Unemployment Protection and Labour Market Reform in France and Great Britain in the 1990s: Solidarity Versus Activation?

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Abstract

Standard accounts of unemployment protection and labour market policy reform tend to put France and the UK at opposing ends of the spectrum of values and policy directions in Europe. British efforts in the 1990s of switching emphasis from ‘passive’ benefit payment towards promoting participation in ‘active’ programmes of labour market integration are widely understood as a product of liberalism, individualism and increasing labour market flexibility, introducing a degree of workfare into the overall structure of unemployment support. By contrast, in France the resistance of traditional values and a ‘social treatment of unemployment’ are often portrayed as having put a brake on labour market reform and retrenchment of unemployment protection. After a reflection on the respective national discourses, the article challenges this view and points to a more complex reality that includes not only acknowledgement of labour market differences but also trends of convergence and counterintuitive developments. Secondly, it claims that in the 1990s Britain and France have both moved increasingly towards an unemployment policy based on activation, but in forms which reflect, to a great extent, different political incentive structures. The political implications of differentially institutionalised interests have in this way driven unemployment policy in different, but not opposing, directions. Recognition of this more nuanced reality should enable a better theoretical understanding of the social and political conditions for successful activation policies.

Introduction

For much of the 1980s governments across Europe considered unemployment, implicitly and sometimes explicitly, as a ‘price worth paying’ for the control of inflation. The unemployed themselves were supported financially, while overt unemployment was held down through the widespread use of early retirement benefits and/or the reclassification of the jobless as long-term sick or disabled. Among policy experts, this default strategy was gradually discredited and superseded around the early 1990s by what would become, at the turn of the century, the overriding theme of social and labour market policy in the OECD: boosting employment and transferring benefit recipients to gainful employment and ‘full (tax paying) citizenship’. The fight against unemployment and labour
market exclusion, and for an ‘active society’, has regained favour within the same policy communities who for so long neglected it, as it is now seen to require a further liberalisation of labour markets and a re-evaluation of social security standards (Walters, 1997).

In this context, policy specialists and supra-national organisations, such as the OECD, have gravitated towards a range of reform propositions which share a stronger emphasis on supply-side-oriented labour market policies combined with a stricter degree of conditionality attached to the receipt of social security transfers for working-age claimants. The latter have been accompanied by a bewildering national and international phraseology, with the popularisation of notions such as ‘activation’, ‘insertion’, raising ‘employability’ or making benefits ‘more employment friendly’ (Peck and Theodore, 2000; OECD, 1994; European Commission, 1998, 2000). The term ‘activation’, in particular, has been transposed from a Scandinavian context, where it was historically articulated with other micro- and macro-economic policies for full employment, and promoted to a more commonly used expression at supra-national European level, indicating policies which are aimed uniquely at switching emphasis from ‘passive’ benefit payment to ‘active’ programmes of labour market integration. The notion has become part of the European Employment Strategy and underlines an erosion of the traditional separation between the spheres of social protection and labour market policy (Esping-Andersen et al., 2001).

Attempts to understand the cross-national diffusion of activation coincide with, and in part account for, a growing attention to the role of norms (or ideas, values, discourse) in determining the feasibility of social and economic reforms in different national contexts (for example, Schmidt, 2000, 2001). For, uprooted from its conventional macro-economic coherence, the ‘policy theory’ behind activation appears to collide particularly brutally with many established notions of social justice and social solidarity. Given the diminishing or limited political power of the groups directly concerned by activation policies – trade unions and the jobless themselves – much of the potential success of activation in different states appears to turn on the broader resonance of its at least implicit critique of conventional social provision. Despite mounting empirical evidence of the large international success of activation policies (for overviews, see Gilbert and Van Voorhis, 2001; Lødemel and Trickey, 2001), a widespread assumption persists that radical activation is incompatible with a deep-rooted societal consensus around solidarity.

This perspective is prominent, as we argue in the first section of this article, in standard accounts of unemployment protection and labour market reform in France and Great Britain. Two countries with highly centralised political institutions and substantial executive capacity, France and Britain today appear to be at opposing ends of the spectrum of values and political discourses in Europe. This latter fact is in turn naturally seen as a central explanatory factor in what are
perceived to be substantially different, if not directly contrasting, experiences of social and economic reform over the last decade. Britain’s successful reform efforts in the 1990s are widely understood as a product of a liberal, individualist political culture which has proved a fertile terrain for the simultaneous development of labour market flexibility and a radical re-evaluation of the social rights of the unemployed. In France, in contrast, the resistance of traditional values of solidarity are seen to have put a brake on both labour market reform and the retrenchment of unemployment protection, and a fortiori on activation à la britannique. Very different normative contexts thus appear to militate against convergence of public policies and social outcomes, and indeed set the scene for increasing divergence.

However, empirical developments in the overlapping spheres of labour market reform and unemployment protection in the two states suggest a more complex reality (Section 2). While the French and British labour markets remain very different, and have indeed diverged on certain indicators in the 1990s, there are also significant trends towards convergence which should not be overlooked. Meanwhile, the much-vaunted solidarity of French society towards its unemployed appears at the same time selective and derivative of narrow institutional interests, with a more ambiguous impact on levels of social protection than is often assumed (Section 3). If the French political class has indeed sacrificed the capacity to implement a certain number of activation reforms on the altar of this selective ‘occupational solidarity’, it is not only for lack of imagination or the courage to take on institutionally entrenched interests; it is also because the discourse of solidarity and the institutions that underpin it present considerable benefits as well as costs for the pursuit of country-specific activation reforms (Section 4). Recognition of this more nuanced reality, we conclude, should enable a better theoretical understanding of the social and political conditions for successful activation policies, and a more fruitful debate about policy development in an area at the heart of contemporary welfare reform.

