of governance of activation policies like centralization/decentralization, NPM, marketization and network governance: we explain these trends in more detail in the next section. Second, we assess the role of implementation conditions in shaping the real trends of governance of activation policies. Although the issue of implementation is central in activation reforms (e.g. individual casework has implied frequent adjustments in caseloads in several countries), comparative assessment of the impact of implementation on shaping the activation policies is not accessible. For this reason we present a comparative case study of the key implementation aspects of two countries. Third, we assess the effects-outcomes of governance reforms. Until now, evaluation studies have respected the fact that substance reforms and governance reforms overlap, but they have not examined the issues regarding the effects of governance thoroughly. Being aware of the methodological limitations, we have attempted to bridge the gap. Finally, we deal with the influence of EU governance on the dynamics of national activation policies. While some studies pay attention to the assessment of the impact

of European Employment Strategy and OMC on the substance of the national activation policies, the impact of the EU on the governance of activation at the national level has been left aside: in this issue both aspects are addressed.

We address all these issues by comparing various countries with respect to the specific aspects in focus, as they are listed above. The countries included in this issue will represent the three traditional "worlds of the welfare state" as well as some Southern and East-Central European countries. The ground material for this special issue has emerged within the sixth EU framework project "Reconciling work and welfare in Europe" (the Network of Excellence Project): the case studies on the individual countries have already been published (van Berkel *et al.*, 2011) and enable us to make systematic and topical comparisons, giving thus more ground for hypothesizing on the "worlds of governance" of activation policies in Europe based on the distinction of the specific "hybrids" of procedural, market, corporate and network modes of governance as originally distinguished by Considine (2001).

However, we do not touch on all the relevant aspects of the governance of activation policies. Especially two key aspects would be interesting to explore, but are beyond our analytical frame. First, because we believe that there is a strong link between governance on the one hand and the content and the effects of activation on the other, we are convinced that it is not correct to consider governance as a mere technological administrative device. The various forms of governance are motivated by political choices and the political objectives of the reforms. We are aware that specific governance reforms foster specific modes of activation following from the content/substance of the policies and therefore are "political" in nature: the choice of governance reforms aim to execute policies which are constitutive for a broader strategy of welfare state reforms. There is much to say about these strategies, both nationally and on the European level, in as far as they run between the poles of retrenchment and social investment. Without going into this debate, we can second observe that governance reforms affect in a complex way the interface between the state and the agencies implementing activation and the interface between the agencies and the citizens. The balance of the entitlements to social provisions and the responsibilities of fulfilling the requirements for these entitlements have certainly been modified in several respects. These two issues (the "politics" of governance of activation and the consequences of governance for the balance of power between the state, agencies and citizens) deserve great attention and have been addressed elsewhere (Gilbert, 2002; Handler, 2004; Hvinden and Johansson, 2007). We understand our contribution as a stepping stone for the analysis of the governance of activation as a social and institutional process in the restructuring of welfare states.

## Governance reforms of activation policies

We start from the assumption that governance reforms are closely bound with the substantive reforms in activation. In the broader perspective of the public sector and welfare state reforms which are addressing "new social risks", we see a general trend of the growing role of public services (employment services included), which better address issues like employability or work-family balance, rather than just income schemes. To become suitable to the individual cases, target groups or specific context social services as such require that they be adjusted to local needs and decentralization. Furthermore, under the conditions of economic pressures on the public budgets, the development of social services is associated with the pluralization of the

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actors involved, a shifting towards a "welfare mix" and more complex patterns/combinations of governance: regulation, financing and delivery of services (Seeleib-Kaiser, 2008; Wollman and Marcou, 2010).

Similarly, the transformation of passive into active welfare states has created its own governance reform urgencies (van Berkel, 2010): for example, income provision and activation are to be integrated or coordinated in order to effectively underpin the principle of conditionality. Similarly, the growing emphasis put on employability, complexity of services and individualised solutions requires an adjustment of governance and the implementation of activation policies.

For the above reasons, governance reforms typically enable or underpin the substantive reforms in activation and often come in one package. Consequently, the impact of governance reforms is very difficult to disentangle from the impact of the reforms of the substance of the policies on the effects/outcomes of activation (see de Graaf and Sirovátka, in this issue).

The main principles underlying governance reforms of activation policies discussed in the literature may be distinguished as decentralization, marketization, networking/inter-agency cooperation and NPM. Decentralization aims to adapt public policies to the:

[...] contexts and collective and individual actors involved: the multi-faceted nature of unemployment, the increasing volatility of the labour market in a globalizing and knowledge-based economy, the aim to develop innovative solutions through local partnerships, the transformation of passive into active welfare states and – for programmes aimed at promoting social inclusion in a broader sense than paid employment – the identification and development of activities that can promote social participation (van Berkel *et al.*, 2011, pp. 6-7).

