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Welfare Discipline

**DISCOURSE,
GOVERNANCE, AND
GLOBALIZATION**

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a dominant discourse operates as a main theme from which there can be only minor variations.

Therefore, given the pervasiveness of globalization discourse in welfare policymaking today, it may be that neither structural Marxism nor liberal empiricism is telling us the full story. Attention to discourse in all its varieties may be just what we need in order to understand globalization's role in the story of international welfare retrenchment.³⁵ Perhaps then discourse analysis does in fact have something to offer politics designed to resist the idea that there the alleged immutable forces of economic globalization requiring welfare state retrenchment.

Conclusion

U.S.-style globalization discourse has singled out welfare dependency as a problem that must be attacked by scaling back social assistance so that local economies can become more competitive internationally. This is a discourse that has made itself real first by iteration in the United States and then by emulation in part elsewhere, making it seem inevitable to the point that it becomes a self-fulfilling prophecy, especially in the United States.

The lesson of this I argue is that the truth, whatever it may be ultimately, comes to us as a self-fulfilling and self-legitimizing artifact of discourse. Discourse's self-fulfilling and self-legitimizing circular causality operates as a potent form of power helping to make what it takes to be true real and determinative, obdurate and factual. The truth is a form of power says Foucault, and globalization discourse would be a primary case in point, especially when it comes to understanding welfare state retrenchment in the United States in recent years. Therefore, not only might the truth be one-sided but its edge cuts deep and hard, for better or, as is often the case, for worse. The truth is not "mushy" after all. Neither is globalization discourse, which operates as its own hard-edged self-fulfilling prophecy.

35. See Colin Hay and David Marsh, eds., *Demystifying Globalization* (New York: St. Martin's Press, 2000). For an example of discourse analysis applied to the British Labour Party's uncritical reproduction of the retrenchment discourse in England that facilitated Margaret Thatcher's rise to power, see Hay, "Narrating Crisis: The Discursive Construction of the Winter of Discontent" pp. 752-77.

2 Reversed Polarities The Incomplete Americanization of European Welfare Policy

I have a confession to make. For over two decades, I have discussed with students that the research literature was filled with references to the United States as a "welfare-state laggard."¹ Research study after research study provided copious statistical documentation on the fact that the United States spent far less on social welfare policies to combat poverty and did less to aid the poorest members of U.S. society than did most, if not all, other industrialized societies.² The major implicit normative subtext of such objective social science studies was more often than not the idea that the United States would, it was hoped, eventually "catch up" to European welfare states that had often started earlier, say with Bismarck's plan for social security in the 1880s, than the U.S. welfare state that was seen as being founded with the Social Security Act of 1935.

The metaphor of lagging behind in time was palpable in a social science literature that was assumed to be providing an objective, factual presentation of reality. Claims to objectivity notwithstanding, distance and time metaphors have long been popular in social welfare policy discourse of liberal, individualistic, capitalistic societies for suggesting that some people,

1. Mary Ruggie has pointed out that Harold Wilensky was the first to call the United States a "welfare state laggard." See Mary Ruggie, "Rich Democracies: Political Economy, Public Policy, and Performance by Harold L. Wilensky," *Political Science Quarterly* 118, 2 (Summer 2003): 355-56. Wilensky actually originally called the United States a "reluctant welfare state." See Harold L. Wilensky, "The Problems and Prospects of the Welfare State," in *Industrial Society and Social Welfare*, Harold L. Wilensky and Charles N. Lebeaux, eds. (New York: Free Press, 1965), pp. xii-xxv. Also see Bruce S. Jansson, *The Reluctant Welfare State*, 4th edition (Belmont: Wadsworth/Brooks Cole, 2001); Diane Sainsbury, *Gender, Equality and Welfare States* (Cambridge: Cambridge University Press, 1996), pp. 28-29; Richard Titmuss, *Essays on the Welfare State* (London: Allen & Unwin, 1958); and Gosta Esping-Andersen, *The Three Worlds of Welfare Capitalism* (New York: Polity Press, Cambridge, 1990).

2. For a recent and thorough example of such research, see Lee Rainwater and Timothy M. Smeeding, *Poor Kids in a Rich Country: America's Children in Comparative*

states, or policies lag behind others and are at risk of being "left behind," implying that there is some path or track that is to be followed in some timely way. The idea of a race seems to have been always there beneath the surface, implicitly reinforcing the idea of competition that is so fundamental to liberal, individualistic, capitalistic discourse.³

There also has been the very popular idea among welfare state analysts that as welfare states "matured," they would become more alike.⁴ The effectiveness of this aging metaphor in suggesting that welfare states actually do mature depended in no small part on the implied origination or birth date of the welfare state in question. The U.S. welfare state was seen as immature because its assumed birth date was 1935, with the passage of the Social Security Act, relatively late in comparison to the welfare states of Europe and even Canada.⁵ The likelihood that with time welfare states would become more alike was also articulated with the spatial metaphor of "convergence," which also became a major research subject.⁶ The spatial metaphor buttressed the time metaphor. Then again, you could say that the aging metaphor reinforced the distance and time metaphors, because as lagging welfare states aged, they caught up to others. This mixing of

metaphors did not undercut, but instead consolidated, the subtextual message of the objective social science literature: the United States was a welfare state laggard that should, and would, it was hoped, with time come to resemble the more progressive welfare states of Europe.

In the midst of this metaphorical confusion, I structured my discussions with students around the prospects for the United States developing a more inclusive, solidaristic, social-democratic welfare state that effectively sheltered all citizens from the economic insecurities associated with capitalism. We debated whether the United States would become like Europe. Yet, in recent years, changes in social policy in the more-developed societies suggest that perhaps it is more likely that the opposite is happening. Instead of the United States becoming more like Europe, Europe is becoming more like the United States. In particular, there is a movement in European countries toward a U.S.-style welfare reform with its emphasis on conditioning the receipt of aid on participation in welfare-to-work programs. It looks like I had it the wrong way around—metaphorically speaking, that is.⁷

Or so it seems. This chapter makes the case for discourse analysis as a useful way to understand the global social welfare policy change in recent years. I focus on key metaphors associated with the globalization of welfare policy discourse. By globalization, I really mean the Americanization of welfare policy discourse that focuses on reducing welfare dependency by enforcing work so as to increase economic competitiveness.⁸ I show that while European nation-states have come to increasingly articulate their social welfare policy reforms in ways that reflect the American obsession with the "welfare dependency" metaphor, they have done so by using their own critically chosen allusive metaphor of "labor activation." And when they talk of labor activation they vary from the United States with its more punitive approach that is directed primarily at lone mothers.⁹ The European focus is more about activating the long-term unemployed, is less punitive than the U.S. approach, and varies

3. No better example of the salience of the lagging-behind metaphor and its implicit referencing of competition exists in the United States today than the No Child Left Behind Act of 2002. It imposes standardized testing on public school students and then holds schools accountable for the scores, without providing those schools with the necessary funding to overcome disparities with other schools that, in all likelihood, are the major cause for the low test scores. Punishing school districts by denying them the aid that they were deprived of in the first place is its own vicious cycle and perpetuates the myth of a fair race or competition that is implicit in the No Child Left Behind Act.

4. See Paul Pierson, "The New Politics of the Welfare State," *World Politics* 48, 2 (1996): 143–79.

5. Theda Skocpol has made the case for locating the origins of the U.S. welfare state further back in time, tracing it to the Civil War pensions of the later 19th century and the Mothers' Pensions that states adopted in relatively rapid fashion after 1910. See Theda Skocpol, *Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States* (Cambridge: The Belknap Press of Harvard University Press, 1992). For the argument that the origins of the U.S. welfare state lie in the development of 19th-century orphanages, see Matthew Crenson, *Building the Invisible Orphanage: A Prehistory of the American Welfare System* (Cambridge: Harvard University Press, 1998).