1. Liberal norms for neo-liberal reforms?
Social norms are obvious constraints on policy makers. Policy initiatives that go against the expectations and beliefs of large sections of voters, even if they are not materially detrimental to them and perhaps even if they are beneficial, logically risk being sources of electoral unpopularity. Schmidt (2001) has highlighted the opportunities but also the difficulties for political agents to restructure consciously such norms. Drawing on a comparison of the politics of economic adjustment in Britain and France, she argues that the latter has had difficulty popularising economic liberalisation in part because of the structure of existing values and the impotence of successive governments in the face of
them. In Britain, meanwhile, the value structure of the population and the more skilful deployment of political rhetoric combined to offer a much more fertile environment for neo-liberal economic policies. The result is that ‘whereas in Britain the public . . . seemed to have come to embrace the new set of policies, along with the accompanying neo-liberal ideas and values, not so in France, where public acceptance remained problematic’ (ibid.: 247).

The notion that Britain and France enjoyed ‘different experiences with neo-liberal reform . . . mainly because of differences in discourse’ (Schmidt, 2001: 258) is familiar from the wider literature on labour market and social protection reforms in the two countries. While Britain’s classically liberal individualism is held to have legitimised the pursuit of an ‘active society’, in France the embeddedness of Republican conceptions of solidarity are understood to have made much of the current international reform agenda appear as anathema. Different values are perceived to have had distinctive and coherent effects across a range of interlocking policy domains.

In labour market reform, Britain’s individualism has legitimated increased competitiveness, and disqualified union demands for collectively negotiated or legislative safeguards. Coupled with the traumatic memories of the industrial disputes of the 1970s, individualism facilitated the Thatcher administration’s labelling of the trade union movement as ‘the enemy within’, justifying the dismantling of the unions’ workplace prerogatives, and the overriding of their demands and preferences in national policy (Graham, 1997). By contrast, in France, the very limited formal strength of the trade union movement (whose rates of membership are the lowest in Europe) appears to be compensated by a widespread public sympathy – or solidarity – with their demands. One recent survey showed that the labour movement enjoys ‘a real and in some dimensions consensual legitimacy’ (Cayrol, 1998: 182) in French society.

These cross-national differences are regularly reproduced – and to some extent reinforced – in political discourse on the labour market. Flexibility is a notoriously unpopular idea among French policy makers who, if they venture on to the dangerous territory of labour market deregulation, limit themselves to only timid calls for souplesse (which translates best as ‘versatility’). In illustration, at the Stockholm European Council of March 2001, Tony Blair’s plea for greater labour market flexibility in the interests of employment growth were countered by a co-ordinated response by France’s then ‘cohabiting’ heads of the executive, the Conservative President Jacques Chirac and the Socialist Prime Minister Lionel Jospin. With a single voice belying any underlying ideological differences, they insisted that all new employment in Europe must be ‘of quality’ and ‘correctly remunerated’. More generally, whereas the process of European integration itself is widely presented in British political discourse as a threat, in France it is presented as chance to constrain the negative effects of globalisation (Hay and Rosamond, 2002).
Apparently logically, then, a recent overview of labour market regulation in Europe suggested that, on the basis of various synthetic indicators, while Britain is the best example of radical deregulation in Western Europe, France is the old continent’s best example of regulatory stasis (Samek Lodivici, 2000: 45). For France, some have spoken of the ‘deregulation that never existed’, and even note the introduction of new ‘rigidities’ (Malo et al., 2000). Controversy in Britain, meanwhile, tends to centre only on whether the changes which have occurred since the early 1980s should be seen as a ‘river crossing’ or a ‘cold bath’ (Deakin and Reed, 2000).

Contrasting social norms have long been suspected of also playing a fundamental role in the evolution of social benefits, and notably unemployment benefits. For the latter, the crucial question is the extent of feeling that the unemployed are not ‘deserving’, a sentiment which Van Oorschot has recently suggested ‘tends to be stronger in Anglo-Saxon individual-oriented countries like the UK, US and Australia than in collectively oriented continental European countries’ (Van Oorschot, 2000: 37). The British and French cases are seen to reflect this, and attest to its contemporary policy implications.

British unemployment benefits have been radically scaled back over the last twenty years, to contain social expenditure, but also to increase financial and behavioural incentives related to employment. Earnings-related supplements were an early victim of Thatcherism, and the old basic unemployment benefit was subject to repeated cuts and more restrictive entitlement conditions in the 1980s and 1990s culminating in the introduction of the even more restrictive Jobseekers Allowance (JSA) in 1996 (Clasen, 2001a). Propping-up the peripheral labour market has also proceeded by shifting a large part of the burden of social expenditure towards means-tested, in-work benefits and tax-based wage subsidies for low income earners. This social security-based activation strategy has been referred to as ‘market workfare’ (Grover and Stewart, 1999). Much attention has also been paid to increased activation through employment and training programmes, which are understood to reflect their own compulsory workfare logic, especially since the launching of the so-called ‘New Deal’ programmes by the first Blair administration in 1997 (Torfing, 1999). For King (1995, 1999), all these policy developments feed on the same classically liberal, individualist values which underpinned the punitive, deterrence approach of Britain’s first national ‘social policy’, the notorious 1834 Poor Law.