Capacity building is considered to be a major issue in decentralization processes, since this requires the ability to coordinate local actors, to implement the programmes, to monitor and evaluate performance and to comply with accountability standards (Mosley, 2009). Therefore, decentralisation of service delivery is often accompanied by centralisation tendencies in their regulation.

Greater efficiency of the policies is expected, since the local actors are in a good position to deliver tailor-made individualised services thanks to their knowledge of the local contexts and target groups (van Berkel and Borghi, 2007), multi-dimensional and innovative solutions and the use of local actors' potential/resources. On the other hand, it can create inequalities in services provision and in individuals' rights (Finn, 2000; van Berkel, 2006). It also raises difficulties in coordination, sometimes even leading to the loss of control. From the implementation side, it requires substantial capabilities and resources at the regional or local level (compare Greffe, 2003; Kazepov, 2008).

The expectations related to the marketization of employment services are numerous: competition should have a positive impact on the efficiency and effectiveness of services, on their quality and flexibility, or responsiveness to local and individual needs (together with more choice for users), as well as on their price. Markets of activation services are not conventional markets, but typically quasi-markets (LeGrand, 1991) and may differ in several respects (see van Berkel, Sager and Ehrler, in this issue) with consequences on many characteristics of the services provided and their effects.

Not all of these nuances have been extensively researched yet. Furthermore, theoretical assumptions and existing experience show that the effects of marketization

greatly depend on how the quasi-markets are organised and managed by the purchasers (van Berkel and Borghi, 2008). The important factors are the information mechanisms about the services provided (Sol and Westerveld, 2005; Bruttel, 2005; van Berkel and Borghi, 2008) and the incentives contained in the outsourcing contracts (Bredgaard and Larsen, 2007; Finn, 2010). Consequently, the studies have recognised the problems with the quality of the services and problems with "creaming" and parking within marketized service delivery (van Berkel and Van der Aa, 2005; Struyven and Steurs, 2005; Bredgaard and Larsen, 2007). Emphasis in the contracts on the quantitative performance targets can also limit the investment of suppliers to specialized training activities and innovative services; rather, they are opting for a work-first approach (Bredgaard and Larsen, 2007). The administrative burden may be high, although favourable to the competitive nature of a quasi-market; a large number of suppliers and short-term contracts increase the complexity of the negotiations of contracts and of their implementation and supervision (Sol and Westerveld, 2005; Bredgaard and Larsen, 2007). Several authors share doubts about the improved efficiency of the marketized services compared to the traditional bureaucracy (Struyven and Steurs, 2005; van Berkel and Van der Aa, 2005; Konle-Seidl,

Inter-agency cooperation and partnerships can be promoted for several reasons: the increasing conditionality of income support requires the exchange of information regarding the activation tasks of unemployed people; coordination between income protection schemes may be needed to promote efficient and effective activation of the unemployed people; service coordination and integration may also be promoted in order to make services more accessible and user-friendly (van Berkel et al., 2011). Inter-agency cooperation can take a variety of forms: agencies can bring their front offices together under one roof, or establish a new agency in which their front office activities are shared and direct-client contacts take place, or may involve full mergers of formerly independent agencies. Partnerships involve more far-reaching forms of cooperation and coordination than inter-agency cooperation in the sense that they include a large range of public and private actors in service provision. Inter-agency cooperation and partnership can increase efficiency of activation by enabling multi-dimensional solutions, improving governance. avoiding duplication in the efforts of different agencies and improving accessibility of services for the users. On the other hand, it often requires a demanding adaptation process due to diverging objectives or different cultures, management styles and ways of service delivery (van Berkel and Borghi, 2008); the process may even fail for the above reasons.

The concept of NPM has penetrated the public sector, including Public Employment Services (PES) since the 1980s and 1990s, and has become even stronger with marketization, decentralization and inter-agency cooperation due to the necessity of finding new forms of control, regulation and strategic management. The NPM concept, however, contains more aspects of governance. In a narrower sense, which we prefer to use here, the core features are mainly the business principles guiding the ways in which national governments steer public agencies and manage their conduct and performance (van Berkel *et al.*, 2011). Newman (2001) emphasizes the pivotal role of concentration on the results and effects (in the concept of politics of performance). This is associated with business-like methods of governance: management by objectives, transparency, accountability, bench-marking, monitoring and evaluation, incentivizing by performance steering and by using incentives and disincentives as steering mechanisms.

