Paths, politics and patterns of convergence

- A comparative case study of youth unemployment policy change in Sweden, the United Kingdom and France.

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Abstract

The ‘activation’ of labour market policies is a relatively undisputed phenomenon in the concomitant research field. However, welfare regime scholars predict the importance of path dependence in different advanced welfare states’ policy responses to the ever-present problem of mass youth unemployment. The aim of this thesis is to explore the trajectories of youth unemployment policy in Sweden, the UK and France between 1990-2014 in order to determine whether there has been a convergence of policy across different welfare regime types. Using process tracing and motivation analysis methods, the parliamentary debates surrounding four major youth employment programmes are analysed through the juxtapose perspectives of youth transition regime theory and policy convergence theory. The indicators of policy change detected through these case studies are classified under ideational, organizational and financial dimensions developed by Weishaupt (2011). The results of the comparative analysis of the three countries suggest that the youth transition regime legacy in the overarching goals and purposes of policy choices is a strong determinant for policy choice; that patterns of convergence are strongest with regards to subsidization of non-public employers and the expenditures on active labour market measures.

Key words: youth unemployment, youth transition regimes, policy convergence comparative case study, motivation analysis.

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List of abbreviations

ACHI  Actor-Centred Historical Institutionalism
AMPU  Arbetsmarknadspolitiska åtgärder för Unga
ALMP  Active Labour Market Policy
CRI   Compte rendu intégral
CES   Contrat Emploi Solidarité
EES   European Employment Strategy
EU    European Union
FJFV  Fler Jobb och Fler Vägar till jobb
IGO   International Governmental Organization
ILO   International Labour Organization
JDG   Job and Development Guarantee
JSA   Jobseekers Allowance
LMP   Labour Market Policy
NEET  Not in Employment, Education or Training
NDYP  New Deal for Young People
NGO   Non-Governmental Organization
NSEJ  Nouveaux Services – Emplois Jeunes
OECD  Organization for Economic Co-operation and Development
OMC   Open Method of Coordination
PAQUE Preparation active à la qualification à l’emploi
PES   Public Employment Service
PU    Plan d’Urgence
RMI   Revenue Minimum d’Insertion
UG    Utvecklingsgarantin
UK    United Kingdom
VAT   Value Added Tax
WP    Work Programme
YG    Youth Guarantee
YPG   The Young Person’s Guarantee
Table of contents

1 Introduction ........................................................................................................................................... 1
   1.1 Statement of purpose .................................................................................................................. 2
   1.2 Research question .................................................................................................................... 3
   1.3 Structure of thesis ..................................................................................................................... 4

2 Youth unemployment in modern welfare states ............................................................................ 5
   2.1 Definitions of youth unemployment ......................................................................................... 5
   2.2 The shifting landscape of employment studies ....................................................................... 6
   2.3 Youth unemployment policy options ...................................................................................... 7
      2.3.1 Supply side reforms ........................................................................................................ 7
      2.3.2 Demand side reforms ..................................................................................................... 8
      2.3.3 Features of youth unemployment policy choices .......................................................... 10
   2.4 My approach and its place in the literature ............................................................................ 11

3 Theoretical framework ..................................................................................................................... 13
   3.1 Socio-economic transformations in the worlds of welfare states ........................................ 13
      3.1.1 Patterns of globalisation, economic downturns and youth unemployment ....................... 14
   3.2 Political and institutional determinants of youth unemployment policy motives ...................... 16
      3.2.1 Welfare and youth transition regimes ............................................................................. 16
      3.2.2 Unemployment benefit systems in different youth transition regimes .............................. 18
      3.2.3 Party politics and youth unemployment policy change ................................................. 19
   3.3 Idea proliferation and policy convergence theory ..................................................................... 21
   3.4 Different modes of policy convergence .................................................................................... 23
   3.5 The road forward ..................................................................................................................... 24

4 Methodology and data ....................................................................................................................... 27
4.1 Case selection ........................................................................................................... 27

4.2 Selection of national youth employment reforms .............................................. 28
   4.2.1 Selection criteria for national reforms ......................................................... 29
   4.2.2 Brief introduction to the national youth employment reforms ............. 29

4.3 Process tracing ..................................................................................................... 32

4.4 Actor-centred historical institutionalism ........................................................... 33
   4.4.1 Motivation analysis ....................................................................................... 34
   4.4.2 Operationalization: the observable implications of convergence or divergence patterns on policy formation .......................................................... 35

4.5 Validity, reliability and limitations ..................................................................... 35

5 Analysis of youth unemployment policy change over time in the three countries ......................................................................................................................... 37

5.1 Sweden .................................................................................................................. 37
   5.1.1 A brief background on the youth labour market situation in Sweden in the 1990s ........................................................................................................... 37
   5.1.2 Labour market political measures for youth under age 25 (AMPU) .......... 38
   5.1.3 Development Guarantee for Youth (UG) .................................................. 39
   5.1.4 Job and Development Guarantee (JDG) ...................................................... 40
   5.1.5 More Jobs and More Roads to Employment for Young (FJFV) ............. 42

5.2 Discussion and classification of the Swedish youth unemployment policy motives ................................................................................................................. 43

5.3 United Kingdom .................................................................................................. 46
   5.3.1 A brief background on the youth labour market situation in the United Kingdom in the 1990s ................................................................. 46
   5.3.2 Jobseekers’ Allowance Act (JSA) ................................................................. 46
   5.3.3 New Deal for Young People (NDYP) .......................................................... 48
   5.3.4 The Young Person’s Guarantee (YPG) ....................................................... 49
   5.3.5 Work Programme (WP) ................................................................................. 51

5.4 Discussion and classification of the English youth unemployment policy motives ................................................................................................................. 52
5.5 France .......................................................................................................................... 55
  5.5.1 A brief background on the youth labour market situation in France in
the 1990s .......................................................................................................................... 55
  5.5.2 Active preparation for Qualification and for Employment (PAQUE) .... 55
  5.5.3 New Services for Youth Employment (NSEJ) .............................................. 57
  5.5.4 Emergency plan for youth employment (PU) ............................................. 59
  5.5.5 Youth Guarantee (YG) ................................................................................. 60
5.6 Discussion and classification of the French youth unemployment policy
motives ............................................................................................................................... 61

6 Youth unemployment policy motives: The comparative perspective .......... 64
  6.1 Hypothesis 1: Modern welfare states’ responses to periods of economic
downturns ...................................................................................................................... 64
  6.2 Hypothesis 2: Different welfare states’ main purposes for youth
employment outcomes ............................................................................................. 65
  6.3 Hypothesis 3: Youth transition regimes and benefit and employment
policy system configurations ................................................................................... 67
  6.4 Hypothesis 4 and 5: Party politics and propensity for spending and
subsidization .............................................................................................................. 68
  6.5 The European influence .................................................................................... 70

7 Concluding remarks and suggestions further research ............................ 71

8 List of references ........................................................................................................ 73
1 Introduction

Since the early nineties, many European welfare states have suffered from endemically high youth unemployment rates, despite economic fluctuations or Left/Right-wing governments (Eurostat, 2015; Weishaupt, 2011). Since different waves of financial crises have struck Europe from the 1970s until the present day, affecting society as a whole but not the least vulnerable groups on the labour market, even the most advanced welfare states in Western Europe have been obliged to fashion new policy tools and strategies to come to terms with rising youth unemployment (Johansson, 2001; Lødemel – Trickey, 2000; Kildal, 2001; Ladi – Graziano, 2014). Countries such as Sweden, with traditionally high levels of decommodification, Universalistic approaches to social protection and generous social policies for groups exposed to the risk of unemployment and poverty, have incorporated new and more neo-liberal measures in their labour market policies (Johansson, 2001; Kildal, 2001; Esping-Andersen, 1990). This repositioning often entails weakened benefit systems, higher conditionality for benefit entitlement and more demands on the activation of the young jobseekers (Clasen – Clegg, 2011). Many scholars suggest, thus, that this “activation” trend has permeated most national youth unemployment policies in Western Europe (Weishaupt, 2011; Johansson, 2001; Lindsay – Mailand, 2004). It is taking place not only in the Nordic countries, as attempts to ameliorate the employment rates and to solve the socio-economic issues that follow the transformation to a post-industrial society, but in most advanced welfare states (Esping-Andersen, 1990, 1999).

Meanwhile, numerous initiatives within the European Union (EU), such as

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1 “A minimal definition must entail that citizens can freely, and without potential loss of job, income, or general welfare, opt out of work when they themselves consider it necessary” (Esping-Andersen, 1990, p. 23).
the European Employment Strategy\(^2\) (EES) (Goetschy, 1999) and the Youth Guarantee, have been launched to tackle mass youth unemployment over the course of the past twenty-five years, and to address labour market issues on national levels through inter-governmental strategies, goals and funding (Lahusen et al., 2013; Eichorst et al, 2013). With pressure and influence coming from external as well as internal actors and institutions, the conceptualization of the youth unemployment problem at the national level is constantly debated and recast. As opposed to the ‘path dependency’ concept inherited in welfare regime theory (Rothstein-Steinmo, 2002, pp. 95-97), some scholars view the increased globalisation as convergence pressure that over time will streamline policies across different welfare regimes (Drezner, 2001; Bennett, 1991). The changing political landscape throughout Europe, with liberalisation and globalisation of the economy as well as international interdependence, prompts the question of what lies ahead for labour market policy in the modern welfare state? What direction is staked out in the battle against the continuously high youth unemployment, and could it be that the ideas for policy formation in this area are becoming more and more similar across different welfare states? Departing from these questions, I begin my path towards understanding the patterns of youth unemployment policy formation; where it has been, where it is, and where it might be headed.

1.1 Statement of purpose

Since the mid-1980s, governments have faced many possible policy paths in the quest to combat these periodically peaking and continuously high youth unemployment rates. With both internal and external political forces affecting the policy discussion and the policy options available to choose from, the policy outcomes are constituted by a mixture of influences, ideas and forces. My

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\(^2\) “The European employment strategy (EES) was introduced in 1992 by the Treaty of the European Union and since then has been the cornerstone of the EU’s employment policy. Its main aim is the creation of more and better jobs throughout the EU.” (European Commission, 2015).
intention is to closely examine the policies and the motives behind these policies that different welfare states have used to combat youth unemployment between 1990-2014. In order to understand the course that the labour market policies in Western Europe have taken over the past two-and-a-half decade, I choose three countries that in the welfare policy literature are classified as adhering to different welfare regime types with different youth transition regimes (Walther, 2006; Esping-Andersen, 1999; McNeish – Loncle, 2006). The countries I have chosen for this purpose are Sweden (Universalistic regime type), the United Kingdom (UK) (Liberal regime type) and France (Employment-centred regime type) (Esping-Andersen, 1999; McNeish – Loncle, 2006).

All three countries have experienced economic austerity with sharp increases in the youth unemployment as well as structural barriers confounding the readjustment of the unemployment rates, but at different points in time. With the similar exposure to and experience of mass youth unemployment, my approach to the comparison is through the country-specific perception of the problem and the context in which this perception took place, rather than the particular place in time (Kingdon, 2011). I mean to shed light on the three countries’ particular policy trajectories in order to discern the similarities and differences in a comparative analysis. This will provide a better insight of the rationale through which different welfare states operate on the youth unemployment policy issues.

1.2 Research question

The research question that I aim to answer is:

- To what extent have Sweden, the UK and France’s governments’ formation of programmes targeting youth unemployment converged or diverged between 1990-2014?

In order to answer this question, I aim to study key policymakers’ motives used to justify a certain policy or labour market tool, along with the actual policy change so that convergence or divergence tendencies can be detected and
measured. As I deliberate on further in chapter 3, I use different theoretical vantage points that serve both to understand patterns of divergence, which would support ideas of path dependency of youth transition regime legacies, and convergence, which in turn would support the predictions of convergence theory; idea proliferation and policy harmonization. The choice of three different welfare states for comparison enables me to exploit their specificities to strengthen the validity of my conclusions and caters to an interesting analysis and conclusion about the path of the labour market policy in welfare regimes.