In France, assistance to the needy was on the contrary identified by the revolutionaries as a ‘sacred debt’, and the idea that the collective owes assistance to the individual is said to underpin the French Republican concepts of fraternity and solidarity. France, furthermore, is the country where the doctrine of solidarity has been most comprehensively theorised and promoted, giving its name to an influential centrist reform movement – les solidaristes – at the beginning of the twentieth century. It is argued that in the presence of such a solidarist
referential, attacks on social provision have not been able to provide a pretext for the introduction of greater labour market flexibility (Barbier and Theret, 2001).

Indeed, despite some cuts, benefits for the unemployed in France do seem to have remained considerably more generous than those of their British counterparts. In 1997, the median replacement rate of unemployment benefits was 56 per cent of the reference salary, while the equivalent figure for the flat-rate British benefit could be calculated at around 25 per cent. While benefits under the British JSA regime are paid without a means-test for a maximum of six months, the duration of benefit entitlement can be as long as 5 years in France, notably for the older unemployed (Holcman, 1997: 45).

In this way, unemployment benefits continue to fill a certain early retirement function, even though overt, and more expensive, early retirement measures – which consistently took up 15–25 per cent of French labour market policy expenditure in the 1980s (Join-Lambert et al., 1997) – have today been substantially scaled back. The fact that France’s not insubstantial portfolio of active labour market and insertion policies has long been referred to in the same terminology – the ‘social treatment of unemployment’ – which was utilised for these early retirement measures demonstrates how far they are seen to deviate from aggressive activation strategies. Even if French employment policies are sometimes recognised to represent an equivalent activation dynamic (Ughetto and Bouget, 2002), outright workfare continues to be seen as fundamentally incompatible with French values (Barbier, 1996, 2001). This could be seen to explain why the Jospin government fought so hard against the Plan d’Aide au Retour a l’Emploi (PARE), a proposal for an activation of unemployment insurance benefits put forward by the employers’ association in 2000, and supported by at least some of the union confederations.

In sum, the turn towards activation is often presented as being both more pertinent and more acceptable in the British context than the French. Pertinent, because only a highly individualist political culture could permit the deregulation of the labour market which is both the raison d’être and further goal of activation policies. Acceptable, because only under the influence of such values could an electorate further swallow such a radical departure from conventional approaches to social protection. Inversely, conventional solidarity and activation appear to a large extent incompatible. This suggests that the goals of employment and social protection are as conflicting as John Major suggested when he spoke, in February 1997, of the necessary ‘choice . . . between two radically different economic philosophies’, which he called ‘the enterprise approach’ and ‘the social model’ (Major, 1997). In short, for Britain, jobs, and for France, social protection. As we argue below, however, the reality appears on closer inspection considerably more complex.
2. ‘For Britain, jobs’?

Some developments in British and French labour markets since the early 1990s would clearly seem to confirm this prediction of national ‘work-rich’ and ‘work-poor’ trajectories with little, if any, signs of convergence. As far as conventional unemployment indicators since the early 1990s are concerned, for example, the improvement of the British labour market performance has been steadier and more impressive than in France. This is true even when we allow for the non-alignment of the two countries’ economic cycles and for the decline in French unemployment in recent years.

As Table 1 suggests, aggregate unemployment rates were much closer in the early 1990s than they were ten years later. The situation for French women has improved since the mid-1990s, but British women remain considerably less affected by unemployment than their French counterparts. The same applies to young people. The unemployment rate for under-25 year olds in France was still above 20 per cent in 2001, compared with a rate about half of that in the UK. In addition, long-term unemployment is about twice as high in France than it is in the UK, with no real decline since the early 1990s. In the year 2000 about 42 per cent of all French unemployed (4 per cent of the labour force) had been out of work for more than one year, compared with 28 per cent (1.5 per cent of the labour force) in the UK (European Commission, 2001; OECD, Employment Outlook, 2001).

### TABLE 1. Unemployment rates: female unemployment and youth unemployment

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<tr>
<th></th>
<th>1991</th>
<th>1993</th>
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<tr>
<td>Unemployment rate France</td>
<td>9.5</td>
<td>11.7</td>
<td>11.7</td>
<td>12.3</td>
<td>11.3</td>
<td>9.3</td>
<td>8.6</td>
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<tr>
<td>Unemployment rate UK</td>
<td>8.8</td>
<td>10.5</td>
<td>8.7</td>
<td>7.0</td>
<td>6.1</td>
<td>5.4</td>
<td>5.0</td>
</tr>
<tr>
<td>Female unemployment rate France</td>
<td>12.1</td>
<td>13.8</td>
<td>14.0</td>
<td>14.4</td>
<td>13.3</td>
<td>11.2</td>
<td>10.5</td>
</tr>
<tr>
<td>Female unemployment rate UK</td>
<td>7.5</td>
<td>8.1</td>
<td>7.0</td>
<td>6.0</td>
<td>5.3</td>
<td>4.8</td>
<td>4.4</td>
</tr>
<tr>
<td>Youth unemployment (under 25) France</td>
<td>21.3</td>
<td>27.3</td>
<td>27.5</td>
<td>29.2</td>
<td>24.2</td>
<td>20.8</td>
<td>20.3</td>
</tr>
<tr>
<td>Youth unemployment (under 25) UK</td>
<td>14.4</td>
<td>18.1</td>
<td>15.9</td>
<td>14.2</td>
<td>13.0</td>
<td>10.9</td>
<td>10.2</td>
</tr>
</tbody>
</table>