6. The major proponent of the idea of welfare state convergence as a discernible trend has been Harold Wilensky. See Harold Wilensky, *The Welfare State and Inequality: Structural and Ideological Roots of Public Expenditure* (Berkeley: University of California Press, 1975). For his latest restatement of this argument, see Harold Wilensky, *Rich Democracies: Political Economy, Public Policy, and Performance* (Berkeley: University of California Press, 2002).

7. For a similar argument about the Americanization of European penal discourse, see Loïc Wacziarg, "How Penal Common Sense Comes to Europeans: Notes on the Transatlantic Diffusion of Neoliberal Doxa," *European Societies* 1 (1999): 319–52.

8. See Clare Annesley, "Americanised and Europeanised: UK Social Policy Since 1997," *British Journal of Politics and International Relations* 5, 2 (May 2003): 143–65.

9. See Joel Handler, *Social Citizenship and Welfare in the U.S. and Western Europe: The Paradox of Inclusion* (Cambridge, UK: Cambridge University Press, 2004), pp. 112–13; Anne Gray, *Unsocial Europe: Social Protection or Flexibilization?* (London: Pluto Press, 2004); and Jamie Peck, *Workfare States* (New York: Guilford Press, 2001).

across welfare states in ways that are not associated with objective internal demographic and economic changes or external ones like integration into the world economy.

My goal in this chapter, therefore, is not to prove that European welfare states are inexorably becoming more like the United States. European welfare states have over the past decade indeed moved toward what are called labor activation policies that emphasize placing welfare state recipients in employed positions.¹⁰ Many policymakers in Europe are allowing themselves to get caught up in globalization discourse as a way of justifying welfare cutbacks. Yet, while many emphasize policies to increase economic flexibility and enhance global competitiveness, others seek to do so without undermining needed social supports for workers and their families. This chapter provides detail that the discourse of globalization operates as that form of the crisis narrative that encourages people to accept welfare state retrenchment as the *fait accompli* it need not be.¹¹ But the varied responses in Europe provide the evidence that welfare state retrenchment need not be the inevitable result.

I start this analysis by focusing on the growing penchant in most European countries to articulate social welfare policy change in an American idiom of reducing welfare dependency by requiring active labor market participation. Included here are the metaphors of the active welfare state as it is championed in Europe today. "Activation" has developed into a compelling discursive practice over the past decade in Europe, and European policymakers, like those in the United States, have developed an interest in scaling back welfare provision, especially to the unemployed, so as to grow a pool of low-wage laborers that enable their economies to be more competitive in an increasingly global economy. I suggest that the discourse of activation trades on the implicit idea that welfare recipients are by definition passive simply by virtue of their receiving assistance and

not being able to provide for themselves and their families through paid employment. The discourse of activation implies that welfare recipients are in need of outside instigation to become active and achieve self-sufficiency. They need to sign "welfare contracts" requiring work so they can become full members of the "social contract." In this way, they will overcome their "social exclusion." Such a discourse of activation erases consideration of alternative understandings of why welfare recipients are not active in the labor force and excluded from mainstream society in the first place. The discourse of activation becomes a new way of blaming the victims of capitalism all over again. It enacts what Joel Handler calls the "paradox of inclusion," because activation policies include the unemployed in the workforce but in ways that risk reinscribing their subordination.¹² Including the unemployed but only as a class of low-wage workers, can ensure their continued marginality.

I suggest that the discourse of activation has the potential to be a European version of the American discourse of welfare dependency that developed increasingly from the 1970s on to repudiate welfare recipients as passive, lazy, and, therefore, undeserving. Welfare dependency discourse was never an accurate representation of a preexisting reality, but over time made itself real. With time, U.S. policymakers increasingly came to see that they had a crisis of welfare dependency even as the duration of welfare use for the average recipient did not change substantially.¹³ As suggested, it is as if saying made it so. And with time, other welfare states in the western world felt the need to see welfare dependency as a problem existing in their midst. This is why I have suggested that there is the distinct prospect that Americanization of welfare discourse is occurring to varying degrees in different European countries. This discourse provides European policymakers with a way of making sense of how to respond to their growing welfare burdens given their countries' declining birth rates and increasing longevity rates. They look to a justification for promoting greater labor activation policies. While an international race to the bottom in welfare retrenchment is distinctly possible under such circumstances, I detail in what follows that the variations reflecting past commitments to welfare state protections remain important and point to how different countries develop their responses

10. See Rebecca Blank, "U.S. Welfare Reform: What's Relevant for Europe?" *CEISifo Economic Studies* 49, 1 (2003): 26.

11. On the role of globalization discourse in making welfare retrenchment seem unavoidable, see Colin Hay and Matthew Watson, "Globalisation and British Political Economy" (paper presented at the British Political Studies Association Annual Meeting, 1998). The longer version of the presented paper was entitled "The Discourse of Globalisation and the Logic of No Alternative: Rendering the Contingent Necessary in the Downsizing of New Labour's Aspirations for Government." Also see Colin Hay, "Globalisation, Welfare Retrenchment and 'the Logic of No Alternative': Why Second-Best Won't Do," *Journal of Social Policy* 27, 4 (October 1998): 525-32. On crisis narrative in the formative period of globalization discourse, see Colin Hay, "Narrating Crisis: The Discursive Construction of the Winter of Discontent," *Sociology* 30, 2 (May 1996): 253-77.

12. See Handler, *Social Citizenship and Welfare in the U.S. and Western Europe*, p. 8.

13. Robert A. Moffitt and Peter T. Gottschalk, "Ethnic and Racial Differences in Welfare Receipt in the United States," in *America Becoming: Racial Trends and Their Consequences, Volume I*, Neil J. Smelser, William Julius Wilson, and Faith Mitchell, eds. (Washington, DC: National Academy Press, 2001), pp. 152-73.

that result in less than American-style reforms.¹⁴ The European experience shows that the “welfare contract” can affirm as well as deny the “social contract” depending on how it works to overcome “social exclusion” through employment.

While globalization discourse about the necessity of welfare policy retrenchment is a story about what must and is happening around the world, it has operated most powerfully here at home. I emphasize that while European countries have gotten caught up in the Americanization of welfare policy discourse, I conclude by highlighting how the power of discourse is real but not total, as is demonstrated by the lack of convergence among European welfare states in moving toward a more reduced form of social provision in the era of globalization.

The Americanization of European Welfare Policy Discourse

The Americanization of European welfare policy discourse is now a subject of in-depth study.¹⁵ A good example is Ireland, where its inclusion in the European Union led to rapid economic development and a debate about what public policies will best help sustain Ireland’s economic bubble. The debate is widely known as the “Boston/Berlin” debate and concerns whether Ireland should move toward being more like the United States with its neoliberal free market economic policies or more like Germany with its social democratic policies that regulate business and protect workers.¹⁶ Ireland is awash in concerns about the need to privatize even its successful and profitable state-owned enterprises such as its national airline Aer Lingus. The Irish political leadership has initiated a campaign to promote “personal responsibility,” not so much in terms of promoting work and family values among the poor as much as in terms of getting the heads of all families to save for their retirement so that the government can reduce the extent to which it has to fund state pensions. There is even the beginning of discussions in Parliament on the adoption

14. On national variation in the character of capitalism as it relates to policies that affect labor markets such as welfare reform, see Susan Christopherson, “Why Do National Labor Market Practices Continue to Diverge in the Global Economy? The ‘Missing Link’ of Investment Rules,” *Economic Geography* 78, 1 (January 2002): 1–20.

15. See Handler, *Social Citizenship and Welfare in the U.S. and Western Europe*, pp. 15–16.

16. On the Boston/Berlin debate and related issues, see Karin Gilland, “Irish Euroscepticism,” *European Studies: A Journal of European Culture, History and Politics* 20, 1 (January 2004): 171–91.

of an immigration policy to allow the growing numbers of needed migrant workers from other countries (including some from England) to eventually gain citizenship and the entitlement rights that come with it. Ireland is seeking to sustain its economic miracle of recent years by integrating itself into the world economy.