1.3 Structure of thesis

In the following, I begin by giving an overview of the subject of youth unemployment, its changing nature over time and how it is understood in the literature. I also elaborate on the different policy options available to target this group and explain how my research fits in to the greater body of youth transitioning literature. In chapter 3, I lay the theoretical foundation necessary to capture the relevant features and flows of changes in youth unemployment policy and formulate hypotheses drawing on mainly youth transition regime theory and policy convergence theory. I account for methodological considerations and the operationalization of the theory through the channels of process tracing and motivation analysis in chapter 4. In chapter 5, I move to present and analyse the central policymakers’ motives in four major youth employment programmes within the country contexts. In the concluding chapters 6 and 7, I carry out a comparative discussion of the results from the country analyses, highlighting the main findings and draw conclusions.
2 Youth unemployment in modern welfare states

In this chapter, I provide a short discussion of the definitions of youth unemployment and give an overview to the issue of youth unemployment in the context of the modern welfare state. I elaborate on how the issue and its underlying factors have been discussed in the literature and the different policy tools employed by policymakers to facilitate transition from school to work for the young and to decrease youth unemployment.

2.1 Definitions of youth unemployment

The generic definition of youth unemployment, applied by the Organization for Economic Co-operation and Development (OECD), the International Labour Organization (ILO) as well as the EU, is a person between 15-24 years of age that is not in employment (Eurostat, 2015a) irrespective of whether that person is enrolled in an upper secondary or tertiary educational programme. A country’s response to high rates of youth unemployment can thus be expected to hinge, to some extent, on the level of enrolment in higher education (Ziegler et al, 2015, pp. 5-7). Many scholars have begun to employ the concept of young people ‘Not in Employment, Education or Training’ (NEETs) as an integrated category in the youth unemployment measures, for the purpose of discerning the specific challenges that different countries and governments face on the issue (Eurofund, 2014, pp. 5-7; Ryan, 2001; Rosenbaum et al, 1990).

Across the globe, in developed as well developing countries, youth unemployment is not only a financial challenge for the social assistance system and a risk of social exclusion for the young, but it also poses a threat to future
public health results and political stability at large (Kieselbach, 2003, pp. 47-50; Ziegler et al, 2015, pp. 3-10; du Bois-Reymond – López Blasco, 2003, pp. 19-22). Whereas regular unemployment, the type of unemployment that concerns individuals that are over 25 years of age, presupposes some sort of work experience preceding the unemployment spell (Trickey – Lødemel, 2011; Clasen – Clegg, 2011), the main characteristic of youth unemployment is the lack of work experience, possibly in combination with the lack of adequate or appropriate education. In the following sections of this thesis, these are the definitions and the understanding of youth unemployment that my approach to the research problem leans on.

2.2 The shifting landscape of employment studies

Numerous scholars of welfare and employment policies have studied the activation trend, ‘from welfare to workfare’, in different country settings and country-clusters (Nordic, Continental and Anglo-American or, correspondingly, Social-Democrat, Employment-centred and Liberal welfare systems) (Weishaupt, 2011; Esping-Andersen, 1990; Johansson, 2001; Lødemel – Trickey, 2000; Walther, 2006). Within this strand of labour market research there is little disagreement over the fundamental impact that the ERM crisis in the early 1990s has had on the unemployment rates in Europe in general, and the severe effects on youth unemployment levels in particular (Johansson, 2001; Kildal, 2001; Martin, 2000; Caliendo et al, 2011).

Many scholars talk about an increase in inequality in Western European states (Emmenegger et al, 2012, pp. 5-10; Whitfield, 2001; Rueda, 2006). The changing face of the labour market structure and labour market policies are both work drivers and consequences of the retrenchment of generous social policies at large and shifts away from the comprehensive and Universalistic welfare state as an ideal (Emmenegger et al, 2012). The consequences that this transformation has had for the labour market across different European welfare regimes are the widened wage dispersion, the flexibilization of labour contracts and the increase in atypical contracts such as fixed-term, part-time or at-will contracts (Ibid). The
broader term that this development has been given by scholars of labour market policy change and regimes is ‘dualization’, meaning the creation of insiders and outsiders on the labour market (Emmenegger et al, 2012; Häusermann – Schwander, 2012; Rueda, 2006; Palier – Thelen, 2012). This process and effect is said to occur throughout different welfare regime, and notably punishes young people the hardest (Häusermann – Schwander, 2012, pp. 33-37; Emmenegger et al, 2012). In the wake of these developments in employment conditions for young people, I turn to the issue of what logics and what specific policy tools policymakers have used to manage the youth unemployment problem.

2.3 Youth unemployment policy options

In the study of youth unemployment policies in Europe, many efforts have been made to divide the different types of active labour market reforms targeting youth unemployment in sub-categories, depending on the nature, purpose and scope of the programmes. Some use the broader categories such as “employment sector” (public or private) or “level of implementation” (national or local) (Fougere et al, 2000), but also whether the supply side of labour (the workers) or the demand side (employers) is targeted. In this thesis, I focus on youth employment programmes at the national level with both demand and supply side features and how these are believed to counter youth unemployment among the policymakers. In what follows, I give an overview of the possible and plausible policy options for these actors.

2.3.1 Supply side reforms

*Human Capital Investments.* A central tool in the pallet of youth unemployment policy measures is efforts to increase the young person’s aptitude and experience for employment (Bonoli, 2011, pp. 320-322). These methods are often taken together with school-systems and vocational training opportunities already in upper secondary school, as ‘vocational training’ can have both meanings. In many studies, the benefits of a functional vocational training or apprenticeship
are taken as a given, with its objective to prepare young people for the labour market through higher education and skills acquired thereby, for the work-life and the necessary transition from school to work (Biavaschi et al., 2012; Soskice, 1994). The remuneration that the young receive through their trainings is often lower than what the corresponding salary would be. This is however accepted among the different parties, as the apprentices are not yet perceived as qualified for ordinary employment.

*Employment assistance.* This type of reform is a common labour market policy tool aimed at enhancing the supply-side of labour, namely the jobseeker and their aptitude and possibilities of finding vacancies and fitting themselves to a suitable job. Courses and workshops organized by the PES or private job distribution agencies might be offered, aimed at helping young people writing CV’s, get practice at interview situations and learn how to promote their strengths (Bonoli, 2011, p. 321-323).

*Incentive reinforcement.* Measures intended to decrease the duration and/or level of unemployment benefits, or in other ways making the remuneration for young unemployed contingent on active participation or counter-performance (Knotz – Lindvall, 2015; Martin, 2000) are called “incentive reinforcements” with a common word. By reducing such passive labour market policies, which originally are put in place to protect the unemployed against the economic risk of having no income, the intended effect is to motivate the unemployed to search more actively for jobs rather than remaining dependent on benefits (Ferrera – Rhodes, 2000).

### 2.3.2 Demand side reforms

When discussing active labour market policies and reforms, it is usually the supply side of labour that is in focus, aimed at enhancing the capacity and possibility for the jobseekers to acquire an employment through both empowering trainings and preparatory programmes. However, in the labour market policies nexus the supply side reforms are interconnected and interplay
with the demand side reforms and interventions. Notwithstanding the economic cycles that may render the national economic climate favourable or unfavourable for hiring new staff (due to the interest rate and the cost of loaning money to expand the staff), there are other factors determining the willingness among employers to hire a young person (Martin, 2000; Bell – Blanchflower, 2011). On such measure is tax breaks or decreases in employer fees for companies aimed at lowering the threshold for young people transitioning into work. The drawback of this reform is that there is no waterproof way of guaranteeing that the higher disposable income for the companies will be used for employing young people.

Another way to stimulate job creation through demand side interventions is to introduce youth wages, that may fall below the ordinary wages for non-youth workers, in order to make it less costly and more attractive for employers to hire young people. Some argue that this reform, although favourable for employers who otherwise would not afford hiring another worker, similar to subsidized employment also creates crowding effects and instead lead to the dismissal of non-youth workers with higher salaries (Martin, 2000).

A related measure is to loosen employment protection laws, intended to prevent dismissals without causes such as ‘grave misconduct’ and to allow for at-will contracts or other types of contracts than permanent employment. This relaxation of employment laws aim at increasing flexibility at the labour market and facilitating labour market access and entry for young people (Wolbers, 2007; Noelke, 2011). The UK is typically given as an example of countries where the flexibility and volatility is high on the labour market, which on the one hand may lead to high turnover at different workplaces, but also shorter unemployment spells since the thresholds to the labour market are lower (Blasco et al., 2003; Lewis et al., 1998; Eurofund, 2014).

*Direct employment subsidies.* These jobs are sponsored by the government and are aimed at activating the young jobseekers through real work experience from either public or private employers. These reforms are efficient in increasing the activation rate among young people, as the government subsidizes the positions with the employer and thus does not require other expenses from that party. On the other hand, this type of labour market policy may also cause ‘crowding effects’. This means that the ‘free labour’ that the employer receives from the
subsidized youth worker may prevent the employer from hiring another candidate for the job, due to the relative higher cost of an ordinary employment vis-à-vis the subsidized position (Enjolras et al, 2000, pp. 42-65; Trickey – Walker, 2000, pp. 194-207).

2.3.3 Features of youth unemployment policy choices

I draw on the different youth unemployment policies, demand side and supply side oriented, presented above along with the work of Clasen and Clegg (2011) and Bonoli (2011), and their contributions to our conceptual understanding of different unemployment policy regimes in the activation spectrum. Through these, a comparison that focuses on the vital and general aspects of youth unemployment policy is possible.

Needless to say, these categories function as ideal types in the study of labour market reforms and imply broad ‘umbrella concepts’, to prevent the following cross-country comparison to be stunted by too country-specific features. The categories should still cover all the different aspects and varieties of the youth unemployment policies that have occurred over the past 25 years, however. I draw on the different policy types and features presented in Table 1 when tailoring an analytical model for the comparison of Sweden, the UK and France in chapters 5 and 6.
### Table 1. Labour Market Policy tools

<table>
<thead>
<tr>
<th>Demand side reforms</th>
<th>Supply side reforms</th>
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<tr>
<td><strong>Human Capital Investment</strong></td>
<td><strong>Tax policy</strong></td>
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<tr>
<td>Vocational training (upper secondary school)</td>
<td>Tax breaks employers hiring young workers</td>
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<tr>
<td>Vocational training programmes</td>
<td>Tax reduction on goods and services provided by youth employers</td>
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<td>Dual apprenticeship system</td>
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<tr>
<td>Placement services (Public or private)</td>
<td><strong>Youth wages</strong></td>
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<td>Counselling</td>
<td>Wage adjustments for the young</td>
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<tr>
<td><strong>Employment assistance</strong></td>
<td><strong>Employment subsidies</strong></td>
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<tr>
<td>Job search programmes</td>
<td>Publicly funded employment for the young</td>
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<tr>
<td><strong>Incentive Reinforcement</strong></td>
<td><strong>Employment protection</strong></td>
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<td>Time limits on benefit recipiency</td>
<td>Last-in-first-out policy</td>
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<tr>
<td>Benefit reductions</td>
<td>Affirmative action for young jobseekers</td>
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<tr>
<td>Benefit conditionality (sanctions for failing to meet the requirements for active job searching)</td>
<td></td>
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### 2.4 My approach and its place in the literature

The youth policy literature suggests the importance of regime legacy and ‘path dependency’ on policy design on the one hand and the relatively newer convergence literature points to the pressure from globalisation and economic forces to streamline policy goals on the other (Lødemel, 2000, p. 305-319). In Fenger’s comparison of welfare regimes, she concludes that there is no evidence of a general adaptation of governance models in Europe in the unemployment
policy governance field, from her comparison of four European countries (2006, pp. 85-87). Conclusive answers, though, as to whether the effects from Europeanization and Open Method of Coordination (OMC) processes have paved way for a coordinated and converged youth unemployment policy among the European Union member states (Drezner, 2001; Bennett, 1991) or that the legacies of each country’s institutional and political legacies indeed prevail and keep the systems ever-diverged, have not been provided (Eurofund, 2014; Rothstein – Steinmo, 2002; Russell - O’Connell, 2001). These juxtaposed sets of findings leave a gap in the research field, which points me forward. Since some years have passed since the 1990s crisis and the Great recession in 2008-2009, during which period the three countries in my comparison have experienced changes of governments, it is pertinent to pick up the thread where it was left and try to shed new light on the path for European welfare states.