Source: Eurostat Yearbook 2001; for 2001/02: Eurostat general statistics; youth unemployment OECD and UK Labour Market Trends (UK 18–24 year olds)

Employment rates have also remained very different. Britain has one of the highest rates of employment in the EU, climbing (by 2 per cent) during the 1990s to 71 per cent by the end of the decade (European Commission 2001). The French rate rose by about the same margin, which means that the difference between the two countries has remained about 10 percentage points throughout the past decade. About a quarter of the total British workforce works part-time, compared to 17 per cent in France. Women perform much of this part time work. In France
about a third of all women work part-time and in the UK about 45 per cent. With Spain and Denmark, the UK has relatively high rates of short job tenures compared with other EU countries. By contrast, job tenures in France are above the EU average (European Commission, 2001). A similar difference marks each country’s activity rates, which, for the population aged 15 to 64, are higher in the UK (75 per cent) than in France (68 per cent). These differences become even starker once we concentrate our attention on groups at either end of the working life. Both younger people and particularly older people in Britain have higher activity rates than their French counterparts. This is particularly true for men aged 50 to 64, who have an activity rate of 73 per cent in the UK but only 57 per cent in France, an indicator of the effects of the early retirement policies pursued in the latter.

While all the above would tend to confirm John Major’s prophecy, in other respects the evidence for such outcomes is less convincing. There are some crucial variables suggesting that the differences between Britain and France are not as categorical as first assumed, that there are functional equivalents and that trends of convergence can be observed. Furthermore, in some respects France seems to have actually moved further ahead in terms of creating labour market flexibility than Britain.

Firstly, overall activity rates in Britain and France are in fact closer today than at the start of the 1990s, particularly for prime age (25–49) men and women (Eurostat, 2001). The reason for this convergence was growing female activity rates in both countries (rising to 63 per cent in France and 68 per cent in the UK by 1999), and a simultaneous decline of the male activity rate in the UK (from 86 per cent to 82 per cent). Even among the group where differences remain most significant (men aged 50 to 64), there has been some convergence. The 3 per cent fall in activity rates (to 73 per cent) in the UK between 1989 and 1999 has no equivalent in France, where the (low) activity rate has been stable, at 57 per cent, for the last decade. An explication, and further implication, of such figures is that the increasing gap between the French and British unemployment rates in the 1990s could be, at least as far as men of prime working age are concerned, in part due to a move from unemployment into inactivity rather than employment in Britain. This is borne out by recent administrative flow data (Bivand, 2002; Bacon, 2002; see also Ganßmann, 2000: 253). Finally, the difference in youth unemployment (Table 1) would be much less pronounced if all young people aged 18–24 were counted rather than only those who are ‘available for employment and seeking work’, taking account of the much higher proportion of young people in education or training in France.

In employment trends, too, there is some evidence of convergence. Rates of female part-time employment remain different, as we saw above, but are much less so today than in the 1980s. The proportion of British women working part-time hardly changed during the entire 1990s, while the rate of French women

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<th>1985</th>
<th>1996</th>
<th>% change 1985–96</th>
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<tr>
<td></td>
<td>Part-time</td>
<td>Fixed-term</td>
<td>Part-time</td>
</tr>
<tr>
<td>France</td>
<td>10.9</td>
<td>4.7</td>
<td>16.0</td>
</tr>
<tr>
<td>Great Britain</td>
<td>21.2</td>
<td>7.0</td>
<td>24.6</td>
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Part-time = part-time employment as % of all employment; Fixed-term = fixed-term contracts as a % of all employment contracts. Adapted from Table 2B, Samek Lodivici (2000: 56).

increased by almost a third in the first half of the decade. However, while less than 10 per cent of French women in the labour force work for less than 20 hours a week, almost a quarter of their British counterparts do so (OECD, 1999a). And yet, more than in the UK, part-time work appears to be imposed on French workers, as levels of voluntary part-time employment are much lower than in Britain (European Commission, 2001). While short-employment tenures are, as noted above, more prevalent in Britain, in terms of perceived job security the two states are very close together. While data are not always directly comparable, the International Social Survey Programme (ISSP) (in OECD, 1997) indicates a high level of employment insecurity in both countries. Indeed, a composite indicator suggests that between 1992 and 1996, job insecurity in the UK and France had increased to levels that were higher than in any other European country, and similar only to levels recorded in Japan and the US (OECD, 1997).

These figures reflect the fact that, more generally, and regardless of the ‘standard employment’ norm, many flexible – or atypical – forms of working are now more widespread in France than in Britain, or have increased faster in the former than the latter (see Table 2). In 2000, fixed-term employment had fallen back to 6 per cent of total employment in Britain, but represented 14 per cent in France (European Commission, 2001). This low figure for Britain is of course a reflection of the fact that, as the protection offered by the standard employment contract is relatively low, British employers (and legislators) have fewer incentives to expand non-standard forms of work (Deakin and Reed, 2000: 124). But, by concentrating on typical labour market situations that are often far from general, synthetic indicators arguably fail to capture the extent to which many rigidities in labour market rules are balanced by the expansion of exceptions to these rules. Worse, the often elaborate legislative provisions for these loopholes are too often enumerated as ‘regulation’, and thus mistaken for sources of ‘rigidity’, when their goal and effect is more the organisation of flexibility. A recent study which tried to build such subtleties into its indicators, as well as paying more attention to the very different legal traditions that have always differentiated the two countries, suggested that France might in fact be considered as a more net
structural reformer of the labour market than Britain in recent years (Fitoussi and Passet, 2000: 50).