The “Boston/Berlin” debate is an explicit example showing that globalization discourse is about the issue of Americanization in ways that quickly imply issues for social welfare state reorganization. This debate flows quite logically from the dissemination of U.S. globalization discourse.¹⁷ It is true that this is not the first time that U.S. ideas on social welfare have spread to Europe. The dissemination of U.S. ideas about social welfare harkens back at least to the “Atlantic Crossings” Daniel Rodgers identified in his study of the Progressive Era exchange of ideas concerning the reform of capitalism.¹⁸ Rodgers, however, convincingly demonstrated that the ideas flowed both ways across the Atlantic. That seems less so today.

Yet, I argue that when European welfare states Americanize they also transform that American discourse in ways more appropriate for their social democratic politics, being not marked as much by the separation of political and economic rights as is the case in the United States with its political ideology of uniqueness and moral superiority (often referred to as “American exceptionalism”). Since its founding, the United States has told its origin story about how it is a special place for realizing the ideal of freedom and democracy, and this has discouraged us from learning from others outside the United States about many things, even welfare-to-work schemes.¹⁹ American policymakers continue for the most part to be uninterested that European work requirement policies for the poor tend to be not as draconian, less focused on punishing single mothers with

17. See Jay Hein, “Ideas as Exports,” *American Outlook* (Summer 2002) (http://www.americanoutlook.org/index.cfm?fuseaction=article_detail&id=1877). Hein notes how welfare reform was in the mid-1990s a popular idea that spread from Wisconsin to Europe for responding to the perceived (correctly in his mind) pressures of economic globalization. He calls this an example of an emerging “global domestic policy” discourse where ideas circulate across the developed world.

18. Daniel T. Rodgers, *Atlantic Crossings: Social Politics in a Progressive Age* (Cambridge: The Belknap Press of Harvard University Press, 1998).

19. See Jonathan Zeitlin, “Introduction,” in *Governing Work and Welfare in a New Economy: European and American Experiments*, Jonathan Zeitlin and David Trubek, eds. (New York: Oxford University Press, 2003), p. 7. Zeitlin notes the differences between European countries that share information on welfare-to-work via the European Union’s Open Method of Coordination and the United States, which evidences a lack of interest in what other countries are doing.

children, and more focused on activating unemployed youth, the long-term jobless, and, to a lesser extent, the disabled.²⁰

In fact, in European hands, the American discourse can be pointed in progressive directions as is the case with the British appropriation of the American idea of switching from income support to asset building.²¹ Asset-building policies are seen to encourage more personal responsibility and less welfare dependency over the long haul by, for example, giving families funds to build assets, like a college fund for the children's education rather than providing them with welfare payments. The difference in the British case is that the welfare state is involved in financing significant amounts of assets for needy families while the United States provides only symbolic gestures that remind the poor they are supposed to act more middle class and save on their own.

Nonetheless, as Jamie Peck makes clear in his *Workfare States*, there is definitely something to an Anglo-American affinity operating in the area of social welfare policies such that Australia, Canada, and Great Britain can be seen as joining the United States in retrofitting their welfare policies for the poorest members of their societies to put greater emphasis on work requirements and welfare-to-work programming.²² The Anglo-American axis has led the way in forging a "Third Way" between a social democratic welfare state and a laissez-faire free-market approach to fashion policies that will prod the poor into taking the low-wage jobs being offered in the globalizing economy.²³ Canada, England, and even Australia seem keen to follow the lead of the United States but to make their versions of the new emphasis on "workfare" more consistent with their own welfare state traditions. As a result, their welfare reforms are far less draconian than the "get-tough" approach of the United States with its strict time limits and penalties for noncompliance. More emphasis is also given to providing training than in the United States. Still, the brave new world of workfare is being rolled out in each of these countries. For Peck, a distinctive discourse that emphasizes the importance of talking whatever

20. See Handler, *Social Citizenship and Workfare in the U.S. and Western Europe*, pp. 6–8.

21. See *Asset Building and the Escape from Poverty: A New Welfare Policy Debate* (Paris: Organization for Economic Co-operation and Development, November 2003). For a critique of U.S. asset building, see Chapter 5.

22. See Peck, *Workfare States*, pp. 1–27.

23. The "Third Way" is championed by British Prime Minister Tony Blair and is the brainchild of social theorist Anthony Giddens as the best available response out of the crisis of the welfare state created by the postindustrial global economy. See Anthony Giddens, *The Third Way and Its Critics* (Cambridge, UK: Polity Press, 2000).

work the market provides is being adopted in all of these countries, and it is a discourse in service of those corporate interests that have the most to gain from regimenting citizens into low-wage labor markets. From this perspective, the Third Way offers the poorest members of society almost no way to make a decent living or to gain the needed support from the state when they need it. Peck writes: "Stripped down to its labor-regulatory essence, workfare is not about creating jobs for people that don't have them; it is about creating workers for jobs that nobody wants. In a Foucauldian sense, it is seeking to make 'docile bodies' for the new economy: flexible, self-reliant, and self-disciplining."²⁴

Rebecca Blank suggests that the U.S. model of welfare reform is likely to increasingly resonate beyond the Anglo-American countries with their more individualistic cultures. Blank provides a number of reasons:

First, *European nations have been facing more budgetary limits in recent decades*. In part, this is due to slower economic growth rates. In part, it is due to demographic changes that are producing an aging population and growing strains on budgets. In part, it is due to the economic effects of monetary union within Europe, which has forced nations to pay closer attention to budget deficits. . . . It is exactly a tighter budget environment in which concerns about welfare dependency and over-use of public assistance programs might be expected to arise.

The long-term slower macroeconomy has also affected the European conversation around welfare. As more and more analysts have become convinced that European labour markets are too inflexible and over-regulated, this has produced broad-scale interest in ways to introduce more efficiency into the economies. Not surprisingly, concern with disincentive effects of assistance programs are one response.

Second, the *emerging economic co-operation within the European Union* has produced concern about the response to national social policies if labour becomes more mobile across Europe. While little progress has been made in EU conversations about social policy convergence, there is nervousness about the extent to which more generous programs in some countries will induce migration. The "race to the bottom"—a long-discussed concern in the U.S.—argues welfare benefits will be underprovided if there is a threat of "welfare migration" across states.

Third, *racial issues are becoming more prominent in Europe*. . . . [There is reason to] suggest that race is a primary reason for a more limited system of public support in the U.S. Europe has become much more diverse in recent decades as well. Tensions around the presence of immigrants have been much discussed, particularly the influence of these tensions on the rise of right-wing politicians.²⁵

24. Peck, *Workfare States*, p. 6.

25. Blank, "U.S. Welfare Reform: What's Relevant for Europe?" pp. 68–70.

Blank's analysis is insightful but perhaps a bit too uncritical in its assumption that the forces she cites are objective and real. Instead, if there is globalization in the sense of Americanization, it is not because objective forces are pushing Europe in that direction. Instead, I argue for a more constructivist perspective that suggests that changes in discourse are facilitating reframing the issues of the welfare state in these terms. Rather than a matter of necessity, it is a matter of politically convenient language choice that articulates welfare state issues in terms of limiting benefits to those "other" people who are not doing what we want them to do in order for us to grow a low-wage labor force to compete for larger profits in a globalizing economy. Blank's objectivistic social science discourse itself prevents her from taking her insightful analysis far enough to get to the gritty issues of the power of discourse to help usher in a new economy that will benefit corporate interests more than ordinary workers.