I choose to look at the motives in statements, debates and argumentations coming from members of parliament in Sweden, France and the UK in order to understand the motive behind reforms and policy change. The analysis of ‘motives’ aims at mapping “the conscious considerations that an actor make prior to a decision” (Esaiasson et al, 2007, pp. 325, 334-335). Drawing on the periods during which the three countries have experienced high levels of youth unemployment and perceived it as a problem (Kingdon, 2011), I am able to compare the justifications for policies and the cross-temporal as well as cross-sectional changes. By studying the policy changes both in terms of the financial and organizational arrangements of the youth employment programmes and of change in ideas and “declared intentions” (Weishaupt, 2011, pp. 62-67) among the policymakers, I can capture the nuances of the different rationales over time.
3 Theoretical framework

In this chapter I discuss the theoretical framework that I use to understand youth unemployment policy output and change as well as the key national policymakers’ motives for certain policies under different political and institutional settings and in different global financial conditions. Since my aim is to uncover the divergence or convergence of policy motives, I draw on youth transition regime theory to understand the incidence of divergent patterns and of policy convergence theory to understand the incidence and different features of policy convergence. I formulate hypotheses in connection to the different factors that the regime change and youth policy literature propose as drivers behind youth unemployment policy in different youth transition regimes, that in the end amount to an answer to my research questions:

- To what extent have Sweden, the UK and France’s governments’ formation of programmes targeting youth unemployment converged or diverged between 1990-2014?

The hypotheses are used to guide the search for observable implications of the theoretical vantage points in the analysis chapter 5, rather than assumptions that are to be accepted or falsified through the process of hypothesis testing. In chapter 6, I reiterate to the hypotheses in the comparison of the countries’ in relation to the motive and policy changes they have undergone.

3.1 Socio-economic transformations in the worlds of welfare states
In this introductory part of the theoretical chapter, I draw on globalisation theory concepts and youth transition and welfare regime change theories in order to establish a foundation for my later perspectives on how and why policies in general and youth unemployment policy regimes in particular may change over time and how actors’ and their motives and intentions matter in that context.

3.1.1 Patterns of globalisation, economic downturns and youth unemployment

The point of departure for this thesis is the changing face of the welfare state and its responses to the problem of high youth unemployment rates, in the light of the socio-economic developments and the new modes of steering that the welfare state has undergone over the past few decades. Like in all periods of societal changes, ideas and interests arriving both from internal and external actors play a determining role and it is in the interaction between the two that change takes place (Pierson, 2006; Clasen – Clegg, 2011). The oil crisis in the early 1970s confronted advanced capitalist welfare states with severe economic volatility, which marked a starting point for endemically high youth unemployment rates (Lundin, 2007; Kjeldsen – Bonvin, 2015, pp. 19-21). During the 1980s, influential streams of neoliberal ideas and policies were characterising not only Liberal welfare states such as the UK, but also countries with Universalistic legacies such as Sweden started a shift away from the broad macroeconomic goals of full employment and towards balanced budget and low inflation (Lindvall, 2010; Brenner, 2004). The European unemployment rates fluctuated indeed over the 1980s, 1990s and 2000s, but in general stayed higher than it was prior to the 1970s crisis (Lindvall, 2010; Weisbaupt, 2011, pp. 104-105). In the wake of global financial recessions and increased volatility, many governments were obliged to cut public spending in order to restore the budget balance and to avoid sinking deeper into down-turning economic cycle. Others took the opportunity to deregulate markets that were formerly nationalized in order to increase efficiency, cut public costs and spur economic growth (Emmenegger et al, 2012; Lindvall, 2010). The liberal wave that swept through the Western world in the late 1970s and early 1980s also touched upon countries
with prior long-lasting periods of Social Democratic and strongly corporatist governments, such as Sweden and France. This marked a new era in which ideological and path-shifting streams from the Right were possible and among large parts of the electorate also sought-after. These changes not only caused cyclical youth unemployment spikes, but also commanded cuts in high cost welfare programmes such as unemployment funds (Aeberhardt et al, 2011), labour market programmes and benefit duration periods (Lindvall, 2010, pp. 24-25). Lødemel argues that despite the party politics in or the regime inheritance of a certain country, a large-scale problem such as mass unemployment following economic austerity, leads governments to retrench passive measures as a response to the economic hardship (2000, pp. 317-318). Thus, we may assume that the periods of prolonged financial downturns that Sweden, the UK and France experienced in the early 1990s and around 2008-2010 (Pierson, 2001; O’Higgins, 2012; Carcillo et al, 2015) caused either cuts or reallocation of funds in welfare programmes at large in order to balance the budget.

_Hypothesis 1. At periods of economic downturns, modern welfare states’ governments argue for the decrease of funding for passive youth unemployment measures (benefit duration and generosity of benefits)._ 

This hypothesis also relates to the issue of the increase of benefit conditionality (Scruggs – Allan, 2006), which similarly can be assumed to increase under financial austerity and possibly be exacerbated by the political ideology of the incumbent government (further discussed in 3.2.2.)

The structural unemployment among young people did not recover from the decisively large jumps they took across different European welfare regimes in the 1980s and early 1990s (Lindvall, 2010; Weishaupt, 2011, pp. 118-120). As we can tell from reviewing Figure 1 below, the high youth unemployment levels that marked the beginning of the 1990s barely recovered towards the end of the same decade (except in France), only to leap up again around the beginning of the new millennium and stagnating/started to decrease as late as in 2013.
3.2 Political and institutional determinants of youth unemployment policy motives

The comparative approach of this thesis necessitates a discussion on how to think about and treat the three welfare states Sweden, the UK and France as case units, based on their legacies from before the period of interest. I discuss these topics in earlier sections in this chapter. Of course, the assumption that the three countries showed essentially traits different in many aspects of socio-economic policy regime in the period when my study departs, early 1990s, are the linchpins for the relevance of my research question: whether such different countries may nevertheless converge in policy regimes over time?

3.2.1 Welfare and youth transition regimes

The regime model, notably developed by Esping-Andersen (1990) and Korpi and Palme (1998), involves the three main welfare regime types in the ‘world of

Source: Eurostat, 2015b.
welfare capitalism’ and presumes elements of path-dependency, stability and observability of institutions and overall an institutional perspective on change. Other efforts along the same line hypothesize that government constellation and ideology matters little for the generosity of benefits in employment programmes (Rueda, 2006). This, too, contributes to the idea that institutional composition and legacy matters more than government composition. Other scholars such as Walther - Pohl (2005), Gallie - Paugam (2000) and McNeish – Loncle (2003, pp. 118-119) have developed a model that provides a suitable foundation for regime comparison through incorporating the transition patterns from school-to-work for young people into the model. It is by and large an elaboration of Esping-Andersen’s famous welfare regime model (1990), with the Universalist, the Liberal and the “Employment-centred regimes” replacing the Conservative regime types, encompassing France and Germany.

In the Universalistic regime type, to which Sweden adheres, both the school and the training system are broad and inclusive and not specifically tied to employers’ or occupational demands and qualification. This provides a large part of freedom and focus on the individual’s choice and inclination in terms of acquiring skills for a future career. The unemployment benefit system is comprehensive and inclusive (Walther, 2006; Eurofund, 2014, p. 27). Overall, youth policies focused on the provision of educational opportunity are the objectives within the Universalistic regime type (McNeish – Loncle, 2003, pp. 118-121). Further, strong employment protection in terms of relatively high minimum salaries and last-in-first-out policies signifies the Universalistic youth transition regime.

The Liberal regime type, to which the United Kingdom belongs, is characterised by low thresholds to the labour market but a greater degree of expectation on financial independence of the young person from young age. As a larger share of the youth population leave school early (Breen, 2005; Lindley, 1996) and the education system is not specifically geared towards the labour market per se, many young do not transition smoothly into employment. The unemployment benefit system is less generous and inclusive for the young unemployed (Eurofund, 2014, p. 27; Walther, 2006). The objective for the youth policies within the Liberal regime type, in general terms, is employability and economic independence among the youth (McNeish – Loncle, 2003, pp. 118-
The Employment-centred regime type, to which France counts, is signified by their selective and standardised educational and training system that to a high degree corresponds with the demands from the labour market and employers (Eurofund, 2014, p. 27). For France specifically, it is the vocational training in upper secondary school that is the linchpin of the transition phase, which is to some extent stigmatising for the young and also contributes to a segmentation of and higher thresholds to the labour market (Walther, 2006). On the other hand, the system can be considered as enabling for young people from socio-economically disadvantaged families, as the pre-vocational training through the secondary education may pave way for a stable employment in a non-academic profession. In the Employment-centred regime type, it is the vocational qualifications and the allocation of young people to social positions that is the focus of the youth policies (McNeish – Loncle, 2003, pp. 118-121).

Drawing on these regime ideal types and their broader objectives for their youth unemployment policy, I formulate the second and third hypotheses:

Hypothesis 2. Youth transition regimes matter for the governments’ objectives for the youth employment programmes:
2a: Liberal youth transition regimes’ governments emphasize economic independence of the young in the formation of youth unemployment policies
2b: Universalistic youth transition regimes’ governments emphasize the provision of educational opportunity.
2c: Employment-centred youth transition regimes’ governments emphasize vocational qualification in the formation of the youth unemployment policies.

Thus far, we know how to think about and expect behaviour, reforms, suggestions of solutions and ideas within the different youth transition regimes. In the following, I break down the mechanics of the clockwork that guides youth unemployment policy change in different regimes.

3.2.2 Unemployment benefit systems in different youth transition regimes
With the changing economic landscape in Europe along with the shifting demographic compositions with increased mobility and migration, the national labour markets have begun to face new challenges regarding putting young people to work and further integrating new citizens (Goodwin – O’Connor, 2005). It is the adaptability, commitment and reform capacity of the national governments that ultimately determines the smoothness of the acclimatisation to new labour market, social and educational contexts, according to some transition researchers (Kieselbach, 2003; Cachón Rodríguez, 2003, pp. 67-80). Given the emphatic activation trend discussed in the previous chapters, the mixture of flexibility and security in the youth unemployment policy, and the overweighing emphasis on the one or the other, determines the level of risk transfer from society to the individual level (Stauber et al, 2003, pp. 243-257; Elm Larsen, 2005, pp. 135-140; Barbier, 2005, pp. 113-120; Trickey, 2000). These features relate back to the different youth transition regime types and their expected responses and strategies to combat youth unemployment in the new contexts of delayed adulthood, labour market changes and the risk of social exclusion associated to these issues (McNeish – Loncle, 2003, pp. 111-121). Thus, I formulate the third hypothesis:

Hypothesis 3. *Youth transition regimes matter for the governments’ objectives for the formation of benefit systems for the young unemployed.*

3a: *Universalistic and Employment-centred (high-committed) countries suggest security measures or balanced flexibility and security measures for the young unemployed.*

3b: *Liberal (low-committed) countries favour flexibility measures at the expense of security or balanced flexibility and security measures for the young unemployed.*

3.2.3 Party politics and youth unemployment policy change

There are different theorizing attempts made in order to suggest how change takes place, and the main concepts brought forth by the actor-centred historical institutionalists Weishaupt (2011), Streeck and Thelen (2005) as well as Hall
and Soskice (2001) is reshuffling, realignment\(^3\) and reassessment\(^4\). Reshuffling means changes in actor constellations, made possible through elections or new government formations and alliances post elections. The political incumbents and allies’ positioning on the Left/Right scale may matter for the youth unemployment policy formation to the extent that traditional Social Democrat, Christian Democrat, Liberal or Conservative values and ideological key points are influencing the general direction of the pursued politics (Weishaupt, 2011; Korpi – Palme, 2003). In addition to this, the public opinion and expectations on the incumbent party or alliance of parties also influences the incumbents’ actions. The propensity for cut spending on youth employment can be expected to hinge on the constellations and ideological positioning of the office holders (Weishaupt, 2011, pp. 49-51; Amenta, 2003, pp. 104-106). Further, the propensity for supporting private or non-public employers, as both a demand side incentive to hire is, also, closely connected to party politics (Ibid).

Hypothesis 4. Government placement on the Left/Right political scale matters for youth employment spending propensity:

4a: *Left-wing governments increase overall spending on youth unemployment policies.*

4b: *Right-wing governments decrease overall spending on youth unemployment policies.*

*Hypothesis 5. Government placement on the Left/Right political scale matters for subsidization of non-public employers:*

5a. *Left-wing governments prefer no subsidization of non-public employers.*

5b: *Right-wing governments prefer subsidization of non-public employers.*

\(^3\) “How competing interests are mediated, coalitions are formed and pacts are negotiated. Hence it is not only a matter of who is “in power” but also what resources these actors have and what allegiances are possible” (Weishaupt, 2011, p. 51).