The explosion of atypical employment in the last 10 to 15 years in France has been in no small part a direct result of public employment policy. Not only have part-time contracts benefited from tax-breaks, but government-piloted employment schemes – *stages* (in-work training) and *contrats aidés* (subsidised contracts) – have also generalised and legitimised derogations from the standard employment contract, as well as the psychological distress and material poverty that often go along with them (Paugam, 2000). They largely explain the fact that France has, in spite of the existence of a relatively generous minimum wage, developed a significant number of working poor in recent years (Concialdi, 2000). As a result, and not long after Britain introduced a national minimum wage alongside its more established subsidies to the low-paid through the tax and benefit system, France recently complemented its minimum wage, the SMIC (*salaire minimum interprofessionnel de croissance*), with the adoption of the *prime pour l’emploi*, a means-tested in-work benefit.

3. ‘For you, France, social protection’?

As noted above, the expansion of ‘low-end’ employment in Britain, notwithstanding the Blair governments more concerted recent attempts to ‘make work pay’, has been facilitated by the reduction and restriction of access to social security benefits. How, therefore, has the expansion of precarious employment in France got around the celebrated Gallic attachment to solidarity? The answer is that this attachment is more selective than it at first appears, and less of an unqualified prop to generous social provision than might be imagined.

This can be demonstrated in a number of ways. The comparison of simple replacement rates referred to above is but one measure of benefit generosity, and not necessarily the most pertinent. Once housing benefits and other means-tested transfers are added, some British household types with below average income often receive no less, and sometimes slightly more, income replacement than their French counterparts (OECD, 1999b: 34). Similarly, on the basis of ECHP survey data from 1994, Gallie and Paugam (2000: 385) show that, including housing benefits, the gap between British and French replacement rates was smaller than some hypothetical case-based data indicate. The problem, of course, is always to know what proportion of the unemployed corresponds really to these different hypothetical cases. Offering a more aggregate overview based on the first three waves (1994–1996) of the ECHP, Gallie et al. (2001) have demonstrated that, while nearly half of the British unemployed are poor (with less than 60 per cent of median household income), the equivalent French figure is nearly a third, placing both countries well above the EU average.

A somewhat different aggregate measure can be attained from a comparison of ratios of public expenditure on unemployment benefits (as a proportion of
GDP) for each percentage point of registered unemployment. This procedure permits a broad comparison of the ‘intensity’ of unemployment compensation (cf. IRES, 2000: 69; Freysinnet, 2002: 24). On such a measure, for the most recent year when data is available (1999 for France, 2000 for Great Britain), the French ratio of 0.13 is much nearer to that of Britain (0.10), than to the altogether more generous public expenditure per person unemployed in, for example, Denmark (0.28). Furthermore, the rate fell by exactly the same degree (0.02 points) in the two countries over the ten years from 1990, and indeed decreased further in France than in Britain from 1990–1995, before climbing again slightly in the second half of the decade. This result contrasts with, as Freysinnet (2002: 24) puts it, ‘discourses that often present the French system as one of the most generous in Europe’.

Given these similarities in the generosity of public provision for the unemployed, more detailed studies of public attitudes are particularly interesting. And here, too, we are far from the conventional opposition between French solidarity and British individualism. The analysis of Eurobarometer data effected by Fridberg and Ploug (2000) shows that, in 1992 (when the overall rate of recorded unemployment was almost identical in the two countries), the French in fact had somewhat more ‘restrictive’ attitudes to the unemployed than the British. Thus, while 68 per cent of Britons agreed that the unemployed should be able to continue receiving unemployment benefits and turn down a job that does not match their qualifications and experience, this view was held by only 49 per cent of the French respondents. Seventy four per cent of French respondents believed that the unemployed should not be allowed to turn down a job located at an acceptable distance from their home, compared to only 59 per cent of Britons. Finally, half of the French agreed with the statement that fewer people would be unemployed if benefits were much lower, as opposed to just over a third of Britons (ibid: 341–3). More recent data collected in both countries on perceptions of benefits for the poor seem to confirm this pattern of responses. In 2000, 68 per cent of Britons claimed to be ‘very favourable’ to the minimum income for the least well off, compared to only 31 per cent of French. Meanwhile, 28 per cent of British respondents thought that a minimum income should be unconditional, compared to only 9 per cent of their French counterparts (Olm et al., 2000: 34–5).

British Social Attitudes data suggest that restrictive attitudes towards the unemployed increased sharply in Britain after the election of New Labour in the late 1990s (before falling back again more recently) (Hills, 2001: 21–5). In comparative perspective, however, the British remain ‘very clearly in favour of a benefit provided without the slightest conditionality’ (Olm et al., 2000: 34). In France, where benefits vary enormously within the earnings-related framework, public opinion seems to be more sensitive to the tiny proportion of ‘luxurious’ benefits than the vast mass of more meagre transfers, not to mention the large
numbers of the unemployed with no insurance benefits at all. The number of this latter group tends to be systematically underestimated in public opinion (DARES, 2001a).