Colin Hay agrees that the United Kingdom in particular has come over time to emulate significant features of the American approach to framing the welfare state as a problem of welfare dependency. Yet he sees this not as an inevitable response to the objective forces of globalization or to any other objective forces but instead as choices policy elites have made in part because of how globalization discourse has framed the problem. Hay sees the problem as beginning as early as 1979, when the economic turmoil under the Callaghan Labour government was framed in a crisis narrative of "our winter of discontent." Hay notes how the mass media help position voters in the crisis narrative as discontented with the demands of striking labor unions to the point that Margaret Thatcher's rise to power was made that much more likely.²⁶ Colin Hay and Matthew Watson build on the idea of globalization as a crisis narrative to state:

[Our objective] is to demonstrate that, "trans-continental" airlines and "international" bankers notwithstanding, there is *no* conclusive proof that we now live in a truly globalised world. Indeed, it would be possible to cite from the secondary literature on globalisation any number of statistical measures which show fairly unequivocally that claims for globalisation cannot be substantiated. Yet, to engage with the empirical arguments and nothing else may well be to miss the most important aspect of the globalisation debate. . . . Thus, as Frances Fox Piven suggests, "the explanation [of globalisation] itself has become a

political force helping to create the institutional realities it purportedly merely describes. . . ." [G]lobalisation acts as so pronounced a constraint upon the autonomy of government precisely because the government believes that it does; the merely contingent is rendered necessary only through the discourse and politics of globalisation.²⁷

Under Tony Blair's leadership, the Labour Party became "New Labour," where as Blair stated in 1996: "The key to New Labour economics is the recognition that Britain . . . [has] . . . to compete in an increasingly international market place. . . . Today's Labour Party, New Labour, is the political embodiment of the changed world—the new challenges, the new policies and the new politics."²⁸

But as Hay and Watson suggest: "New Labour's search for alternatives to the now ascendant paradigm of neo-liberal economics has been less than exhaustive. This not so much because such alternatives do not exist, but because the space within which such alternatives might be framed is simply not perceived to exist. Once again, the rhetorical force of globalisation's 'logic of no alternative' becomes a self-fulfilling prophecy."²⁹

Ruth Lister notes that Blair's New Labour government founded its responses to globalization by invoking the imported American idiom of "welfare dependency" as an ill that had to be treated by enforcing work and family responsibility via its New Deal program that was centered on a "new contract for welfare."³⁰ Lister notes that key policy documents were filled with metaphors of space and time indicating that welfare dependency "held back" the country from achieving its economic goals and created an excluded class "cut off from the mainstream of society" and its values.³¹ And while New Labour's American-sounding "New Deal" program of welfare reforms followed U.S. welfare reform in reducing access to benefits and trying to promote required paid employment outside the home by lone mothers, the U.K. approach in this area has been much less draconian than in the United States, with programs providing services that support work along with benefit reductions rather than focusing only on setting stiff work

27. See Hay and Watson, "Globalisation and British Political Economy," p. 3.

28. Tony Blair, speech to the BDI Annual Conference, Bonn, Germany, June 18, 1996, as quoted in Hay and Watson, "Globalisation and British Political Economy," p. 4.

29. Hay and Watson, "Globalisation and British Political Economy," p. 7.

30. Ruth Lister, "The Responsible Citizen: Creating a New British Welfare Contract," in *Western Welfare in Decline: Globalization and Women's Poverty*, Catherine Kingfisher, ed. (Philadelphia: University of Pennsylvania Press, 2002), pp. 110–27.

31. Lister, "The Responsible Citizen: Creating a New British Welfare Contract," pp. 113–14.

26. Colin Hay uses Louis Althusser's concept of "interpellation" to emphasize that crisis narratives implicitly provide their audience with a subject position that they are expected to take in order to interpret the narrative and thereby identify with its sense of urgency that something needs to be done in order to save them from that crisis. See Hay, "Narrating Crisis: The Discursive Construction of the Winter of Discontent," pp. 253–77.

requirements. Although lack of public funding for affordable child care becomes just another burden for lone mothers leaving welfare in the United States, the same shortage of public funding of child care in the United Kingdom has reduced pressure to impose harsher policies. Nonetheless, the United Kingdom in many ways has led Europe in adopting the U.S. "welfare dependency" discourse as a way of vilifying welfare receipt and structuring welfare reform. The rest of Europe has been caught up more in the related but somewhat broader discourse of labor activation. You could say that the mobilizing of "activation" for the purposes of reforming welfare requires the agency of key policy actors in each country which is to also say that the discourse is never univocal.

Activating Discourse: Each in Its Own Way

A discourse of labor "activation" has helped frame welfare reform in Europe in recent years. This is potentially another discourse of welfare dependency that operates as a politically and economically convenient way to reinscribe deficiency among low-income welfare recipients and ends up blaming them for their alleged idleness. It does this while simultaneously manufacturing a pool of low-wage labor. Europe's new discourse of labor activation has spawned talk on behalf of new "active welfare state" that focuses on promoting economic efficiency and competitiveness by delegitimizing welfare taking as inherently passive and negative, while overvalorizing low-wage work as inherently active and positive. The European versions of this discourse, however, contrary to that of the United States, are for the most part rarely as draconian and moralistic as in the United States.³²

Nonetheless, I argue that European labor activation discourses perform important work in the public sphere by its reinscribing passivity and thereby underservingness among those who need to depend on the state for assistance. The unemployed as welfare recipients are by definition people who are not able and need to be enabled. In this discursive formation, they are "othered" by the mere act of receiving assistance. The enabling state creates

its own passive clients who serve as the basis for making its own preferred solutions seem necessary. These solutions can range from expensive investments in human capital development, including in particular serious support for education and training, to cheap work requirements without many social supports. The cheap and easy solution is to simply require work of recipients. This is the American approach and it has been emulated in different ways to varying degrees by most European countries in recent years; if outside the United States, it is often more supportive in promoting work rather than simply insisting on it.

Therefore, European countries have not in all instances followed the United States down the road of welfare state reorganization and the imposition of a punitive welfare regime to the degree one could imagine.³³ Social democracies have proved to varying degrees much more resilient than some observers have noted, even if there are policy changes in various countries that pantomime the U.S. style of welfare retrenchment.³⁴ It is also important to note that some countries have followed the United States more than others but none have gone as far as the Americans. This variation is itself noteworthy because it highlights that what globalization discourse posits as necessity is really choice and that different countries will choose differently based on their history, culture, political economy, and welfare state traditions. In particular, the rhetoric of moving from a "passive" welfare state that provides benefits to an "active" welfare state that emphasizes labor "activation" and labor market "insertion" policies leads to many different understandings of an "active" welfare state that are being enacted in Europe today, with some putting increased stress on providing needed social supports.³⁵

33. See Christopherson, "Why Do National Labor Market Practices Continue to Diverge in the Global Economy?" pp. 1-20.

34. See Peter Taylor-Gooby, "Policy, Policy-Making and Welfare Futures," in *Welfare States Under Pressure*, Peter Taylor-Gooby, ed. (London: Sage Publications, 2001), pp. 171-88; and Giuliano Bonoli, Vic George, and Peter Taylor-Gooby, *European Welfare Futures: Toward a Theory of Retrenchment* (Cambridge: Polity Press, 2000).

35. See Vandenbruncke, "Promoting Active Welfare States in the European Union," for an insistence that an "active welfare state" means for the originator of the term greater commitment to social welfare assistance than that of the proponents of the "Third Way." "Insertion" refers to the French 1988 *Revenu minimum d'insertion* (RMI) law that created work requirements and supports for a category of claimants under that universal income policy for all persons whose incomes fall below the legislated minimum. "Insertion contracts" to facilitate integration into the workforce are not mandatory. See Handler, *Social Citizenship and Workfare in the U.S. and Western Europe*, pp. 15-16.

32. Former Belgian Minister for Employment and Pensions Frank Vandenbruncke coined the term "active welfare state" and stresses supportive work programs. See Frank Vandenbruncke, "Promoting Active Welfare States in the European Union" (presented at the "New Approaches to Governance in EU Social and Employment Policy: Open Coordination and the Future of Social Europe" Workshop, The European Union Center, University of Wisconsin-Madison, October 31, 2003) (<http://eucenter.wisc.edu/Conferences/OMCnetOct03/VandenbrunckeLecture.htm>).