\(^4\) Focuses on “the underlying ideas and collective puzzling that motivates politics” (Weishaupt, 2011, p. 53).
If I find support for these hypotheses in the country analyses, it initially implies that preferences for certain policies are more contingent on the ideas and ideologies of the dominant political party or government coalition than on youth transition and welfare regimes’ specific institutional settings (Kumlin, 2002, pp. 20-25; Korpi – Palme, 1998; Scruggs – Allan, 2004). However, if I find in the comparative discussion that the propensity for spending and/or promotion of subsidization of non-public employers correlates between the three countries at the last phases in time (where I assume that convergence may have taken place), irrespective of incumbent government party, there is support for convergence patterns. Conversely, it would imply a weakening of the assumption that youth unemployment policies converge overtime if the spending or subsidization propensity did not correlate across countries cross-temporally.

3.3 Idea proliferation and policy convergence theory

In this section, I present the juxtapose idea to youth transition regime theory through the policy convergence theory. The main argument, which I presented in the initial discussion about the patterns of globalisation and the externals pressures on states to conform policy responses, is that idea proliferation among policymakers takes place through ideational or economic driving forces (Drezner, 2001). Through channels of experts, inputs from multiple actors (IGOs, NGOs, advocacy groups, citizens’ initiatives etc.) along with the inclination to copy ‘best practices’, especially in the EU context, different states are expected to conform their policies over time (Drezner, 2001; Bennett, 1991). Part of the research field concerned with labour market policy shifts zoom in on the importance of supra-national influences, both in terms of trade relations and global liberalisation trajectories, but also from an institutional point of view. The impact of the EU, the establishment and impact of the EES and the practice of OMC within the European cooperation is either the central, or in many cases studied as an integrated, part of the analysis as the independent variable (Emmenegger et al, 2012; Valadas, 2006, pp. 213-218; Serrano Pascual, 2003, pp. 86-88). The ‘Europeanization’ and coordination of social policies in Europe
is regarded as a natural stepping-stone towards a stronger cohesion and more efficient financial cooperation. This, in turn, hinges on efficient labour markets in the member states that can manage to prepare its young populations for a future where flexibility and adaptability is becoming increasingly important (Serrano Pascual, 2003, pp. 86-100).

Other researchers have taken a purely theoretical perspective on policy change as responses to the youth unemployment problem in their studies. Some hold change occurring through the mechanisms of ‘mimetic isomorphism’ (to imitate another organization’s strategy which is perceived to be the ‘best practice’) in the OMC framework as a viable change factor (Meijers – Te Riele, 2004; Lindsay – Mailand, 2004). Others place greater importance in intergovernmental cooperation and the de facto effects and impacts that organizations like the EU, or the OECD, with initiatives like the Luxembourg Summit 1997, with the purpose of promoting the integration of young people in the labour market, the Maastricht Treaty and the aforementioned EES have had on national policy responses (Weishaupt, 2011, pp. 151-155; Lahusen et al, 2013; McNeish – Loncle, 2003, p. 105). Primarily due to the fact that youth unemployment was first discussed as a European problem and not only a national one, calling for some sort of collective understanding and deliberation, and in the wake of the 1992 crisis, the role of the EU as “idea proliferator” was initiated (Weishaupt, 2011, pp. 156-157; Rothstein - Steinmo, 2002).

Given that the three countries in my comparison all exist and act within the same European framework, notwithstanding the fact that Sweden only became a member of the EU in 1995, it is safe to assume that 1) the different channels through which policy diffusion and convergence may occur is equally accessible for all countries and 2) the EES been in effect for long enough period of time to have had a chance to influence both the debates and the national policy outputs. Thus, regardless of whether the central policymakers in the three countries studied verbally express or admit to an intention to streamline national policy with the set EU youth agenda, the EU can be assumed to exert convergence pressure on the member states concerning the youth unemployment policy.
3.4 Different modes of policy convergence

Scrutinizing convergence or divergence in policy motives of the three countries, I draw on Streeck and Thelen (2005) who predict three scenarios regarding transformation of welfare states, that are the most likely to occur over time looking across nations. These are; continued divergence, *uni-* or *multi-modal* convergence (convergence over one or a couple of policy areas only) or *partial* convergence where “countries will retain some of their original institutional characteristics while adopting a mix of similar instruments in other areas” (Weishaupt, 2011, p. 61). The mechanisms through which these scenarios may arise and policy regime change may take place are *layering* (new institutions are added to already existing ones), *conversion* (already existing institutions are modified and get a new purpose and function) or *exhaustion* (an institution is redundant and withers away) (Streeck – Thelen, 2005, 19ff).

Lødemel discusses whether a convergence across nations and different types of workfare, or activation programmes, for general unemployment can be ascertained (2000, pp. 303-310). He points out the multi-levelled challenges that the concept of convergence and policy diffusion pose, when some fundamental trends such as activation and workfare programmes in Western Europe have gained ground whereas the configurations and designs of national unemployment programmes are still differing and largely following the path and legacy of the country regime (Ibid; Seeliger, 1996, p. 289). The notion of *qualified* convergence, then, is when a system was dissimilar from another system at a first point in time has assumed the same traits at a later point in time, or when both systems (or three considering the case for this thesis) assume a new programme or policy regime pattern⁵. As a predecessor for a qualified

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⁵ “The operational definition of convergence used in this thesis is: To classify the relative direction of policy developments in two countries (e.g. country A and B) we need to have one measurement for each country at one point in time (t1) and a second pair of measurements at a later point in time (t2). Becoming more similar (convergence) presupposes objective- i.e. measureable – differences in t1. Between t1 and t2 country A, country B or both countries must have initiated measures that have reduced the difference measured in T1” (Øverbye, 1998, p. 150).
convergence is the *nominal* convergence, when a country or other unit of comparison accepts a new policy regime or programme when none was before (Lødemel, 2000, pp. 305-307). This is an important foundation for my comparative approach over time to which I reiterate in the comparative discussion regarding the policy trajectories of Sweden, the UK and France in chapter 6.

3.5 The road forward

In the previous sections I have elaborated on the institutions and actors and the different conditions and channels for policy change and the different modes of convergence or divergence. This discussion boils down to a theoretical model, or an ‘Analytical grid’, that comprises and considers the different modes and channels for policy change and that serves as a classification scheme for policymakers’ motives and intentions which is the focus point of this thesis. This Analytical grid consists of three dimensions through which I look at the policy deliberations and the suggested policy changes. These are; the *ideational dimension*, the *organisational dimension* and the *financial dimension* (Weishaupt, 2011, pp. 60-67). The ideational dimension relates to the subject of actor’s ideas (cognitive and normative) and the goals and intentions behind these ideas for the youth unemployment policy. Questions like: *What kind of policy shall be considered and launched? How comprehensive should the programme or reform be, and whom should it target? And, which actors should be involved and for what reason?* are considered within the confines of this dimension. The organisational dimension relates to the governance and the delivery of labour market services for the young that is in place in a country context. *On what level shall a policy implementation take place, and by what type of actor (public or non-public, state or non-state)?* The financial dimension relates to the locus of expenditure that is considered in each country context for the youth employment and youth labour market policy strategy at large.

These three dimensions form a model for classifying the nature and content of the central policy actors’ motives in the policy formation process and relate
back to the five hypotheses. They are meant to facilitate the visualization of the classification of different motives and policy configurations that the countries’ governments have intended on the subject of youth unemployment policy over time in a clear and intersubjective way. In Table 2 below, the different labour market policy areas, and aspects of them that may be discussed in the policy deliberations, are presented in the column on the left. Then, following the rows, the two or three different policy options possible that the national policymakers within the corresponding policy area may propose are presented, without any intermutual order.
<table>
<thead>
<tr>
<th>Labour market policy areas</th>
<th>Ideational dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incumbent government's intentions for public expenditures on youth employment</td>
<td>Decrease overall spending for youth unemployment</td>
</tr>
<tr>
<td>Incumbent government's intended goal for youth employment programme</td>
<td>Improve individual's employability</td>
</tr>
<tr>
<td>Main purpose of youth employment programme outcome</td>
<td>Economic independence of youth</td>
</tr>
<tr>
<td>Conditionality of benefits</td>
<td>Increased benefit conditionality or unemployed suggested by government</td>
</tr>
<tr>
<td>Design of youth unemployment policy and benefit system</td>
<td>Flexibility</td>
</tr>
<tr>
<td>Sector specificity of reform</td>
<td>Service sector jobs favoured</td>
</tr>
</tbody>
</table>

**Organisational dimension**

<table>
<thead>
<tr>
<th>Main provider and administrator of employment service</th>
<th>Public</th>
<th>Non-public</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of employer targeted</td>
<td>Public</td>
<td>Both public and private</td>
</tr>
<tr>
<td>Level of centralization of main implementation of reform</td>
<td>Central</td>
<td>Regional</td>
</tr>
<tr>
<td>Subsidization</td>
<td>Subsidization of non-public employers</td>
<td>Lowered subsidization of non-public employers</td>
</tr>
<tr>
<td>Number of actors included in unemployment reform</td>
<td>Few</td>
<td>Several</td>
</tr>
</tbody>
</table>

**Financial dimension**

<table>
<thead>
<tr>
<th>Loci of expenditures</th>
<th>Both passive and active measures</th>
<th>Passive measures</th>
<th>Active measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governments' intention to decrease funding for active labour market measures</td>
<td>Governments' intention to decrease funding for passive labour market measures</td>
<td>No decreased in funding of youth unemployment measures intended by the government</td>
<td></td>
</tr>
</tbody>
</table>
4 Methodology and data

In this chapter I account for the case selection logic, the method framework consisting of process tracing and motivation analysis as well as how these choices affect my rationale for selecting material, validity and generalizability of the results. Further, I present an overview of the empirical material and of how the operational tools, derived from the theoretical framework are used in the following comparative analysis.

4.1 Case selection

I intend to observe the motives and preferences of the central policymakers involved in the formation of youth employment programmes diachronically and synchronically. This is sometimes referred to as a cross-temporal and cross-sectional study, and aims highlight the temporal development of youth unemployment policies to find substantial evidence for divergence or convergence patterns (Gerring, 2004; Lahusen et al, 2013). For that purpose I apply the ‘most-different’ design logic (Anckar, 2008; Lijphart, 1971) to my selection of countries. This is sometimes referred to as ‘maximum variation sampling’, a logic through which the researcher seeks to discern patterns that the country cases share, despite their inherit differences in the independent variable (Patton, 1990; Gerring, 2004; King – Keohane – Verba, 1994, pp. 137-138). The independent variable in this thesis is the institutional and historical characteristics in terms of youth unemployment and youth transition policy regimes of Sweden, the UK and France, discussed in the previous chapters. These countries represent different schools and traditions when it comes to the solutions and considerations to youth unemployment issues, considering the general policy courses from the 1950s and until the start of the 1990s. Furthermore, these are countries that across policy fields, and even across Left-
and Right-wing governments, have differed in form and content of the broad political courses.

The possibilities that ‘few cases’, qualitative studies yield, compared to large-N quantitative studies, are the depth and amplitude of data and information that can be obtained about the selected cases (Collier, 2011; Patton, 1990; Ritchie - Lewis, 2003, pp. 5-15). However, these qualities hinge on the selection rationale for the case studies, which have consequences for the generalizability of the conclusions emanating from the comparative analysis (Seawright – Gerring, 2008). Thus, the conclusions I draw from the analysis of the empirical evidence are tuned to fit the scope and possibilities that the small-n research design is limited to.

4.2 Selection of national youth employment reforms

For the sake of conciseness and due to time constraints, I choose to focus on the parliamentary debates surrounding four major youth employment reforms in each of the countries that occurred between 1990 and 2014. This time period is comparable across countries given the similar influences from the external factors: the financial crises and the increased EU engagement in the youth unemployment policy field, which have affected them. These reforms and a brief description of them are presented in section 4.2.2.