The structure of unemployment benefits in France seems to owe little to the expressed preferences of the electorate. Only around 20 per cent of French people claim to favour retaining the current system of unemployment benefits based on incomes from prior employment, while a large majority of the French systematically claim to prefer the idea of a flat-rate or means-tested system more like that in Britain (DARES, 1998). If France has not moved overtly towards such a system, it is most likely because the insurance principle is embedded in an institutional configuration that is fiercely defended by powerful interests. Unemployment insurance is jointly managed by the social partners – the union and employer confederations – through the UNEDIC (Union nationale pour l'emploi dans l'industrie et le commerce) structure. This provides these actors with both substantial material resources, as well as a political visibility that they often lack in France’s otherwise highly statist system of labour market regulation. As this arrangement, which also exists in similar forms in other branches of social protection, is principally justified by the portrayal of social insurance benefits as a ‘deferred’ part of the salary, the social partners tend to combat vigorously any reform ideas – such as disconnecting benefits from prior earnings – which might prejudice this conception. In contrast, the absence of any equivalent arrangement in Britain appears to help explain the comparative susceptibility of benefits to retrenchment, and the ease with which the ‘insurance principle’ was reduced to a simple revenue-raising device with little impact on the quality of social rights (Clasen, 2001b).

This is not to say that the French discourse on solidarity is a simple chimera. UNEDIC in fact embodies a so-called occupational solidarity (solidarité professionnelle), a quasi-organic solidarity confined to those attached to the ‘world of production’. Represented by self-financing, autonomously administered social insurance, this is the principal meaning of solidarity in the French welfare state as a whole (Béland and Hansen, 2000). When broken down, it becomes clear that it is above all the procedural basis of social insurance – its co-management by the social partners of social insurance and its insulation from the political sphere – which elicits most popular approval. A poll carried out in December 1999 thus showed the public to be massively in favour of the maintenance of a social protection system managed by the social partners (Liaisons Sociales, 2000). Only 33 per cent of respondents accepted that it was legitimate for the state to intervene in decisions concerning the attribution of social protection funds (ibid: 28). This, however, is not only in contradiction to the otherwise expressed desire for a progressive shift to a flat-rate or means-tested system of unemployment benefits, but also makes the imposition of ‘restrictive’ conditions for the receipt of unemployment benefit, also favoured in principle by a majority, particularly
difficult. Support for the management of social protection by the social partners thereby operates as a proxy for a very strong form of solidarity that tends to define social benefits almost as a ‘property right’.

It is true that successive French governments have rarely attacked this principle of occupational solidarity head-on, despite it appearing to derive more from the successful ‘marketing’ of their institutional interests by organised actors than from peculiar cultural meta-norms of social justice. On the contrary, successive administrations have regularly pronounced their own ‘attachment’ to the role of the social partners in social provision, and to the form of ‘solidarity’ it represents. This may be because on the rare occasions when governments have tried to intervene vigorously, their proposals have, in keeping with the cross-class coalition institutionalised within social insurance, faced criticism from both left and right. French reformers may also be guilty, in line with Schmidt’s (2001) hypothesis, of not having found the necessary discursive devices to head-off opposition on at least one flank.

This may not be the whole story, however. Less robust economically than it is politically, France’s institutional expression of occupational solidarity is objectively in crisis, unable to adapt easily to a less predictable macro-economic environment or to respond to the diversification of labour market trajectories (Beland and Hansen, 2000). It has only survived through progressively abandoning its one-time quasi-universalist pretensions, that is to say in casting the net of its coverage ever less wide. This has left France with an ever-more fragmented and complicated system of provision for the unemployed in which, as shown above, the overall costs of unemployment protection have been successfully restrained. If French policy makers have not moved more determinedly to rationalise and streamline this system, then, it may also be because they can identify certain advantages in the existing discursive and institutional equilibrium. This perspective seems particularly relevant to the comparison of activation reforms, and their political reception, in France and Britain.

4. Activation: the costs and benefits of solidarity

Just as the French attachment to solidarity has not prevented the erosion of unemployment protection expenditure, so it has also not hindered the expansion of active labour market policy expenditure. In simple expenditure terms, it is indeed France’s and not Great Britain’s policy profile which has become increasingly active over the last decade. Ever since the mid-1980s, British spending on active labour market policy – as defined by the OECD – has been in decline, reaching 0.37 per cent of GDP by 1998. By comparison, France devoted 1.33 per cent of GDP to active programmes in the same year (OECD, 2001). The maturation of the British ‘New Deal’ programme has not reduced the gap significantly, adding only one tenth of a percentage point of GDP, and thus doing little to
reverse the longer-term trend of decreasing expenditure on active labour market policy in Britain (Robinson, 2000). Britain’s ‘activity ratio’ (active against passive expenditure), which is another concept popularised by the OECD, declined from 0.78 in 1990 to 0.64 in 2000, in spite of significant cuts to ‘passive’ unemployment benefits. In direct contrast, France’s activity ratio rose dramatically over the same period from 0.44 to 0.77 (Freysinnet, 2002: 25). In the last year for which figures are available, France devoted 4 times as much fiscal effort to training and three times as much to youth measures as the UK. However, France does not outperform Britain across the board – the two countries spent the same proportion of GDP (0.16 per cent) on employment services and administration (OECD, 2001).