Comparisons can be difficult, especially regarding work requirement policies. Several broad indicators, however, suggest the United States is distinctive in its use of a "get-tough" approach in pursuing labor activation policies for single mothers in particular. First, it is important to bear in mind that there is substantial variation across welfare states in terms of their level of commitment to providing social welfare benefits and the ways in which they do it, with the United States continuing to be much more limited in most policies areas in its extension of benefits to those who cannot provide for themselves through the market. Second, variation in the generosity and coverage of benefits across European welfare states is considerable but most often still exceeds that provided in the United States even after the welfare reforms of recent years have been imposed. Third, U.S. welfare reform has been distinctively focused on primarily, but not entirely, reducing access to assistance and requiring work by lone mothers who receive welfare, what is now called Temporary Assistance for Needy Families (TANF), whereas welfare reform in Europe has been concentrated more on increasing the employment of the broader population of recipients of unemployment benefits. Further, where welfare reform has involved reducing benefits to lone mothers, it has often been aggressively resisted, as in the United Kingdom, or has been met with generous supports for caregiving, as in Norway.³⁶

With these points in mind, it is not surprising then that the United States generally has a more punitive approach to moving the unemployed into the workforce. Giuliano Bonoli and Jean-Michel Bonvin compared sanction rates under work schemes in the United States with those in Denmark, Germany, and the United Kingdom and with the average for the 30 more-developed countries that belong to the Organization of Economic Cooperation and Development (OECD). The United States stands out in its more frequent use of sanctions for unemployed claimants who fail to fulfill the requirements of their welfare contracts.³⁷

An important source of variation across the countries is the target group. Most European countries have concentrated their welfare reforms on reducing unemployment among selected populations such as the long-term unemployed. This focus contrasts with that of the United States,

where the most dramatic reforms have been in moving single mothers off welfare. In Germany, there is no requirement and not much support for mothers of young children who want to take paid employment. In England, the program for lone mothers is voluntary and is accompanied with a robust child care program to facilitate single mothers taking paid employment. Denmark has relatively stiff requirements for single mothers who are receiving assistance, but at the same time it provides substantial supports to help them eventually obtain decent-paying jobs. While France has retained better benefit levels and protections for the unemployed relative to countries like the United Kingdom, it also has moved toward increased emphasis on labor activation but without including single mothers among the groups who are required to work.³⁸ Overall, the United States tends to have a much more punitive approach to welfare that is distinctively focused single mothers.

Table 2-1 compares the United States with Denmark, Germany, and the United Kingdom regarding the extent to which their welfare policies have been revised to affect particular target groups: the young unemployed, single parents, older workers, and disabled workers. This table reports measures on the extent to which the country requires labor market participation, conditions benefits, and provides positive incentives to take employment, such as tax credits on earnings. For each target group, the United States imposes more conditions and provides fewer incentives than the European countries listed. The United States is particularly distinctive in its punitive approach to welfare for single parents. Denmark ranks the same as the United States in being the most punitive to single mothers, but two important points made this similarity disappear. First, Denmark provides substantial social supports, scoring 3 in positive incentives, whereas the United States does not provide such incentives and scores only 1. Second, the Danish policy begins only after paid family leave is exhausted. The United States does not have paid family leave and therefore has only its more punitive welfare to offer single mothers. Workfare in the United States is generally more punitive than in the other countries, and this is especially the case for single parents.

Deviation from the American model is apparent even with the alleged "Dutch miracle" of a more active welfare state that has replaced the "Dutch disease" of a passive welfare state that allegedly allowed too many

36. See Chapter 3.

37. For further details, see Giuliano Bonoli and Jean-Michel Bonvin, "Who Is to Be Activated? A Comparison of Active Labour Market Policies' Target Groups in Four Countries" (paper presented at the workshop "Social Exclusion, Minimum Income Support and Workfare in Europe," at the 5th Conference "Visions and Divisions" of the European Sociological Association, Helsinki, August 28–September 1, 2001).

38. See Jochen Clasen and Daniel Clegg, "Unemployment Protection and Labour Market Reform in France and Great Britain in the 1990s: Solidarity versus Activation," *International Social Policy* 32, 3 (2003): 361–81.

people to receive assistance in lieu of working. In some respects, the Dutch did follow the U.S. model of using work requirements and sanctions to compel work. The Dutch did begin to tighten work-related criteria for social welfare benefits in the 1980s; and they conditioned the receipt of unemployment insurance starting in 1996 and then social assistance in 1997 with a sanctioning process for noncompliance with work-related obligations such as job searching. Yet, as Dutch Sociologist Wim van Oorschot indicated:

Only a few activation measures are solely aimed at the unemployed individuals themselves. Wage supplements for those accepting a job with a lower wage level, reorientation interviews aimed at designing individual reorientation plans (*heroriënteringssprekken*), and 'social activation' (unpaid, so-called *Melkert III* jobs) are the only measures that do not require the immediate co-operation of employers. All other schemes do, in the sense that they try to encourage employers to employ long-term unemployed mainly by means of temporary or permanent wage subsidies and reduction of taxes and social security contributions. Apparently, the perceptions and attitudes of employers and their related selection behaviour are seen as more of a concern than the motivations and qualifications of the unemployed.³⁹

As van Oorschot suggests, the Dutch deviated from the narrow U.S. focus on the unemployed person as suffering from some disease of welfare dependency or passivity and instead placed greater stress on job creation as the key to solving the problem of nonwork. The Dutch saw the Dutch disease as just that—a disease of the economy rather than a disease of the individual. Stagnation of the job market more than passivity of the individual was the disease that had to be treated.

That said, it is important to note that the Dutch changes also demonstrate that the success of their labor activation policies is subject to some debate. There is more than meets the eye to the supposed Dutch miracle. After more than a decade and a half of stagnation, job growth accelerated rapidly in the Netherlands in the 1990s. Yet, the miracle cure is somewhat illusory. According to van Oorschot, it turns out that many of the newly created jobs were part-time and temporary, creating a new tier of more vulnerable workers with less pay, fewer benefits, and fewer protections from the uncertainties of a changing economy.⁴⁰ In addition,

39. Wim van Oorschot, "Work, Welfare and Citizenship: Activation and Flexicurity Policies in the Netherlands" (paper presented at COST Action 13 meeting, Aalborg University, Aalborg, Denmark, November 2-4, 2001), p. 15.

40. Oorschot, "Work, Welfare and Citizenship: Activation and Flexicurity Policies in the Netherlands," p. 14.

TABLE 2-1. Intensity of Activation in Relation to Selected Target Groups

	Young unemployed		Single parents		Older workers		Disabled workers	
	Exposure	Benefit	Exposure	Benefit	Exposure	Benefit	Exposure	Benefit
Denmark*	1	3	1	3	1	3	1	3
Germany	2	2	1	1	1	1	1	2
UK	2	3	2	1	2	2	1	2
US	3	3	2	3	2	3	2	1

*Single parents are considered after parental leave.

Scoring procedure: Scores range between 1 and 3. 1 = pressure to work is weak; 3 = pressure to work is strong.

- Exposure to market:
- (1) The relevant group has access to comparatively generous benefits;
 - (2) The relevant group has access to benefits that are very modest, and/or limited in time and/or difficult to obtain; and
 - (3) The relevant group does not have access to income replacement benefits.

Benefit conditionally:

- (1) Benefits are granted unconditionally;
- (2) There are work/training conditions attached to benefits, but these are not strictly enforced; and
- (3) Conditions are strictly enforced, and non-compliance results in sanctions.

Positive incentives:

- (1) No additional advantage for individuals who move into paid work;
- (2) Moderate incentives, like tax credits, access to advice, etc.; and
- (3) Wide-ranging set of policies supporting employment of the relevant group (including policies available to other groups as well).