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One of the core issues for the NPM is the issue of how to define performance indicators and what to measure in performance measurement (Osborne and Gaebler, 1992). The appropriate choice of performance indicators and the managerial and administrative capacity of the principal of performance steering and incentivizing decisively influence the effects of NPM. At the same time, NPM can only bring some gains if the principal is capable of defining the strategic policy objectives and monitoring their achievement.

# Findings on the trends in governance of activation in nine countries

In this part we briefly discuss the key findings of the individual chapters within the broader comparative perspective of the trends in governance of activation in Europe.

In the article on "marketization" the authors show that although marketization is clearly the common trend, a considerable degree of diversity of (quasi-)markets for the provision of activation services in Europe has emerged; a variety of the effects of various (quasi)-market models is observed concerning the roles of various purchasers and providers and their relationships. With regard to the governance typology of Considine (2001), marketization leads to a hybridisation of governance models rather than to the new governance model.

A full split between purchasers and providers hardly exists in any country, although some countries have introduced a stricter split than others (e.g. The Netherlands, Switzerland and the UK); nevertheless, purchasers (PES or other public bodies) also act as providers in all countries. The split between providers and consumers is expected to increase the voice and choice of service consumers. The national studies, however, show that if voice and choice increase, it is hardly due to the introduction of market mechanisms in the provision of activation. One may hypothesize about the reasons: do the consumers lack information or real decision-making discretion about the providers? Two deviations exist: the German voucher system (although rarely used) and the Dutch individual reintegration agreements (popular among the unemployed). It is interesting that in spite of the diversity of the markets of activation and in spite of the fact that these are not conventional markets, typical market failures are emerging – most evidently in those with advanced marketizers. The authors also show that the above experiences implied de-marketization processes in the governance of activation in some countries (e.g. Sweden and The Netherlands). This article may stimulate further research on broader issues related to explaining the diversity and to the potentially heterogeneous effects and impacts of various market models on the effects of activation.

The article "Decentralisation and centralisation: governing the activation of social assistance recipients" (which is the central arena of activation) focuses on three countries which represent different welfare state models: the UK represents highly centralized systems and recent reforms in the governance of activation have not changed that picture; meanwhile, a decentralized structure is the case in The Netherlands and Sweden. Recent reforms in these countries have both strengthened and weakened the local level of government despite the different content of the reforms. The trend towards more lower-level government autonomy (regions or municipalities), on the one hand, and the trend towards increased indirect higher-level control (monitoring, supervision), on the other hand, seem to overlap. Re-centralization represents a reaction to decentralization that has gone too far and has implied problems like fragmented policies and uneven access to and standards of services. We can interpret these trends as an attempt to balance

flexible and local services delivery with more centralized regulation of the strategic policy objectives and standards.

The article on "Network governance in activation policy" represents a case study of the most advanced example of network governance in activation from the governance perspective found in the countries in focus (i.e. both developed in the design of integrated service and most institutionalized at the same time). Specifically, in Finland the one-stop model of LAFOS represents a culmination of integrated activation policy where coordination between the state, municipalities and other actors, such as service producers, employers and the third sector enable integrated and complex service with emphasis on the integration of healthcare policies with active labour market policies which is client-friendly and innovative in nature. Nevertheless, problems in governance have arisen; performance targets in activation policy (which have been introduced with NPM in the public sector) have been set up separately within the employment administration and the social welfare and health administration. As the authors say, in a joint service structure such as LAFOS, a major challenge lies in setting up cross-cutting targets and giving them equal status with the sector targets. Furthermore, in spite of the sophisticated design and implementation of integrated strategy, problems with the accountability of the actors seem difficult to overcome.

The article NPM and activation assesses the emergence of NPM in nine European countries. In spite of considerable diversity in kind and degree of implementation of NPM in different countries, the article identifies common patterns with the use of fuzzy set methodology, considering three key aspects of NPM: performance management systems, steering by contracts and discretion on the operational level. Four ideal types of NPM within the nine countries involved in the analysis have evolved: a business type of NPM (typical for Switzerland, The Netherlands and Finland), a centralized NPM (UK), a self-governing NPM (Germany, Sweden) and a procedural type of NPM (France). Italy and the Czech Republic still apply the "traditional administration" model. At the same time, it is shown that most countries do not represent pure models, but unify different tendencies within one dominant type: diversity prevails over the common tendencies. The findings may prompt further research on the impacts of different forms of NPM on the content and effects of activation policies.