Since my objective is to understand and interpret the motives and intentions of the parliamentarians involved with the considered and/or implemented reforms, I primarily study sources such as transcripts, oral and written questions and answers to concerned ministers regarding the youth reform in question, as well as minutes from deliberations, debates and speeches on the issue. Secondly, I use material such as assessments and motions from concerned committees (e.g. Employment, Social affairs, Education Committees), as objects of analysis as well as for providing background to the scope and content of the reform. The lion share of the material I use for the analysis is acquired through the digitalized archives provided by each country’s parliament. For the earliest reforms in the
UK and France, some of the parliamentary records have been retrieved through archive studies at the parliamentary archives in London and Paris.

4.2.1 Selection criteria for national reforms

In the realm of youth employment reforms, there are many variations with respect to scope, target populations, involved actors and sectors instrumental in the implementation process or types of jobs sought to stimulate and allocate. In the ideal methodological design, the forms chosen within a country and for the purpose of cross-country comparison are as similar in scope, target, sector- and actor specificities but leave enough room for variation in policy design. In order to approach these ideal criteria, I study reforms that are comprehensive in scope, namely aiming to target young unemployed people at large or young people with a disadvantage on the labour market (e.g. NEETs). The reforms are still similar, however, in the way in which they seek to stimulate or create jobs, be it with supply or demand side policy tools. Further, I target the reforms that were more or less close in time, to account for external financial or institutional influences, such as EU initiatives or fluctuations in the international economy. Finally, I draw on the reforms that other researchers have favoured for cross-country comparative purposes, on similar premises as my own and that are established in the literature as central and significant measures within the three countries. In the following, I present the four reforms chosen for Sweden, UK and France and the material relating to these reforms that serves as the foundation for studying the policy formation process.

4.2.2 Brief introduction to the national youth employment reforms

**Sweden**

1991-1992: *Labour market political measures for youth under age 25* (Om arbetsmarknadspolitiska åtgärder för unga under 25 år) (Prop. 1991/92:124). Presented by the Conservative government (Prime minister Mr. Bildt). This reform sought to provide young people without a two-years minimum upper secondary education with job training, to close the gap to labour market entry.
1998: *Development Guarantee Programme* (Utvecklingsgarantin), introduced through the *Municipalities’ Act for Young People Between 20 and 24 Years Old*. Presented by the Social Democratic government (Prime minister Mr. Persson). This reform sought to expand and improve the possibilities for young people to acquire employment and/or the option to continue post-secondary education by the allocation of funds to the municipalities and local PES offices.

2007: *Job and Development Guarantee/Restart jobs* (Jobbgarantin för ungdomar/Nystartsjobb). Presented by the Centre-Right Coalition government (Prime minister Mr. Reinfeldt). This reform sought to motivate young unemployed people to become more active in their job search activities, through increasing benefit conditionality, but also through improving job search assistance at the PES. The *Restart jobs* clause of the new act offered tax breaks for employers who employed young people and also decreased employment fees for the same purpose.

2011: *More Jobs and More Roads to Employment for Young* (Fler jobb och fler vägar till jobb för unga). Presented by the Centre-Right Coalition government (Prime minister Mr. Reinfeldt). This act decreased the VAT (value added tax) for restaurant businesses, with the purpose of making it more affordable for such employers to hire young people. The same act also sought to increase the number of slots at post-secondary school education programmes.

**United Kingdom**

1996: *Job seekers’ allowance Act*. Presented by the Conservative Government (Prime minister Mr. Major). The purpose with this act was to motivate a more active job search amongst the young unemployed and to step away from less conditional unemployment benefit disbursements (Jobseekers act 1995).

1998: *New Deal for Young People*. Presented by the Centre-Left government (Prime minister Mr. Blair). This reform was designated to be a three-phase programme with job search assistance and individual action plans facilitated by the PES offices as a first step, and a training or internship programme for the ensuing period if the young person has not found employment in the first phase.

2009: *The Young Person’s Guarantee*. Presented by the Centre-Left government (Prime minister Mr. Brown). This reform guaranteed the young unemployed individual an employment, a state-subsidized employment or a
training position after twelve months of unemployment. The key employment sectors were retail, tourism and hospitality and the funding was drawn from the Future Jobs Fund.

2011: Work Programme. Presented by the Conservative-Liberal coalition government (Prime minister Mr. Cameron). This programme sought to engage employers in job creation for young people (as well as adults) who were less likely to find employment. This plan was funded by the government through bonuses for the employers and sought to help participants to come off benefits (DWP, 2012).

**France**
1992: *Preparation active à la qualification à l’emploi* (PAQUE) (Active preparation for the qualification to employment). Presented by the Left coalition government (Prime ministers Mme. Cresson and M. Bérégovoy). This programme sought to aid young people without upper secondary school diplomas to achieve such, or to prepare them for ordinary work through subsidized employments.

1996: *Nouveaux Services – Emploi Jeunes* (NSEJ) (New services for young unemployed). Presented by the Conservative government (Prime minister M. Juppé). This programme sought to stimulate employment in “new service jobs” through government subsidies to employers who chose to engage young people.

2009: *Haute Commissaire à la Jeunesse/Plan d’Urgence* (High commissary for youth/Emergency plan). Presented by the Conservative government (Prime minister M. Fillon). This reform sought to cut taxes for enterprises and employers who chose to engage young people in employment or training positions.

2014: *Garantie Jeunes* (Youth Guarantee). Presented by the Socialist government (Prime minister M. Valls). This reform established a network between employers and the French government that sought to offer a co-subsidized employment to young unemployed individuals. It specifically targeted young people without adequate secondary education and work experience.
4.3 Process tracing

Since the purpose of this study is to examine the trajectories of the different countries’ youth unemployment policies, I delve deeper into the processes of forming these policies, in which the intrapersonal mechanism of the political deliberations can be compared to those of the other countries. This method is named process tracing. In this ‘within-case analysis’, that the study of the national reforms comprises (George – Bennett, 2005; Bennett – Elman, 2006), I seek to understand the effects of the political legacies of the different youth transitioning regimes on the policy deliberations. Additionally, I take into account the common European and intergovernmental context and the effects this may have had on the dependent variable: the youth employment programmes and the politicians’ motivations behind which. Subsequently, I move to compare these within-case studies to be able to discern and highlight similarities and differences. This way of doing process tracing is what Collier describes as the “systematic examination of diagnostic evidence selected and analysed in the light of the research question” (2011, p. 823) with the purpose of richly describing a process. My scope is limited to locating the evidence of a causal mechanism at work in either the youth transition regime or the policy convergence theory, since it is beyond the range of this thesis to determine precisely why certain policy areas converge over time, if they do (Mahoney – Rueschmeyer, 2003, pp. 8-16).

Even if my methodology focuses on actors and their speech acts, the relevance of institutions is undisputable. I use the definition of institutions as “designed and codified rules conceived of by policymakers but upheld by informal institutions such as culture and political legacies formed throughout history” (Weishaupt, 2011, pp. 37-38). This analytical use of the concept allows me to both study institutions as formalized structures in the youth unemployment policy domain, such as for instance or counselling at the PES for the young or benefit conditionality elaborated on in 3.3. Or, as public policies designed to obtain a certain societal or financial goal, such as more specific skills and adaptability for the young in the modern labour market through specific training programmes.
4.4 Actor-centred historical institutionalism

As institutions are constantly contested and revised according to the historical institutionalist perspective, it is natural that they are under change but that change occurs in a “veil of continuity” (Weishaupt, 2011, p. 42). Within this veil, actors and their ideas are considered as ‘reflexive agents’ that take the political legacy and trajectories and the compound underpinnings of current institutions in considerations when they opt for different policy options. The actors’ motivations may be based on interest, power hunger or sheer ideology, but the room for action is contingent on institutions that to a high degree are continuous but where change takes place under different processes or combinations of processes (Rothstein - Steinmo, 2002, pp. 92-125). Since my aim is to explore the trajectories of the three countries it is equally meaningful to consider actors’ part in policy change, within the framework of institutions as a relatively ‘sticky’ element, and thus try to straddle a positivist (institutionalist) and an interpretivist perspective (Culpepper, 2002). If policymakers live and act in a context where input may arrive both from political allies as well as opponents, from civil society and social partners, from foreign governments and the EU or the OECD, then their agency is necessary to consider, notwithstanding the assumed stability of institutions. Thus, the actor-centred historical institutionalist (ACHI) perspective caters to the purpose of this project and to the research question and may be a useful framework through which I am enabled to examine policy change over time.

Thus, the process tracing and ACHI perspective in this thesis corner the actors’ doings during the formative moments; the responses that the three countries governments and parliaments have put out in relation to four major reforms that each of the countries’ have launched, in response to mass youth unemployment (Collier – Collier, 1991, pp. 27-33; Esaiasson et al, 2007, pp. 144-46; Fenger, 2006, p. 75). However, the methodological tools necessary to systematically interpret, understand and be able to compare these results under the process-tracing arch need further refinement, and I turn to the instruments that motivation analysis provides to sharpen my analytical edge further.
4.4.1 Motivation analysis

In order to draw any conclusions with regards to the convergence or divergence patterns across the three country regimes it is necessary to obtain a full and clear understanding of the central actors and the choices they have faced at certain points in time with regards to youth unemployment policy. And, how they have reasoned prior to and during the launch of a major youth employment reform. The motivation analysis, also known as intention analysis, seeks to facilitate the recognition and categorization of key actors’ motives for the researcher, and to enable an intelligible weighing and valuing of the motives (Esaiasson et al, 2007, pp. 328ff). Therefore, the issues I consider in the valuing of the motivations and intentions behind the four major reforms in Sweden, the UK and France are: What are the key actors involved? What are the reasonable policy options available to the policymakers? What possible motives may they have, prior to a decision? What values or strategies are emphasized and not in the statements or expressed intentions for the programme? Are there any conflicts of interest within or between parties, and which argument ended up winning over another, in the final output of the policy? (Esaiasson et al, 2007, pp. 330-335).

The second question is answered in Figure 1, laying out the relevant policy options for the policymakers. The key actors referred to in the first questions is the politicians operating within the current parliaments, primarily the ones involved in youth unemployment issues or employment issues at large. I detect the influence of these through the mentioning of such influence points in the parliamentary transcripts or policy documents. In the examination of the actors’ motives, I draw on the five hypotheses\(^6\) in order to narrow the search for relevant information in relation to the research question.

4.4.2 Operationalization: the observable implications of convergence or divergence patterns on policy formation

My motivation analysis rationale comprises three criteria for the data studied to ascertain the properly value the motive indicators; the social desirability criteria (that the statements made by the key actor is not affected by the willingness to portray another image in relation to the motives than the ‘true’ one); the dependency criteria (that selected material and basis for a motive analysis is first hand and not anyone else’s representation); and the contemporaneity criteria (that the statements studied are made in contemporaneity with the policy in question) (Esaiasson et al, 2007, pp. 337-340).

Further, the weighing process of the detected motives accounts for; the frequency of a motive expressed in the empirical material; the placement of a motive in the textual representation of a speech or in a policy document, which might indicate importance; the stability of a motive, meaning the occurrence of the same motive and rationale in different parts or stages of the policy process, and in conclusion the motive’s accordance with other motives made by a certain actor or groups of actors used in other debates (Esaiasson et al, 2007, pp. 337-340). When I analyse the motives of parliamentarians, I search for these characteristics in the speeches and other outlets of their rationales and preferences and code them in accordance with the Analytical grid presented in Table 2 in section 3.4.

4.5 Validity, reliability and limitations

A benefit employing a qualitative method in a comparative analysis is the adaptability of theoretical categories as well as the openness for what the empirical observations and the material at large can bring to the analysis, even though the trade off is the limited possibilities for exact replication of the study and thus to some extent validity (Ritchie - Lewis, 2003, pp. 12-17). However, given clarity of the operational concepts and categories as well as the transparency of the procedures of choosing material and categorizing the
statements, arguments and motives that the empirical material provides, high validity may be obtained in this qualitative research effort. Further, by selecting country cases and major reforms based on the explanatory, independent, variable which is transition regimes and political legacy of Sweden, the UK and France, selection bias is avoided since the dependent variable, the features and components of the youth unemployment policies expressed through the reforms studied is not taken into account in the selection process (King et al, 1994, pp. 137-140).