Source: This table is reprinted with permission from Giuliano Bonoli and Jean-Michel Bovin, "Who is to be Activated? A Comparison of Active Labour Market Policies Target Groups in Four Countries," (A paper presented at the workshop "Social Exclusion, Minimum Income Support and Workfare in Europe," at the 5th Conference "Visions and Divisions" of the European Sociological Association, Helsinki, August 28-September 1, 2001), <http://www.shakti.univrb.it/eurex/esa/PDF/ESA-Bovin.pdf>.

women, non-Dutch ethnic workers, and less-educated workers were overrepresented in the new part-time and temporary positions, further reinforcing the division between the full-time and part-time workers.

Last, it is likely that labor activation policies themselves played only a limited role in this mixed success story. van Oorschot has written:

In conclusion, from a citizenship perspective, the Dutch activation policies of the 1980s and 1990s can not be regarded as a great success. Although many thousands of people found (additional) work through activation measures, the aggregate effect of such measures on the labour market participation of unemployed people does not appear to be very great. In the second half of the 1990s, the decrease in the number of beneficiaries was much lower than the explosive growth in the number of jobs; the outflow chances of unemployed people have not improved and those of disabled people have even worsened. The reintegration of the most vulnerable groups, such as the long-term unemployed, older unemployed, disabled workers, ethnic minorities, and the under-skilled, is "stagnating." The activation trend also seems to have led to increasing feelings of social isolation and uselessness among unemployed and disabled people. It seems that activation measures have, at best, further facilitated the labour market participation of those who might have got jobs anyway in the period of strong job growth.⁴¹

The Dutch story is noteworthy for what it tells us about variation in the new world of an active welfare state as it is evolving in Europe. One important point that comes through is that European countries are likely to fashion their own versions of labor activation policies that are often going to be less focused than those in the United States on changing the behavior of recipients through a system of sanctions and penalties. Nonetheless, the Dutch miracle is somewhat an exaggeration. New policies may be making welfare recipients more active participants in the labor force but in ways that are only increasing their economic marginalization and vulnerability. Part-time and temporary employment for already vulnerable groups sounds more like a cure for a profit-seeking economy than it is a cure for any condition an individual might have.

These issues have not gone unnoticed among the Dutch, who continue to debate whether the major policy changes that have led to the growth of part-time and temporary employment are consistent with their commitment to inclusive social welfare state. In particular, the 1995 "flexibility agreements" that have allowed employers greater freedom in dismissing full-time employees in exchange for extending legal entitlement rights

and benefits to part-time workers in particular continue to receive critical scrutiny.⁴²

From Flexibility to Euroskepticism

The Dutch are not alone in increasing labor force participation via labor activation policies that include work requirements in new welfare contracts recipients must fulfill. European welfare states have been getting an additional nudge by the EU, which began to emphasize the importance of innovation in this area via the Open Method of Coordination (OMC) that does not require but encourages policy change via the sharing of ideas among member states. Jonathan Zeitlin notes: "This approach, which also seems particularly well-adapted to the problems of pursuing broad common concerns under conditions of institutional diversity among participating units, was pioneered by the European Employment Strategy (EES) during the late 1990s. But the OMC in various forms has now become a virtual template for EU policy-making in other complex, politically-sensitive areas, including not only social inclusion, pensions, and health care, but also macroeconomic management, education and training, research and innovation, immigration and asylum."⁴³

The EES was adopted in 1997 at the Amsterdam Intergovernmental Conference to address growing welfare expenditures in the face of persistently high unemployment levels and economic stagnation. The goal of the policy was to encourage member states to find ways to promote employment while maintaining social welfare protections. How effective the EES policy has been via the OMC in producing the desired changes in the various European welfare states is still much debated.

A particular concern is the quality of jobs that have been created; many are like the ones that are behind the alleged Dutch miracle—part-time and temporary. A related concern is the social protection associated with these jobs. There are also concerns of equity and of whether workers in these jobs will be accorded the same sort of entitlements of full-time workers. Issues of gender equity and fairness to immigrants are often mentioned as well. There is a growing concern that the EU-backed policy changes risk creating second-class citizenship in

42. See Bill Jordan, "Citizenship and the New Politics of Welfare" (paper presented at COST Action 13 "Changing Labour Markets, Welfare Policies and Citizenship" meeting, Ljubljana, Slovenia, June 8-9, 2001); and V. Spike Peterson, *A Critical Rewriting of Global Political Economy: Integrating Reproductive, Productive and Virtual Economies* (New York: Routledge, 2004), pp. 59-70.

43. See Zeitlin, "Introduction," in *Governing Work and Welfare in a New Economy*, p. 5.

41. Oorschot, "Work, Welfare and Citizenship: Activation and Flexibility Policies in the Netherlands."

the various member states.⁴⁴ The idea of requiring recipients to work off a "welfare contract" is increasingly seen as putting at risk the idea of the "social contract." As a result, there is talk of spreading "Euroskepticism" among voters in the different member states, with an increasing number voting to resist EU policies that are seen as a threat to member nations' welfare states.⁴⁵ The discourse of labor activation may yet deconstruct.

Given the growing resistance to EU activation policies, we could suggest that EU policies, and not globalization discourse, are behind the simultaneous development of different activation policies in the welfare states of Europe. But the fact that some countries preceded the EU in pursuing activation aside, the distinction between the EU policies and globalization discourse is chimerical. The EU is itself a creature of globalization discourse. The pressure that the EU puts on member states to get on the activation bandwagon is but a response to the pervasive influence of globalization discourse in producing the EU, its drive for integration, and its interest in rationalizing welfare state policies across the member states in order to grow a European economic engine on the world stage. As the EU strives to realize its global destiny as scripted in globalization discourse, member states increasingly find resistance to the pressures for conformity where it means sacrificing prior national commitments to citizenship entitlement rights. The idea of an alien outside force, once again, this time in the form of the EU, takes hold. Globalization discourse creates its own resistance. Its power is real but not total.

In fact, there is ample research demonstrating that welfare states continue to vary widely even in the era of globalization.⁴⁶ Vicente Navarro, John Schmidt, and Javier Astudillo have noted:

The data presented in this paper show that, for the most part, welfare states of most developed capitalist countries have not converged during the globalization period towards a reduced welfare state. On the contrary, over the globalization period, whether measured as a share of GDP or by public employment, welfare states have grown across the large majority of the world's richest economies. Also, during this period welfare states have continued to be different, retaining their individual characteristics, shaped primarily by the dominant political tradition that governed each country during the pre-globalisation period. . . . Some aspects of the globalization process, however, have affected the composition of the revenues through which states fund their welfare states, as well as affecting their economic and social policies. The deregulation of capital markets, for example, has changed considerably the ability of social democratic governing parties to follow a key component of supply-side socialism—their credit policies. Also, in the 1990s, the globalization of trade might have provided the rationale or justification for the decline in the social security and payroll taxes to fund their welfare states. . . . In both cases, however, the political colour of their governments has played the major role in the states' responses to these situations, to ensure that the welfare state is not reduced. Politics do indeed matter.⁴⁷

For Navarro, Schmidt, and Astudillo, globalization may indeed be providing a self-serving rationale in some countries to reduce commitments to the welfare state, but globalization is not uniformly affecting the way in which different countries continue to structure their forms of social protection such that a convergence of welfare states in the era of globalization is not occurring. Instead, the globalization rationale for welfare state retrenchment plays differently in different countries with variation for the most part contingent upon major political differences such as different traditions of supporting the welfare state.

The Danish Alternative

Denmark, as shown in Table 2-1, has labor activation policies that lead to more social supports rather than less. Denmark, like other European countries, has responded to EU initiatives to develop its own labor force activation policies. The Danish alternative involves using welfare contracts that require work of the unemployed but in ways that minimize what Handler calls the "paradox of inclusion." David Etherington and John Andersen underscore the strengths of the Danish approach by

44. See Jordan, "Citizenship and the New Politics of Welfare"; and David Etherington and John Andersen, "Workfare or Inclusion?" Cost A15 Workshop, "Reforming Social Protection Systems in Europe: Comparing Dynamics of Transformation of Social Protection Systems in Context of Globalization and European Construction," Nantes, France, 2002).