In the article on the "Relationship between the European activation policies and the evolution of domestic activation" policies and their governance, the author is concerned with the increasing role of the EU in itself (EES, OMC) as an aspect of new governance which is intended to promote the specific policies in the member states; also explored is the role which the EU may play in promoting specific forms of new governance in the member states: in short, is the (EU-induced) policy diffusion hypothesis relevant? Combining the two dimensions of activation as distinguished by Bonoli, four activation types can be identified: incentive reinforcement, employment assistance, occupation and human capital investment or upskilling. If initially the activation type promoted by the EU was primarily upskilling, over the past decade employment assistance and incentive reinforcement have also been increasingly supported by the EU initiatives. Today, activation at the EU level can be labelled as a hybrid made up of mainly upskilling and employment assistance features.

However, when looking at data on seven selected EU countries (in the 1995-2007 period), there was an increase in employment assistance programmes expenditure, but a reduction in both direct job creation and training expenditure. This means that convergence has

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occurred but not in the direction towards the upskilling type, supported by EU recommendations. On the other hand, from a more general perspective, the EES has contributed to relative shifts from passive to active labour market policies across the member states. With respect to the governance dimension, the EU role has influenced only the trend towards marketization in some countries like France, Italy and the Czech Republic – thus the role of the EU in governance reforms has been relevant only for a limited number of countries whose governance traditions were more hierarchical and procedural (notably Italy and the Czech Republic; France to some extent) and where the discrepancy between the EU level and the domestic one was more considerable. An important role in the implementation phase was played by the EU-funded projects which enable outsourcing and enhance the "stakeholders" capacities, sometimes leading to network governance, like in Finland. One might be highly sceptical regarding the real impact of EU governance put forward through the OMC. If there was some impact evidenced in some countries, this was only partial and indirect, mainly due to the opportunity to use the European funds for financing the specific employment "projects".

The article "Governance and implementation of activation policies" is concerned with the question of how the similarly deficient implementation conditions have influenced the implementation of governance reforms in activation policies in the frame of different modes of governance in two countries: in Italy (where non-hierarchical multi-level governance evolved) and the Czech Republic (where state-centred hierarchical governance continues to prevail). This question is highly relevant since implementation theory teaches us that the policies implemented may diverge from the designed policies from several reasons: lacking implementation capacities, re-definition of goals by the actors delivering the policies, as they can have divergent preferences and/or specific local contexts (Hill and Hupe, 2002).

Until recently, Italy and the Czech Republic have shared several common features concerning governance and implementation features: the state-centric and hierarchical model of employment and social policy governance, low public expenditure on employment policy and lack of personnel resources — both at the national and local levels, accompanied by a lack of experience with activation policies and insufficient personnel and managerial capacity of the PES. In recent reforms, two processes have dominated in both countries: decentralization and marketization.

The findings confirm the crucial role of implementation capacities in both countries. In the Czech Republic there was poor access to active labour market measures for most disadvantaged groups; in Italy failures in the implementation of policies in the southern regions emerged due to both the insufficient coordination ability of the principal and poor implementation conditions at the local level. The authors conclude that in poorly developed active labour market policy regimes, activation governance reforms (such as decentralization and marketization) may not necessarily reduce the implementation gaps; rather, they may widen them, since the delivery of activation policies becomes an even more fragmented process. Furthermore, there is another question that remains to be answered: are the consequences of governance reforms somehow better in more developed activation regimes?

The article on the "Impacts of governance reforms on the effects of activation" deals with this question from a broader perspective. The authors distinguish three types of effects: process effects (treatment of the unemployed, their voice and choice when involved in activation, and the individualization of service provision),

output effects (the range and variety of the programs, the coverage and access to specific groups, service content and quality) and outcome effects (gross and net employment effects or sustainable employment). The comprehensive approach increases the possibilities of obtaining some evidence, although some serious methodological problems complicate the recognition of the impact of governance reforms on the effects of activation.

Concerning process effects, there are some countries where certain modest positive effects are evidenced (The Netherlands, Sweden, Finland, Switzerland and Germany) in terms of more voice to clients, flexibility of services, more individual treatment and satisfaction of the clients. Some rather negative process effects are documented in other countries like the Czech Republic, Italy and the UK – either due to a lack of capacities for individual treatment, or due to standardized work-first focused advice (UK). Output effects of governance reforms show that in most countries there is an increase in the number of participants in activation and the variety of services, with a few exemptions; at the same time, the complexity of services makes it hard to choose between them and regional differences in implementation arise in some countries. Furthermore, service standardization can be noticed in several countries (UK, The Netherlands and France), as private providers try to standardize their offer of activities to be price competitive; similarly, innovation is blocked. In spite of the increasing scope and variety of activation policies applied in some countries, gains for the vulnerable groups of the unemployed have not appeared even though "creaming-off" effects appeared to be strong. The quality of the measures did not improve in general, even while low-cost measures (job-search advice) clearly prevailed in some cases. The outcome effects are not convincing: in some countries improvements appeared while in others the opposite was reported. The common finding is that efforts are aimed at short-term placements, which only contributes to dualization in the labour market, without producing more sustainable employment.