A limitation to this thesis project is the lack of possibility to give a fully representative and detailed image of the youth unemployment policies and a comparison between them, since I have limited the studied reforms to four for each country. If I could have included and coded all measures and steps along the way since 1990 and until present day, I may have had omitted the risk of being mislead by the material and consequently drawing flawed conclusions. Thus, the conclusions I draw in the context of the methodology in place must account for these limitations and reflect the possible inaccuracies that the comparison may yield. Another possible limitation is the lack of contemporaneity of most of the reforms, which has lead me to focus on a textual analysis rather than interviews with concerned politicians involved in the policy process. The obvious drawback of that is the risk of misinterpretation of a statement and the lack of possibility to backtrack with the concerned policymakers, other than through other written sources.
5 Analysis of youth unemployment policy change over time in the three countries

In this chapter I present the results from the analysis of the three countries in my study. Each country section begins with a brief display of the lay of the land for young people and the labour market around the start of the studied period. By discussing each of the reforms separately from the context of, but not limited to, the Analytical grid (Table 2), I create a basis for understanding the within-country change between 1990-2014. To conclude each country section, I consolidate the findings from each dimension and present these in the Analytical grid, denoting the change or stability of the ideational, organizational and financial dimensions’ indicators of the country’s youth unemployment policies.

5.1 Sweden

5.1.1 A brief background on the youth labour market situation in Sweden in the 1990s

One of the defining traits of the Swedish labour market policy and system for young people is the high level of employment and wage protection, policies in effect since long before the 1990s. Some employment scholars think of these as hurdles both “keeping and entering” a job due to the “last in first out” policy (Bygren et al, 2005, pp. 135-158). Thus, in earlier periods when youth employment was high in Sweden (see Figure 1) and job opportunities plenty for young, unqualified job seekers, the nature of the youth unemployment problem and its severity was different and not as pressing as the ensuing era of
deindustrialization and the economic crisis around 1992 (Bygren et al, 2005, pp. 135-158; Lindvall, 2010). It is in the wake of these circumstances, coupled with the new demands for technological and engineering skills to accommodate the increasingly important technology sector for the Swedish trade and overarching economic sustenance, that the Swedish government acknowledged the need for new and more comprehensive labour market programmes for the young (Kildal, 2001).

5.1.2 Labour market political measures for youth under age 25 (AMPU)

*Ideational dimension*

Launched in the summer of 1992, the AMPU was by all intents of purposes proposed by the Conservative coalition government as a temporary measure that would accommodate the most vulnerable young with internships and in-job trainings with public and private employers until the “bad economic times” had turned (Protokoll 1991/92:124). Whereas large parts of the Left leadership in youth issues expressed a multifaceted concern with the programme on a labour rights basis (although giving positive testimonies to the attempts by the government to do something about aggravating youth situation following the crisis), the programme formation remained relatively intact after its preparation in the Conservative dominated Employment Committee (Protokoll 1991/92:124). The Left opposition feared most of all that this “new type of worker”, the intern, would violate the employment laws granting any hired worker the right to a regulated salary. A recommendation from the government was to pay lower allowance to those young succumbing to the internships programme, as to not “create disincentives to take up educational opportunity or real employment” (Protokoll 1991/92:69). The bearing argument from the Conservative incumbents, which was partly accepted by the opposition, was the need to activate the young that otherwise would “hang in the streets” and cash in benefits idly (Protokoll 1991/92:69; 1991/92:67).

*Organizational dimension*
The novelty of the politicians’ way of shaping policy for the youth unemployment problem in this measure seems to have been the effort to incorporate the private sector as a possible intern employer and also involve other stakeholders (Protokoll 1991/92:111). The view that ‘not only the public actors’ should get access to the young in terms of (cheap) labour was prevalent among the Conservatives. The private employers should be solicited to pay for a small share of the intern’s allowance, both political sides agreed, and only the Left party proposed a remuneration equal to that of an ordinary worker (Protokoll 1991/92:111).

**Financial dimension**

The financial crisis that hit Sweden during 1991-1992 is doubtlessly present in the way that both political blocks carry their arguments and considerations for the policy formation of the new programme (Protokoll 1991/92:67; 1991/92:69). However, it is clear from the lengthy parliamentary debates on the matter that the Left proposed higher government spending to counter the high unemployment levels, whereas the Right argued for more moderate spending and ‘any type of activation’ for the young. Thus, such activation that leads to youth unemployment does not decrease in the long-term (Protokoll 1991/92:111).

5.1.3 Development Guarantee for Youth (UG)

**Ideational dimension**

The UG was launched in 1998 and was intended by the Social Democratic government to accommodate the young unemployed with an employment, training or internship position or an education enrolment after 100 days of unemployment (IFAU, 2002). Since the youth unemployment had gone down with the recent upturning economic cycle, the Social Democratic leadership in youth employment matters intended the UG to be a continuation of that trend (Protokoll 1997/98:30). They aimed to activate more young persons through subsidized employment in the public sector in order to get the employment rates up and to keep the young unemployed acquiring skills that might improve future
employment chances (Protokoll 1997/98:30; 1997/98:49). The Left party was opposed to this idea and criticized that the measure would be a substitute for “creation of real jobs” through increased public sector spending and unsubsidized, mandatory training offered by the private sector (Protokoll 1997/98:49). They also criticized the low remuneration for the subsidized employments (Motion 1998/99:A273). The Right-wing opposition of all stripes, however, expressed a worry about the “business-unfriendly” nature of the UG and the related tax policy that, according to the Right, made it “too expensive” for the private sector to hire young and promoted decreased employment tax (Protokoll 1997/98:30; Protokoll 1997/98:102). Arguments were made by the Right that the young first and foremost needed better education and should be encouraged to seek employment opportunities in the private sector, which the Social Democratic government was not willing to incorporate in the programme (Protokoll 1997/98:49).

Organizational dimension
The UG was designed and designated by the Social Democratic government to target public employers through subsidized jobs. There were no large-scale reforms of the PES or other employment services intended through the UG, but a part of the aim of the larger budget was to give job centres more means to give the young a more individually fitted service (Protokoll 1997/98:30).

Financial dimension
The Social Democratic government meant to activate the young unemployed through the increased support for employment subsidies and public job opportunities. Many Conservative policymakers criticized the magnitude of the youth employment budget and especially its focus on the public sector, which they believed to collaterally lead to lower tax base and lower growth (Protokoll 1997/98:49; 1997/98:121).

5.1.4 Job and Development Guarantee (JDG)

Ideational dimension
The JDG was introduced in 2007 by the newly elected Conservative coalition government as the hitherto largest youth employment programme, which not only claimed about half of the PES’s resources but also entailed large activation ambitions for the jobless youth (RiR 2009:22; Prop. 2006/07:118). It sought to deliver a job, training or education offer to the young after three months of unemployment and a guaranteed training after six. In the presentation of the JDG, the Conservative Minister of Labour claimed that it would pave way for more activated young through the means of increased flexibility of the benefit system, incentives for the private sector to hire young and more job search services offered by the PES (Protokoll 2006/07:19). Accusing the former Social Democratic government for having caused the hike in youth unemployment with the “inefficient youth internships” and subsidized employments, the Conservative coalition government drew on the Danish “new deal” as a “best practice” in order to motivate the measure (Protokoll 2006/07:19; 2006/07:91). The Left-wing opposition together with the Green party strongly opposed this step, arguing that the intended “flexicurity” of the Danish system, praised by the Ministers of Labour and Finance, meant merely stricter conditionality and lower benefits (Protokoll 2006/07:95).

Organizational dimension
One of the main pillars of the Conservative coalition government’s programme was the decrease of employment tax for companies hiring young people between 20-24 years of age, which many Right-wing politicians argued would lead to strong incentives for businesses of all sizes to hire young (Protokoll 2006/07:19; 2006/07:95). Therefore, the bearing argument from the Right wing was that cheaper hiring for the private sector along with more coaching, job search support and individually designed plans to transition the young into labour would interplay and generate higher employment rates and more jobs (Ibid).

Financial dimension
Since the Swedish national economy experienced a rise in 2006/2007, either the Conservative coalition government or the Left/Green opposition saw any reason why the expenditures on youth employment would not increase (Protokoll 2006/07:19; 2006/07:91; 2006/07:95). However, the government’s retrenchment
of the unemployment benefit duration and rate for young people was widely opposed by the opposition, notwithstanding the fact that the expenditures on active measures rose with the spring budget for 2007 (Protokoll 2006/07:91; 2006/07:95).

5.1.5 More Jobs and More Roads to Employment for Young (FJFV)

_Ideational dimension_

Four years after the launch of the JDG, the Conservative coalition government introduced a similar measure to stave off the increasingly high youth unemployment. The main elements of the FJFV were lowered VAT for restaurants and bars as well as some groundwork for a new apprenticeship system (Regeringskansliet, 2011). The belief in increased tax alleviations for the employers that typically employ young people, service sectors such as restaurant operations, was strong among the governmental parties (Protokoll 2011/12:35). Furthermore, many Conservatives and Liberals meant that targeting service sector employers was a two-folded benefit since it also would favour the least qualified young; those with inadequate education records or little other experience (Ibid). These arguments were criticized from the Left/Green opposition, of whom many argued that those measures were already tried and proven inefficient given the meagre results from the JDG (Protokoll 2011/12:35; 2011/12:90).

In a similar way in which the Danish system was held as an example of ‘best practice’ in the formation of the JDG, the German dual apprenticeship systems and vocational education in upper secondary school were this time promoted by the Right wing (Protokoll 2011/12:90). Notwithstanding the opposing arguments from different parts of the Left/Green parties towards the German system, the Right wing contended that a stronger link to the labour market and incentive to finish upper secondary school for the non-university bound would push back the youth unemployment rates (Protokoll 2011/12:90; 2011/12:107).

_Organizational dimension_
The ideological conflict between Left and Right over the government’s targeted tax alleviation for the private sector, at the expense of public sector and ‘welfare jobs’ in education and health care according to the Left-wing opposition, persisted in the FJFV deliberations (Protokoll 2011/12:35; 2011/12:90). Aside from that aspect of the new youth employment programme, not many other features were altered or up for discussion to be altered with the FJFV.

Financial dimension
Given the external pressure on the Swedish economy caused by the Great recession, the Conservative government held back the passive measure spending, just along the road staked out with the JDG, but also decreased the expenditures for education (Protokoll 2011/12:51). This position was highly unpopular among the opposition, who emphasized the importance of higher education possibilities as a safer route to secure employment for the young generation (Ibid).

5.2 Discussion and classification of the Swedish youth unemployment policy motives

In what follows, I discuss the findings of the analysis of the development of the Swedish youth unemployment policy, drawing on the Analytical grid and the three dimensions; ideational, organizational and financial presented in Table 2. The findings presented under section 5.1 and their classification and coding is displayed in Table 3. In the columns, the different youth programmes are presented in chronological order along with the outcome of the governments’ motives in each policy area. I focus mainly on the indicators where there has been the most change over time and/or contingent on incumbent government.

Starting with the ideational dimension, the promotion of more spending on youth employment measures has been increasing rather uniformly and cutting across party lines, although the expenditure posts are more ideologically biased. For instance, the Right-wing governments have consistently promoted tax alleviations for private sector employers as an active labour market policy measure, whereas the Left-wing government in 1997/98 targeted subsidized
employment in the public sector and kept insisting for these measures in the later debates too. As such, there is no support for the assumption that partisanship or ideology would influence de facto propensity to spend, but there is for what types of labour market policies to spend on. This trend is, conversely, found in the design of benefit system, where the Left-wing government did not introduce, flexibility measures whereas the Right-wing governments sought policies that would enforce flexibility but with more or less compensatory security measures.

Two ideational indicators that seem to shift overtime, regardless of incumbent government’s political belonging, are both the goals and the main purpose of the youth employment programme. During the 1990s, the goals for the reforms were to improve the individual’s employability, first and foremost, which later was accompanied by the other goal to also improve the PES. Similarly, reviewing the main purpose for the reforms, the aim changed from focusing on the educational opportunity of the individual only, in the 1990s, to the two-fold ambition to also emphasise vocational qualification: both for the sake of the individual and for the demands of the industry. Thus, the finding supports the assumption that there has been a shift towards a layering of policies, on the domain of the main purpose of youth programme in Sweden (Streeck – Thelen, 2005).

Reviewing the organizational dimension, the developments that stand out the most are the partisan nature of the subsidization and targeted employer indicators. Whereas the Right-wing governments in their three launched reforms were favouring and promoting the subsidization of non-public employers, through decreases in employment tax for hiring young people, the Left-wing government were not pursuing these policies in 1997/98 when they were in power.