Indeed, and complicating the picture somewhat, it is the latter area, rather than training or skill enhancement, which has been central to Britain’s activation effort. Having represented 22 per cent of active expenditure in 1985, employment services and administration took as much as 46 per cent in 1996, far above the EU average of 19 per cent (Robinson, 2000). More importantly, the relative prioritisation of administrative strategies has gone hand in hand with innovative structural reforms, necessarily invisible in the expenditure data, to promote further integration between the administration of social benefits, on the one hand, and public employment and job-search services, on the other. It is here that the New Deal and related initiatives (‘ONE’ service, single work-focused interview) has been most important, albeit building on the progress accomplished by the 1986 ‘Restart’ programme and continued in the JSA. The ever-increasing emphasis on ‘single administrative gateways’ for all jobless working-age benefit claimants in Britain contrasts with the situation in France, where co-ordination between employment and benefit administrations remains comparatively limited (Clasen et al., 2001; Konle-Seidl and Walwei, 2001). The initial formulations of the recent PARE project promised a greater effort in this respect, but it was precisely these proposals that were the principal victims of the long search for a compromise between the social partners and the government.

This is where the dominant conception of solidarity – solidarité professionnelle – has presented the most obvious obstacles for activation reforms in France. An idea like the ‘single gateway’ is simply very difficult to reconcile with the existing division of responsibilities between social actors and the state on which this form of solidarity rests. The social partners have been resisting calls for a ‘large public employment service’ by some voices within government and the senior civil service on these grounds for at least two decades. With the PARE, somewhat differently, it was the social partners who attempted to recuperate some governmental prerogatives for UNEDIC, and it was arguably this rather than the defence of the rights of the unemployed that provoked the Jospin government’s objections. Unlike in Britain, even apparently minor reforms risk disturbing French institutions that have developed their own normative status.
In this respect, the French experience with unemployment protection seems to confirm the general observation that devolved forms of social administration have a significantly tempering, if not always completely paralysing, influence on social security reform (Crouch, 1999).

However, the occupational solidarity of UNEDIC has not always and unambiguously imposed costs on French governments’ attempts to implement reforms in (un)employment policy, and has actually also offered some benefits. Even in the notoriously uncooperative context of French state–society relations, the delegation of managerial responsibilities for social security to the social partners represents one side of a – necessarily implicit – political exchange (Duclos and Meriaux, 1997, 1998). The state’s ‘pay-back’ has been the ability to circumscribe the influence of the social partners, with their exclusion from responsibilities in economic policy making the most regularly cited manifestation (Palier, 2001: 86). But the analysis also seems to be pertinent within social policy, and specifically in unemployment protection, where the state’s acceptance of occupational solidarity ‘at the centre’ has seen it rewarded with a certain margin of liberty in the definition of social norms at ‘the margins’. This can help explain the impressive recent growth in France’s activity ratio.

As was suggested earlier, the survival of a viable unemployment insurance scheme financed entirely from social contributions has been ensured in France only at the price of a significant reduction of its ambitions and scope. Thus, in 2000, only 42 per cent of the unemployed in France were eligible for unemployment insurance benefits (DARES, 2001b). This is certainly a far higher figure than insurance-based JSA, which today covers barely one in ten of the British unemployed. However, while, in the name of economy and efficiency, the reductions to unemployment insurance in Britain have been effected by governments, those in France have been decided and implemented by the social partners. A majority of the unions have repeatedly been condemned to agree upon – and indeed participate in the design of – austerity packages for UNEDIC, as they do not wish to give up the organisational role that a complete overhaul of the system might well imply.

The format of this institutional compromise in turn has important implications for the lobbying patterns with respect to social protection more generally. Although trade unions would, in principle, be expected to promote the benefit rights of all the unemployed, to do so too forcefully would inevitably pose the question of the viability and legitimacy of UNEDIC as actually constituted. For organisational reasons, then, French unions have a situational incentive to limit their advocacy of universal social rights. A direct link can in this way be drawn between the involvement of France’s trade unions in the management of the social insurance system and their very limited implication in campaigns in defence of the ‘socially excluded’ who fall outside the scope of this system (Damamme and Jobert, 2000).
This has arguably allowed successive French governments a relatively free hand in organising a form of activation at the margins of the French social protection system (see also Clegg, 2002). The retrenchment of social insurance has not been compensated with a concomitant expansion of social assistance provision. Of the 58 per cent of the unemployed not eligible for unemployment insurance benefits in 2000, only 12 per cent were eligible for specific unemployment assistance (DARES, 2001b), largely because the latter often has more restrictive conditions of prior employment than unemployment insurance. The unemployed under the age of 25 – two-thirds of whom are without unemployment insurance benefits, compared to half of the 25–49s and 15 per cent of the over 50s (ibid.) – were for their part entirely excluded from receipt of the Allocation d’Insertion (the specific unemployment assistance benefit for those with limited contribution histories) from January 1992. The same group had already been denied access to the safety-net minimum income, the Revenu Minimum d’Insertion (RMI), at its creation in 1988.

Despite from the outset excluding the most sensitive categories, the RMI still owed its near-unanimous vote in Parliament in large part to its codification of a requirement for beneficiaries to sign up to a ‘contract’ for co-operation with ‘integration measures’. Not only have the unions generally not challenged this idea, but some actively lobbied in its favour, in the name of ‘preserving the link between work and income’. This clause remains, despite difficulties with its implementation, a clear point of consensus among French people (Hatchuel, 1996), just as there are more than two-thirds who agree that young people should only be supported in the framework of a productive activity (DARES, 2001a). When even the unions do not have a powerful and coherent discourse on the rights of the unemployed, it is indeed far from surprising that public opinion should tend towards relatively restrictive positions.