To a great extent, the findings confirm several previous reservations about the effects of governance reforms of activation, expressed either in theoretical discussions or documented in empirical findings (see the first section of the introduction). Implementation conditions may explain some of the discrepancies between the expectations and real effects. Nevertheless, some failures seem to be inherent in the governance reforms and deserve further research: for example, the impact of governance on the quality of the measures and net effects of activation need a comprehensive effort. Similarly, the role of the policies of the governance reforms (and objectives of the reforms) should be better clarified.

#### The governance regimes of activation

Based on Consisine's typology, we can conclude that in spite of the variances between countries, both in the original governance mode before the reforms and the path of the governance reforms, there are similar trends: the decline of procedural governance and advancement in marketization (in some countries counter-balancing trends were evident as well); decentralisation in service delivery (often accompanied by re-centralisation in regulation); the increasing role of network governance in some countries and NPM in most countries, however, with a difference in scope. At the same time, a lot of variances in designing the markets of activation services, in NPM models and in other trends have been recognised.

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In the context of the above trends from the governance perspective, we can distinguish three families of countries: the first one may be labelled "committed marketizers" (UK, The Netherlands and Switzerland). Market provision of services is very strong and NPM is also a strong element while procedural and network governance are rather weak elements. The UK, however, exhibits more features of centralisation and less of decentralisation than The Netherlands or Switzerland. Germany could be grouped in this family: in some ways it is weaker in the degree of marketization achieved; however, it follows a similar trajectory, although in a rather more decentralised mode. Alternatively, it could also be grouped with the second family, which concerns the current degree of reform; however, the reasons for clustering it with the first family are more convincing.

The second family may be labelled as "modernizers" (Sweden, Finland and France): the elements of procedural governance, marketization, NPM and network governance seem to be mixed without the strong dominance of any of them. This is primarily due to the fact that these countries did not go too far in marketization, compared with the first group. Second, a deliberate strategy to counter-balance some of the reforms – like marketization or decentralization – is apparent in these countries. Stronger emphasis is put on NPM and network elements in Finland and decentralisation in Sweden. France is stronger in procedural governance, but weaker in NPM elements, network governance and decentralisation than Sweden or Finland. Thus, it is in some respects also close to the third family (see below).

The two categories above have also been used in the typology by Pollitt and Bouckaert (2000) and Ahonen *et al.* (2006). The third family consists of "slow modernizers" (Italy and the Czech Republic). In these countries, we see less advanced reforms, or even a lack of reforms concerning NPM, and more emphasis on procedural governance. The Czech Republic is more advanced in (poorly regulated) marketization while Italy is more advanced in decentralisation and network governance.

Based on our findings, it is impossible to make a reliable assessment of the impacts of governance regimes on the effects of activation policies. There are several significant intervening variables like the scope of the active labour market policies, the implementation capacities in terms of the regulation capacity of the principal implementing the governance reforms, the personnel capacity of the bodies implementing the reforms and policies and the financial resources available to them. The overall outcomes of activation policies seem to be worse in the countries that are lacking regulation capacity (Italy and Czech Republic; France to some extent), since activation is becoming an increasingly complex issue in light of governance reforms. Second, in spite of the lack of convincing evidence of the effects of governance reforms, we have noticed the processes of policy learning (adoption), which in several countries are more advanced in governance reforms. This policy learning leads to correcting the trends of marketization and decentralization with the use of various regulations. It is important to note that these corrections themselves contribute to the further hybridization of the national patterns of governance reforms.

As indicated at the beginning, we have not aimed to explore the politics of governance reforms. We can only comment on one specific point: the effects of the governance reforms seem to show that due to the workings of the activation process, a certain dualization in the target groups is appearing: people who are most distanced from the labour market are profiting even less from the new schemes due to the

mechanisms of pre-selection, "creaming" and the short-term placements. It would be interesting to further study whether these are unintended consequences of the governance reforms, or whether they are part of more deliberate strategies in welfare state restructuring. Nevertheless, this indicates that the relationship between the governance, substance and politics of activation deserves more focused research.

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