This result may seem unambiguous, but the matter of fact is that most members of the Social Democratic and even the Left party leadership in youth employment issues expressed a willingness to subsidize private employers too for taking on young workers in the 2007/8 and 2011/12 debates when they presented their ‘shadow budgets’ for youth labour market policies. Although, the magnitude of expenditures were always smaller than the Right-wing’s and equally, if not more, targeting the public employers through subsidized employments in the public sector.
<table>
<thead>
<tr>
<th>Labour market policy areas</th>
<th>Ideational dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incumbent government's intentions for public expenditures on youth employment</td>
<td>Decrease overall spending on youth employment</td>
</tr>
<tr>
<td>Incumbent government's intended goal for youth employment programme</td>
<td>Improve individual's employability</td>
</tr>
<tr>
<td>Main purpose of youth employment programme outcome</td>
<td>Educational opportunity for the individual's development</td>
</tr>
<tr>
<td>Conditionality of benefits</td>
<td>Increased benefit conditionality for unemployed suggested by government</td>
</tr>
<tr>
<td>Design of youth unemployment benefit system</td>
<td>Balancing flexibility and security</td>
</tr>
<tr>
<td>Sector specificity of reform</td>
<td>Other or no specific sector favoured</td>
</tr>
<tr>
<td>Main provider and administrator of employment service</td>
<td>Public</td>
</tr>
<tr>
<td>Type of employer targeted</td>
<td>Public and private</td>
</tr>
<tr>
<td>Level of centralization of main implementation of unemployment reform</td>
<td>Regional</td>
</tr>
<tr>
<td>Subsidization</td>
<td>Subsidization of non-public employers</td>
</tr>
<tr>
<td>Number of actors included in the implementation of unemployment reform</td>
<td>Several</td>
</tr>
<tr>
<td>Financial dimension</td>
<td></td>
</tr>
<tr>
<td>Loci of expenditures</td>
<td>Active measures</td>
</tr>
<tr>
<td>Response to financial hardship</td>
<td>Government's intention to decrease funding for active and passive measures</td>
</tr>
</tbody>
</table>
5.3 United Kingdom

5.3.1 A brief background on the youth labour market situation in the United Kingdom in the 1990s

Following the Thatcher era during the 1970s and 1980s, the English labour market and social security policies began its active and retrenchment path in 1988, when youth aged 16-17 were disbarred from income support (Jones – Novak, 2012, pp. 65-68). The first comprehensive effort on the part of the English government to launch a labour market measure to spur employment for the young in the wake of the crisis in the early 1990s was the Jobseeker’s allowance act in 1995. It further lowered the benefit rates for people under 25 years (Jones – Novak, 2012, pp. 65-68). Contrary to the other countries of study, evidence from the early activation era does not suggest a special targeting or affirmative action of the youth and their vulnerability on the labour market in the UK (Van Reenen, 2000). The relatively low unemployment rates in the UK (see Figure 1) motivated a different trajectory for the Conservative government until 1997, that primarily focused on reforming the benefit system and that let the job creation be a matter for the market (Knotz – Lindvall, 2015; Rueda, 2007). Other authors have emphasized the importance of globalisation and the higher demand for skills for the increased youth unemployment rates in the early 1990s and the flexibility-oriented responses that followed suit from both Conservative and Labour governments (Francesconi – Golsch, 2006, pp. 255-260; Lindsay – Mailand, 2004). Regardless of the incumbent government party the aftermath of ERM crisis in 1992 and the Great recession in 2008-2009 were external shocks that immediately affected youth employment rates negatively and motivated active responses from the government.

5.3.2 Jobseekers’ Allowance Act (JSA)

*Ideational dimension*
The JSA, enacted in June 1995, was an ample act that sought to “promote the employment of the unemployed and the assistance of persons without a settled way of life” (Jobseekers Act 1995). It targeted both adults and young people under 25 years old. In all essential, it was not a measure that particularly emphasized learning or skill-development from the Conservative initiative-takers side, but rather a strategy through which all young people would need to ‘earn’ their benefits through work or other activations (HL Deb 1995a, HL Deb 1995b). Idleness and benefit-taking were tendencies among the young believed to be curable with both a stick (benefit conditionality) and carrots (continued training programmes, however not guaranteed) by the Conservative government (HC Deb 1995a). The government promoted a benefit-level that corresponded to contribution, something that many Labour politicians opposed on a youth discrimination basis (HC Deb 1995a; Early Day motion 84); however not as an idea promoting a ‘from welfare to work’ movement. Another major fault-line between the two parties was drawn over the issue of minimum wages, for young and adult workers, which the Conservative Secretary of Employment along with other prominent party members regard as a suicide for the economy and the hiring-climate for the private sector (HC Deb 1995c; 1995b).

**Organizational dimension**

The dominant standpoint among the Conservative politicians was that it was not within the scope of the government to create jobs: that was a matter for the private sector (HC Deb 1995a). The government’s responsibility though, was to stimulate the economy, keep the labour market unregulated and to not introduce minimum wage measures (HC Deb 1995d); something that Labour representatives found irresponsible and a sign of indifference for the young generation (HC Deb 1995b).

**Financial dimension**

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7 Examining the aspects of the Act that concerned young persons in particular, this discussion sheds light on the aims and intentions of concerned policymakers for the young unemployed and their ideas and motives to remedy youth unemployment by the means of the JSA.
The bearing argument in the Conservatives’ programme proposal for the JSA was that ‘work should pay’, meaning decreased benefits rates for young jobseekers in general and for the ‘idle’ in particular, should they fail to actively seek for jobs, as an incentive measure (HC Deb 1995a; Employment Committee, 1994). This viewpoint per se was not criticized by the Labour opposition, but rather the combination of ‘increased conditionality’ and ‘not sufficient’ funding and ambitions for training, apprenticeships or subsidised jobs for the young (Employment Committee, 1995).

5.3.3 New Deal for Young People (NDYP)

The NDYP was enacted in January 1998 by the newly elected Labour government as an active and compulsory labour market measure targeting young people (18-24) who had been entitled to the jobseekers’ allowance for at least 6 months (Wilkinson, 2003).

*Ideational dimension*

If the Conservatives stressed the importance to move people off benefits with the JSA, Labour’s parole was just as strongly in favour of compulsory activation, improved work ethic of the young generation and of ‘deserving’ and ‘undeserving’ with the New Deal (HC Deb 1997c). The compulsory element of the NDYP along with the extended conditionality of benefits that the Secretary of Employment and Labour leadership in the Work Committee strongly proposed continued the road from ‘welfare to workfare’ (HC Deb 1997c), which some Labour members had opposed in 1995. The improvement of the young persons’ employability was a central theme of Labour’s arguments and justification for the rather large costs of the NDYP (Departmental report, 1998; Employment Committee, 1997). The main conflict of interest between the two

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8 The programme is essentially divided into three periods, with the Gateway stage initially during which the young get intense help from job centres with job seeking, a second Options phase following after six months with enrolment in trainings, education programmes, subsidized work in the voluntary or environmental sector (Wilkinson, 2003).
major parties concerned the magnitude of the budget and the disputed efficiency of government subsidised training schemes and jobs within the voluntary and private sector (HC Deb 1997a). Many Conservative politicians expressed a concern about the short-term nature of the training positions that the subsidization would cover, and argued that only the market forces could create long-term employment for the young (HC Deb 1997a; 1997b).

**Organizational dimension**
The incorporation of multiple actors, both in the implementation process but also in the policymaking and intended job-provision, was a paramount theme among the Labour leadership (Employment Committee, 1997). This, since jobs, apprenticeships and training positions were intended both for the voluntary sector through subsidies and through sponsoring private actors employing jobless youths. However there would be no bonus or premium for such employers, the Secretary of Employment guaranteed, but rather a compensation for the training costs and not more (Employment Committee, 1997; HC Deb 1997c). The reform of the PES was, too, at the heart of the matter of the New Deal, and some Conservatives expressed a concern over the magnitude of the reform and the capacity of the PES to transform “from a harsh benefit regime into a caring and helping service” (Education and Employment Committee, 1997).

**Financial dimension**
As the economic times in the UK were good, Labour expressed no intentions to hold back the budget, which they argued that the Conservatives had done with the JSA efforts, and large sums were proposed and disbursed on this active labour market programme (Education and Employment Committee, 1997).

5.3.4 The Young Person’s Guarantee (YPG)

**Ideational dimension**
The new Labour government launched the YPG in January 2010 as a continuation and refinement of the NDYP from 1998. With the Great recession
breathing the incumbent government in the neck, along with booming youth unemployment rates, the Labour leadership moved to argue for increased spending to counter the hikes in youth joblessness while development the provision of training and apprenticeships programmes (HC Deb 2009b; 2010c). The Conservative opposition worried, aside from the similarities with the NDYP, which many considered a failure, about the short-term nature of many of the contracts that would ensue from the new youth employment programme (HC Deb 2010b). The focus and emphasis from Labour was, on the contrary, to get the unemployment rates down swiftly, and not shying for short-term arrangements (HC Deb 2009b; 2010a). Some Labour representatives expressed a worry about the increased flexibility that would tax the young jobseekers (HC Deb 2010a), but all in all it was regarded as a necessary evil to get the employment rates up. Further improvements and refinements of the job support and personal guidance offered by the PES were proposed by the Labour leadership, as a mean to accommodate the job-seeking youth with sufficient service to match them with jobs (HC 2010c; 2009b). Thus, intending to balance the increased conditionality baked into the programme with personal backing and counselling (HC Deb 2009a).

Organizational dimension
Similar to the NDYP measure, the Labour leadership sought to incorporate many actors in the YPG programme; in order to secure the positions needed to “guarantee” the jobless youths’ activation (HC Deb 2009b). Some Labour representatives even worried about the “less efficient and more costly public employers”, as a way to highlight the benefits of private employers (HC Deb 2010b). This is a route that was well received by the Conservatives too, but perhaps with an emphasis on the increased room to manoeuvre for the private sector actors and on letting the incentives steer their job creation rather than top-down government employment policy (HC Deb 2010b).

Financial dimension
In a similar manner as during the NDYP negotiations, Labour fought hard for a generous and large-scale activation budget, which the leadership in employment issues believed to be the remedy for high youth unemployment rates (HC Deb
2009b), and the Conservatives opposed this extensive budget in all essential. Drawing on the increased unemployment rates following the last year, before and after the Great recession, many Conservatives expressed concern and disbelief regarding increased government expenditure and suggested budget cuts, tax breaks and other deregulations for the private sector (HC Deb 2009b).

5.3.5 Work Programme (WP)

*Ideational dimension*

The essence of the WP, brought to the fore by the newly elected Conservative coalition government in 2011, was to turn around the high youth unemployment numbers that had not decreased during the previous parliaments. This would be done by making it more costly to be unemployed for the young and simpler to hire young for the private employers (HC Deb 2010d). These were the Conservatives’ ideas behind the programme, together with increased flexibility and financial incentives for both private employers and private or non-profit employment services to make an effort to hire young people (HC Deb 2011a).

However, the Conservatives were clear on not just giving ‘hand outs’ to the private employers for taking on young, but requiring counter-performance in the shape of continued employment of the young (HC Deb 2011c).

Among some members of the Conservative leadership, it was the fuelling of “real” private sector jobs that would lead to lower youth unemployment rates in the long run rather than the Labour-favoured subsidised employment within the public sector (HC Deb 2011a). The proposed measure, which transcended the debates around private or public sector jobs, was apprenticeships (with Germany held as a model example) and coordinated educational efforts to target the young NEETs (HC Deb 2011a). Although, the favouring of apprenticeships as such was bipartisan.

*Organizational dimension*

The policies suggested and motivated by the Conservative leadership, with the launch of the WP, were built largely on the engagement of local actors; both employers, voluntary job agencies and councils, businesses, schools and
jobcentres, and their ability to contribute to the intended apprenticeship and training programme (HC Deb 2011a). The Labour opposition accused the government to rely too heavily on market forces to sway employers of all brands into hiring the young, and promoting a more comprehensive and need-sensible measure (HC Deb 2011a; 2011b).

**Financial dimension**

The Conservative government cut the youth employment budget significantly compared to earlier incumbents’ efforts, arguing that the debt-burdened economy needed fuel; relaxed employment protection schemes and some financial incentives for the employers to hire was the recipe (HC Deb 2011a). From the Left, the criticism mostly entailed denunciations of funding cuts for the Future Jobs Fund, established under the YPG, which many Labour representatives regarded as a safe and efficient job creating measure (HC Deb 2011a). Otherwise, the measure was relatively undisputed.