45. See Ian Black, "EU Searches for an Answer to Apathy: Governments Survey the Damage," *The Guardian* June 15, 2004 (<http://www.guardian.co.uk/eu/story/0,7369,1259023,00.html>); and George Pagoulatos, "A Comprehensive Reform Agenda: Report and Conclusions on the Conference Proceedings," in *UK/Greece: New Look at Relations*, George Pagoulatos, ed. (Athens: ELIAMEP—Hellenic Foundation for European and Foreign Policy, London School of Economics, British Embassy, and British Council, 2001), pp. 73–100.

46. For compelling evidence and a review of related research demonstrating that welfare states continue to vary widely in the era of globalization, see Vicente Navarro, John Schmidt, and Javier Astudillo, "Is Globalization Undermining the Welfare State?" *Cambridge Journal of Economics* 28, 1 (January 2004): 133–52.

47. Navarro, Schmidt, and Astudillo, "Is Globalization Undermining the Welfare State?" p. 151.

contrasting its activation policies with the New Deal active labor program of the United Kingdom.⁴⁸ The contrast merits a detailed description.

According to Etherington and Andersen, the British reforms, such as the New Deal for the Unemployed, are much more one-sided in pushing work because they leave in place substantial cutbacks in social supports that ironically make the transition to relying on paid employment that much harder for the unemployed. The New Deal for Lone Parents is particularly vulnerable to criticism because of shortages in the availability of child care, much like in the U.S. The Third Way of the British New Deal claims to be overcoming the social exclusion of the economically marginal by including them in the workforce, but it does so in a way that reinforces class disadvantages associated with accessing decent-paying jobs. As a result, U.K. active labor participation policies end up shifting the blame for economic marginalization to the very people who are being marginalized by the growth of a low-wage economy. Rather than promoting social inclusion, such an activation policy reinforces exclusion, sequestering the economically marginal in low-wage jobs with limited social supports.

Denmark's labor activation policy takes place in a much more supportive context.⁴⁹ As a result, even after the imposition of new activation policies that restrict unlimited access to unemployment benefits, in most cases recipients can receive benefits up to seven years. Denmark's corporatist political structure retains a role for labor unions, producing a negotiated welfare state. This negotiated system includes labor union-controlled unemployment funds that, although administered locally, provide nationally legislated non-means-tested entitlement benefits to the unemployed. It is true that union influence over various components like training has declined and that policies allowing firms greater latitude to introduce layoffs have been implemented. Workfare requirements for the

unemployed were introduced in 1994 but they were in the form of conditioning continued receipt of benefits in terms of acceptance of various offers including educational leave and/or employment training. A training and job placement package was introduced that included paid leave schemes comprising educational, sabbatical, and child care. The 1999 Social Policy Act gave increased responsibility local councils for those dropping out of the unemployment system and moving onto social assistance, and it became required that Individual Action Plans (i.e., welfare contracts) be developed for each of these clients. The plans included the choice from a menu of job training and vocational training opportunities. In addition, the Danish system still includes both substantial social supports such as child care and cash assistance and higher minimum wage and benefit standards. The new labor activation contracts in the Danish case are much more supportive than are those in many other countries.

As a result, the attempt to balance greater market flexibility with social welfare protections in the form of a "flexicurity" policy has been more effectively implemented in Denmark. The Danish system has been characterized as producing policies "against *and* along with markets" as it increases labor market flexibility while preserving social welfare protections.⁵⁰ The developments in Denmark suggest that the country is finding a way to make labor activation policies actually work to promote inclusion rather than have such policies rationalize the social exclusion and marginalization being manufactured by the new economy of unprotected and insufficiently subsidized low-wage work. Denmark serves as another example of how there are a variety of European responses to the new discourse of an active welfare state—some better at making inclusion real, some better at saying "inclusion" but practicing exclusion.⁵¹

The Welfare Pendulum

The foregoing analysis suggests that the changes in the welfare state in recent years attributable to the globalizing discourse of welfare dependency

48. Etherington and Andersen, "Workfare or Inclusion?" Also see David Etherington, "Welfare Reforms Local Government and the Politics of Social Inclusion: Lessons from Denmark's Labour Market and Area Regeneration Programmes," Research Paper 4/03 (Institut for Samfundsvidenskab og Erhvervsøkonomi, Roskilde University, Denmark); and John Andersen, "Social Exclusion and Inclusion in the Globalized City" (paper for World Social Forum, Mumbai, India, 2004, reprinted in the Research Paper 3/2004) (Department of Social Sciences, Roskilde University, Roskilde, Denmark) (<http://www.soc.soc.ruc.dk/workingpapers>).

49. On the importance of accounting for context in assessing reform across welfare states, see Yuri Kazepov, "Introduction," in *Cities in Europe: Changing Contexts, Local Arrangements and the Challenge to Social Cohesion*, Yuri Kazepov, ed. (Oxford, UK: Blackwell, 2004), pp. 3–5.

50. For an in-depth analysis of the Danish approach to labor activation, see Etherington and Andersen, "Workfare or Inclusion?"

51. For analysis of the discourse of "rights and responsibilities" in helping shift social welfare policy in Denmark, see Erik Christensen, "The Rhetoric of Rights and Obligations: Workfare and Citizens' Income Paradigms/Discourses in Denmark in a Labour History Perspective" (paper presented at the Basic Income European Network VIIIth International Congress, Berlin, Germany, October 6–7, 2000).

point to the continuing relevance of that old adage: the more things change, the more they stay the same. The retrenchment of welfare rights, the shift from welfare assistance to work requirements, and the movement from protecting caregivers to incentivizing active labor force participants are but a shifting back of the historic pendulum of welfare capitalism that Frances Fox Piven and Richard Cloward characterized decades ago.⁵² We are not moving beyond the welfare state, as some might wish, as much as we are accentuating the work enforcement dimension of the existing welfare state.⁵³ And the differences between countries remain as they all shift toward labor activation policies, with the United States being in its own more market-centered world of welfare capitalism compared with the others. While the new work policies are touted as a way to address the “social exclusion” of various economically and socially marginal groups, depending on the structure of the new policies, they can end up including marginal groups in ways that reinforce their subordination. Inclusion is not necessarily the solution to exclusion; it all depends on how it is done.⁵⁴ The end result may be new policies that perpetuate old practices of regiminating welfare recipients into the bottom rungs of capitalist labor markets, thereby ensuring their continued economic marginalization and the deleterious social consequences associated with it.

On this point, it is important to note that given the Europeans’ stronger commitment to a universalistic welfare state, the discourse of welfare reform for them tends to imply changes that will affect potentially all constituencies—not just single mothers or low-income families but also the retired, the disabled, and even working families. As a result, welfare reform plays differently in Europe than it does in the United States, where it implies a targeted focus on limiting access to public assistance by low individuals, most especially nonwhite, single mothers. In Europe, “welfare reform” implies something much broader in its effects as posing a potential threat to universalistic entitlement rights. Even policies designed to target long-term unemployed to take paid employment can be treated skeptically in Europe if they are seen as a potential wedge to

winnowing welfare state entitlements more generally. As a result, welfare reform at this time still means something very different in Europe than in the United States and can attract more opposition more easily. In late summer 2004, the most dramatic example of continuing “Euroskepticism” was the Hartz demonstrations throughout Germany to protest the “Hartz IV” reforms to greatly reduce the time for receipt of unemployment benefits (i.e., the fourth stage of implementing workfare policies labeled after a commission led by Peter Hartz, personnel director at Volkswagen).⁵⁵ Under these conditions, labor force activation policies for the unemployed and other target groups are often likely to be examined in terms of their possibility for creating tiers of entitlement rights among citizens that can lead to accentuating class differences and thereby weakening the commitment to a solidaristic and inclusive social welfare state. The European analysts I have reviewed exhibit a strong concern about the consequences of targeted labor activation policies for the commitment to a universalistic welfare state. And the continuing commentary about “Euroskepticism” suggests that the general public in a number of countries also worries about how far welfare reform will go in creating second-class citizenship with reduced entitlement rights. For these reasons, it is premature to conclude that welfare reform discourse in Europe will lead to end of the welfare state or, if not that, then, its Americanization.