In this perspective, the assimilation of a range of active labour market policies, which have played a non-negligible part in the expansion of precarious employment, to a so-called ‘social treatment of unemployment’ also becomes less puzzling. The expression is probably less a reflection of the content of such measures than of their political acceptability. For such derogatory active labour market programmes are liable to be considered, if not exactly positively, at least as ‘better than nothing’ in a context where there are few powerful voices ready to raise difficult questions about why ‘nothing’ is available. In this context, there have been few political risks for French policy makers in using the expansion of active measures implicitly targeted at those without rights to unemployment insurance as a justification for the restriction of ‘passive’ unemployment compensation (Daniel and Tuchszirer, 1999). In the absence of powerful dissenting voices, they have even been able to present this as a form of solidarity with the ‘socially excluded’.
This offers quite a striking contrast with the British experience. Conservative governments in the mid-to-late 1980s did experiment with a range of direct employment and training measures, which rivalled in expenditure terms those being developed simultaneously in France. However, alongside the resistance to the increased expenditure these measures entailed, the government also faced criticisms on the left for what was perceived as an attack on established social rights. The comparison with France would lead us to highlight the absence of structural incentives for moderation in welfare rights advocacy on the traditional left. It is probably in part for this reason that, as Finn has pointed out, discussions about these initiatives for the unemployed in Britain ‘were often overshadowed by suggestions that the government was about to implement US-style workfare’ (Finn, 1998: 113). The highly stigmatising discourse nurtured by Conservative governments – centred around ‘the underclass’ and ‘the dependency culture’ – only made a virtue out of this kind of opposition to activation, and further entrenched resistance to public expenditure on the unemployed, ‘productive’ or otherwise.

The governments of Tony Blair since 1997 have, for all their apparent inventiveness, been similarly constrained. Their early attempts to centre their programme for the unemployed around the theme of social exclusion went down badly with British public opinion, the notion being quickly criticised as too close to the stigmatising themes developed by their Conservative predecessors (Fawcett, 2000). Its effective replacement with the motif of ‘balancing rights and responsibilities’ may be starting to reconcile progressive public opinion with more restrictive approaches to the problem of unemployment (Clasen, 2001a; Hills, 2001). It is far from clear at the time of writing, however, if it will be enough to overcome more diffuse resistance to the increased levels of taxation necessary to finance a more comprehensive portfolio of activation policies. When it is a question of re-deploying rather than simply reducing public expenditure, the neo-individualist discourse of New Labour seems to be a victim of its own transparency. In contrast, the more ambiguous French discourse of solidarity has often proved a surprisingly efficient tool in the management of conflicting interests involved in any reform effort.

**Conclusion**

As Whiteside and Salais (1998) have demonstrated, there are considerable historically rooted differences between modes of regulation and types of interventions which British and French governments have employed in the name of promoting similar aims, such as improving social justice and preventing poverty and fostering individual prosperity. As the article has shown with regard to recent labour market developments and unemployment policies there are indeed many indications of further cross-national divergence rather than
convergence. These differences are typically evoked in public and political discourses on both sides of the Channel. And yet, beyond the conventional indicators of unemployment and employment rates, other labour market indicators (based, for example, on disaggregated figures of non-employment), broad counterintuitive trends (such as the stronger increase in atypical forms of work in France) and policy shifts in the same direction point to significant cross-national similarities.

The latter rarely figure and if so are drowned by images of difference in academic discourse. Yet in order to understand the evolution of policy in the two countries during the 1990s a simple opposition between British individualism and workfare and French solidarity and ‘social treatment of unemployment’ is misleading. Instead, it can be argued that in the 1990s, Britain and France have both moved increasingly towards an unemployment policy based on activation, but in forms that reflect, to a great extent, different political incentive structures. The political implications of differentially institutionalised interests in social and unemployment protection have in this way driven unemployment policy in Britain and France in different, but not opposing, directions. If the notion of two extremes at opposing ends of the value spectrum in Europe also emphasises institutional factors, its error is to underplay the multiplicity and complexity of institutional effects, and too quickly assimilate institutional variation to value difference.

It was a particular institutional context that freed the British government from the need to manage difficult coalitions of interests in the pursuit of reforms, and to a certain extent increased their capacity to enact radical changes in unemployment protection. The French took a different institutional path, and continue to pay a price in the difficult relationship and enduring lack of real coordination between UNEDIC and the public employment services, for example. But, although the French path made greater discursive appeals to conventional norms of solidarity, this actually favoured the relative de-politicisation of a certain number of quite ostensibly individualist, ‘active’, perspectives on the social protection of the ‘socially excluded’.

The major lesson, at the same time theoretical and practical, is that contemporary reform initiatives in social protection systems, such as activation, cannot be reduced to a simple confrontation between norms of individualism and solidarity. Public policies are not simple reflections of coherently applied abstract norms. Their legitimacy is the product of embedded interaction and exchange between governments, social actors and the broader public. The terms of these exchanges vary not only over time according to contextual influences, but also across nations according to institutional factors. Just as generous unemployment protection was conceived as a means of facilitating the ‘shake out’ of industry in the 1960s, so some forms and norms of solidarity in social protection can continue
to facilitate and legitimise governmental actions aimed at injecting greater fluidity into the labour market today.

References


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