Conclusion

If the welfare state is in crisis today, then it is a crisis that is in large part one of discourse. It is a crisis-mongering discourse of globalization that creates the insistence that capitalist societies must learn to live beyond the welfare state. The dissemination of American-style discourse has given increased emphasis to “welfare dependency” as connoting a stigmatized condition that makes an individual a deviant and the society as a whole less productive, less efficient, and less able to compete globally. Legitimate reasons for needing public assistance are increasingly hard to articulate in such a discourse, and the positive benefits to one’s family and society are as well. In Europe, the discourse of welfare dependency has given birth to a preference for an active welfare state where receipt of public assistance is seen as passive and negative. Labor activation policies are being implemented in country after country to counteract the alleged deleterious

52. See Frances Fox Piven and Richard A. Cloward, *Regulating the Poor: The Functions of Public Welfare* (New York: Vintage Books, 1971).

53. For an argument that we are moving beyond the welfare state to an “enabling state” that imposes obligations to work, see Neil Gilbert, *The Transformation of the Welfare State: The Silent Surrender of Public Responsibility* (New York: Oxford University Press, 2002).

54. On the exclusionary practices implicit in policy designed to promote inclusion, see Barbara Cruikshank, *The Will to Empower: Democratic Citizens and Other Subjects* (Ithaca: Cornell University, 1999).

55. “It’s Those People, All Over Again,” *The Economist*, August 12, 2004 (economist.com/displayStory.cfm?Story_ID=3092887).

effects to both the individual and society. The metaphors of active and passive operate in the globalizing discourse of welfare dependency to reinscribe hierarchies of privilege and position those in need of public assistance as less than worthy until they become "active" and are "inserted" into the labor force. In the new discourse of the active welfare state, there is the risk that work at any job will become the only legitimate solution to one's alleged passivity. A discourse of labor activation enrolls the unemployed in seeking inclusion in the society on terms that reinscribe their subordination as those who need to be disciplined if they are to ever achieve self-sufficiency. In this way, welfare reform can give rise to new forms of governance for regimenting subordinate populations to the emerging social order in an era of globalization.

There is no question that welfare reform in Europe is occurring. Part of the reason is that the welfare states of Europe do have fiscal issues. There are real challenges to the welfare state in the form of aging populations, worsening dependency ratios, labor shortages, and the like; however, these demographic changes need not necessitate welfare state retrenchment and are addressable within the confines of welfare state policy changes of a relatively modest sort. Social security and state pension programs are the primary problem policies here, and they can be adjusted with changes in contributions and benefits. The changes required, however, can be agonizing for political systems to negotiate.

Yet, the changes are already happening in a number of countries without abandonment of the idea that the social welfare state must protect citizens from the arbitrary practices of an unregulated market. Some states have moved further away from their welfare state commitments while others are actually increasing them, if often in ways that tie benefits more toward supporting those who seek work. Therefore, it is simply wrong to conclude that there is a convergence toward repealing the welfare state in the era of globalization. European welfare states have not come close to matching the United States in adopting punitive welfare reforms.

Nonetheless, things could change. Globalization discourse is affecting how welfare is being framed in Europe. Europeans continue to debate to how to enforce work like the U.S. welfare reform program while still ensuring access to social welfare protections. If European countries end up emphasizing more Boston than Berlin, it will not be because it is an unavoidable necessity of the impersonal economic forces of globalization but instead because globalization discourse made such choices seem to be so. Policymakers looking to cut costs and to manufacture new pools of workers who are required to take lower paying jobs can make those choices if they want to and if they find the political power to do so.

Globalization discourse is an important and insidious source of power simultaneously rationalizing these choices as unavoidable necessities while making the inevitability they claim already exists all the more likely. We do not have to collaborate in growing a low-wage workforce to feed the coffers of corporate leaders seeking new sources of profit in an emerging global economy. Discourse just makes it seem that we do.

The active welfare state can be empowering in disempowering ways, forcing the long-term unemployed, youth, lone mothers, immigrants, and even the disabled into dead-end jobs without social supports and with the increased stigmatization and exploitation associated with being stuck in those marginal jobs. The welfare-to-work contract can become the quintessential discursive practice operating as a ritual of denigration for the purposes of reinscribing on welfare recipients the stigmatized identity of a passive citizen who needs to be forced by the state into being a more active contributor the nation's productivity. The welfare-to-work contract can perform its own "paradox of inclusion."⁵⁶

Yet, it does not have to be this way—an active welfare state does not have to always mean the same thing. And it does not, as is evident from an analysis of the copious literature on the subject. While the power of a discourse is great, it is not total as the incomplete Americanization of social welfare policy in Europe shows us. Labor activation means different things in England, Holland, and Denmark. Each has responded to globalization discourse in its own way independent of objective internal or external forces. Each spins its own version of globalization discourse and how to respond. Therefore, the globalizing discourse of welfare dependency and its call for welfare state retrenchment need not be a *fait accompli*. If Europe can resist this self-fulfilling prophecy, perhaps so can the United States. So far, there continues to be a significant difference between the United States and Europe on welfare state policies overall, with the United States providing far more limited coverage and benefits. There also continues to be significant differences within Europe. Some countries continue to offer far more limited social welfare protections than others. And some countries have been more responsive to the siren calls of globalization and the discourse of labor activation. Our job is to appreciate that and to exploit its incompleteness so as to highlight how it is still possible to choose the welfare state as an act of social justice. Learning from Europe is one way to do this that would be most appropriate in an era of globalization. We have a chance to learn that not only do politics

56. Handler, *Social Citizenship and Welfare in the U.S. and Western Europe*, pp. 6–8.

matter (in the sense of leading different countries to have different welfare states) but also it should matter (in the sense that resisting a globalizing discourse of welfare retrenchment promotes the capacity of citizens to decide for themselves the public policies that best serve their needs).

3

Truth Is a Woman

Care as the Real Absence in the Post-Industrial Welfare State

I teach in a graduate school of social work at a women's college. Students in my classes are continually using an important dichotomy to turn discussions of the growing emphasis in social policy on work into debates about care. The emphasis on work glosses over the importance of care as students are wont to remind me, again and again. You would think I would learn that by now. They have a point. To emphasize one part of the dichotomy risks neglecting the other. Sending more and more women, especially mothers of young children into the workforce, puts at risk our ability to provide needed care. The growing emphasis in welfare reform on turning women into workers in the official economy risks removing needed caregivers from unofficial economy of the home and the community. Work requirements of welfare reform have the potential to undermine women's caregiving roles and to devalue that activity even more than its already marginal status in the work-oriented capitalist societies of the western world.

Most of these students are quick to remind me that they are not suggesting that women by virtue of biology or socialization should be sequestered into caregiving roles because that is what women naturally or socially are best at doing. They support gender equity, including the right to work and earn as much money as men. Yet, they also believe that gender equity includes supporting caregiving as much as bread-winning. When we discuss the globalization of work-oriented welfare policy discourse, these students often see this as further evidence that caregiving is an important service to society that continues to be devalued even, or especially, in a post-feminist era of a growing female workforce.

It is true that welfare states in Europe have often done a better job than the social policy regime in the United States in recognizing the need to promote and support caregiving. And, as discussed in the last chapter, welfare reform in Europe is not singularly focused on getting single mothers with children into the workforce or into marriages. And cutbacks