### 5.4 Discussion and classification of the English youth unemployment policy motives

In this section, I discuss the findings of the analysis of the youth employment programme motives in the UK, by the aid of the Analytical grid and the three dimensions.

In accordance with what the literature suggests to be a cross-temporal trend for the youth unemployment policy in the UK, the emphasis on activation and active measures that seek to move young people from idleness to employment, training, internships or voluntary work prevails over time, throughout economic hardship and across party-lines (Maguire, 2013). There has been a steady consolidation of activation strategies: making work pay and consequently compensation conditioned to the young persons’ contributions to society through different work programmes. Similarly, the focus on the ‘individual’s employability’, as shown in Table 4, was in place in the debates preceding the JSA in 1995. It remained within the following youth employment programmes
throughout the time period, but adapting towards the end of the 2000s the ambition to reform the PES. The steady increase of the youth unemployment rate and the tangible disbelief and hesitation over the appropriate course of action among the central policymakers probably brought about the need for interventions in other areas, such as the PES, when few other things seemed to work. That, or simply using the allegedly failed measures of prior governments’ to motivate the new strategies. This pattern emerges clearly from the parliamentary records studied along with the great divides and partisanship in multiple areas and dimensions of the Analytical grid.

One watershed between the Conservative and Labour governments that prevail regardless of economic cycles is the spending on youth ALMPs, where Labour proposed an extensive budget for the youth programme both in the ‘good years’ around 1997 and in the bad years following the crisis in 2008/2009. Conversely, the Conservative governments in the beginning and the end of the studied time period sought to decrease the budgets and showed a disbelief in broad state interventions to solve the youth unemployment problem (vis-à-vis the market forces). Similarly, the intentions to balance the increased flexibility following the activation policies, that indeed transcends the party-lines, are clear with the Labour governments and absent with the Conservative. As for the issue of dominant regime legacy, where the hypothesis predicts an emphasis on economic independence of youth for Liberal regimes, that focus prevails over the studied period. Although, during the Labour era between 1997-2010, it is clear that the party leadership for youth unemployment issues paid attention to educational opportunity for the sake of the individual’s chances at the current labour market and to be resilient to future changes in demand by the skills that they acquire through the programmes.

Concerning the organizational dimension in Table 4, the trends towards subsidization of and targeting of non-public employers as a way to share costs, decrease state-centricity and improving conditions for hiring young among private and voluntary sectors are unanimous. It is within this realm that both partisanship and external influence from economic cycles have mattered the least.
### Table 4. Analytical grid for the UK JSA NDYP YPG WP Labour market policy options

<table>
<thead>
<tr>
<th>Labour market policy options</th>
<th>JSA</th>
<th>NDYP</th>
<th>YPG</th>
<th>WP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incumbent government's intentions for public expenditures on youth employment</td>
<td>Decrease overall spending</td>
<td>Increase overall spending</td>
<td>No change from previous regime</td>
<td>Decrease overall spending</td>
</tr>
<tr>
<td>Incumbent government's intended goal for youth employment programme</td>
<td>Improve individual's employability</td>
<td>Improve individual's employability</td>
<td>Consolidate efforts both increasing employability and public employment services.</td>
<td>Consolidate efforts both increasing employability and public employment services.</td>
</tr>
<tr>
<td>Main purpose of youth employment programme outcome</td>
<td>Economic independence of youth</td>
<td>Economic independence of youth / Educational opportunity for the individual's development</td>
<td>Economic independence of youth / Educational opportunity for the individual's development</td>
<td>Economic independence of youth</td>
</tr>
<tr>
<td>Conditionality of benefits</td>
<td>Increased conditionality</td>
<td>Increased conditionality</td>
<td>Unaltered from previous regime.</td>
<td>Increased conditionality</td>
</tr>
<tr>
<td>Design of youth unemployment benefit system</td>
<td>Flexibility</td>
<td>Balancing flexibility with security</td>
<td>Balancing flexibility with security</td>
<td>Flexibility</td>
</tr>
<tr>
<td>Sector specificity of reform</td>
<td>Other or no specific sector favoured</td>
<td>Other or no specific sector favoured</td>
<td>Other or no specific sector favoured</td>
<td>Other or no specific sector favoured</td>
</tr>
</tbody>
</table>

### Organizational dimension

<table>
<thead>
<tr>
<th>Main provider and administrator of employment service</th>
<th>Public</th>
<th>Public</th>
<th>Public</th>
<th>Public and private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of employer targeted</td>
<td>Not applicable</td>
<td>Public or non-profit</td>
<td>Public, private and non-profit</td>
<td>Public, private and non-profit</td>
</tr>
<tr>
<td>Level of centralization of main implementation of unemployment reform</td>
<td>Regional</td>
<td>Local</td>
<td>Local</td>
<td>Local</td>
</tr>
<tr>
<td>Subsidization</td>
<td>No subsidization of non-public employers</td>
<td>Subsidization of non-public employers</td>
<td>Subsidization of non-public employers</td>
<td>Subsidization of non-public employers</td>
</tr>
<tr>
<td>Number of actors included in the implementation of unemployment reform</td>
<td>Few</td>
<td>Several</td>
<td>Several</td>
<td>Several</td>
</tr>
</tbody>
</table>

### Financial dimension

<table>
<thead>
<tr>
<th>Loci of expenditures</th>
<th>Active</th>
<th>Active</th>
<th>Active</th>
<th>Active</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governments' intention to decrease funding for passive labour market measures</td>
<td>Government's intention to decrease funding for active labour market measures</td>
<td>Government's intention to decrease funding for active and passive labour market measures</td>
<td>Government's intention to decrease funding for active labour market measures</td>
<td>Government's intention to decrease funding for active and passive labour market measures</td>
</tr>
<tr>
<td>Response to financial hardship</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
5.5 France

5.5.1 A brief background on the youth labour market situation in France in the 1990s

The financial crisis that swept over Europe in the early 1990s was felt in France too (Kieffer et al, 2006, p. 104), and the instability caused a displacement of many workers in the private as well as public sector, which hit young workers with little or substandard educational background the hardest. Fougere et al (2000) point to three main features of the youth labour market policies in France used to tackle the worrying trend that large parts of the young population experienced spells of unemployment. These were job creation in the public sector through employment subsidies, the promotion of training programmes in the private sector, and the reduction of labour costs for private companies in order to stimulate the hiring of young, unskilled workers. Massive and numerous active labour market schemes have been launched throughout the 1990s, whereas demand side measures oriented towards safeguarding a living wage in France has not addressed young people in particular. The remuneration for the young unemployed has been low during this period, with an allowance paid for programme participation that has rarely been higher than welfare benefit levels (Enjolras et al, 2000). Thus, despite the numerous political attempts to come to terms with the youth unemployment, the young population has experienced and still experience dire conditions in the school to work transitioning.

5.5.2 Active preparation for Qualification and for Employment (PAQUE)

*Ideational dimension*

Prior to the launch of PAQUE in 1992, there were extensive discussions about how to manage the many young unemployed, which had begun to be a most pressing political issue. There was consensus between the blocks about prolonging the state-subsidized solidarity employments (CES) for young people
in the aftermaths of the Gulf war and ERM crisis, which severely affected the unemployment rates. The Socialist Minister of Labour expressed his wish to render the state-subsidised employments redundant with PAQUE as a large-scale vocational initiative (Compte rendu intégral (CRI), 1991). Many politicians on the Right, though, were concerned that the apprenticeship and internship system would not lead to employment as expected, and the Minister of Labour emphasized a solution where the social partners (trade unions and employers’ associations) would collaborate more closely to facilitate the route to employment (Ibid). Furthermore, the gradual lowering of the replacement rate that PAQUE entailed testifies to the government’s inclination to thin out the benefit, albeit not to the same extent as proposed by the Right (Ibid). The Socialist government, thus, clearly took a step in the activation direction.

The Conservative Deputy of the Culture, Family and Social Commission expressed discontent with PAQUE, on his and the Right wing’s behalf, and of its strong defence of employment protection at the budgetary expense of closing the ties between education, vocational training and employment (Avis no. 2946). The Socialist government was also criticized of being overly concerned with “forcing out job opportunities from the employers” instead of trying to adapt the young jobseekers to the demands of the labour market, by the Right opposition (Avis no. 2946). On a later occasion (CRI, 1992), the Minister of Labour stated the intention to ameliorate both supply and demand side of the youth unemployment issue, meaning both that the young needed better qualifications, the employers needed to make space for these young people and the PES and social partners needed to help allocating the young to an appropriate vacancy. Furthermore, it is interesting to note that parts of the Right wing advocated for the inclusion of young in the social welfare benefit RMI (CRI, 1992). The Socialist minister of Labour held, interestingly, that it would be more fruitful to let the monetary incentive of earning an allowance through PAQUE participation remain unaltered by this benefit (Ibid).

Organizational dimension

The Socialist government argued for a less centralised PES adaptable to structural changes that would not be contingent on economic cycles (CRI, 1991). They also argued that it was necessary of the PES and social partners to help the
unqualified “crossroad youths” at risk of falling into long-term unemployment and social exclusion if they were not offered employment. The Liberal deputy, along with the rest of the Commission for Social affairs, agreed with the Minister of Labour that more actors and better coordination were necessary and benevolent measures in order to reach the most vulnerable youths (Avis no. 2946).

The state was the sole funder of the PAQUE and lump sums were given to private companies as well as public providers who hired young apprentices or interns (Avis no. 2946). The local missions and regional PES centres were given larger responsibility for setting up the groundwork for the PAQUE initiative.

Financial dimension
There was no decrease in spending in response to the financial hardship, but rather an emphasis from the Socialist government on active measures vis-à-vis measures prior to PAQUE (Aebertadt et al, 2011). The Conservative opposition, however, opposed large spending with the argument that it would distort the labour market and deepen the national debt (CRI, 1991).

5.5.3 New Services for Youth Employment (NSEJ)

Ideational dimension
The NSEJ targeted the young, inactive people without qualifications (Avis no. 2271; CRI, 1996). The goal expressed by the Conservative leadership on employment was two-fold: vocational training for the individuals’ development and future success and the adaptation of the labour supply of the technical demands of the labour market (Avis no. 2271). The Minister of Labour confirmed the necessity to spur growth and create good conditions for companies to hire and prosper, rather than forcing them to take on trainees and apprenticeships at their own expense (CRI, 1997a). The Communist wing of the parliament strongly disagreed with the government’s new policies and criticized the “pampering of companies” through cut fees and taxes and insufficient tools to create stable and non-precarious jobs and thus creating a “generation of interns” (CRI, 1997a). The conflict of interests was very visible as the
Conservative government strongly believed in the virtues of an “apprenticeship system similar to that in Germany” and its formative qualities for the young as well as the demand-oriented needs for the industries and employers (Ibid). Parts of the Left wing agreed that industries needed a stimulus but they also emphasized the need to protect employment from “flexibility-oriented and liberalizing wave coming from the Maastricht Treaty” and permeating the French employment policy (CRI, 1997a; 1997b; 1996). Overall, the Conservatives strongly favoured economic independence for the “inactive” young, as opposed to the state’s responsibility to create the opportunity for them to access education and get employed.

Organizational dimension
The “multitude of actors” (Avis no. 2271) involved in the youth employment process was too large and complicated, the Conservatives held, and the state’s role as the regulator needed to be made clearer but also that further decentralization steps were needed. For example, that companies should design the apprenticeships to fit their needs, since they financed the apprenticeships from their own payroll (Avis no. 2271).

Financial dimension
The Conservative government insisted that the spending had been too low on apprenticeships and vocational training measures that it needed to increase (CRI, 1995). However, a larger part of this spending was derived from tax breaks given to companies as an incentive to hire youths and not on state-subsidized apprenticeships (Avis no. 2271). The government proposed cuts in remuneration for those enrolled in upcoming youth labour market programmes and cuts in social charges for the companies who hire young apprentices and trainees (CRI, 1996).
5.5.4 Emergency plan for youth employment (PU)\(^9\)

*Ideational dimension*

In budget discussions in the year following the global financial crisis many of the incumbent Conservative politicians in the concerned commissions mentioned the need to restrain the budget, cut passive measures and stimulate youth employment through the active measures of the Plan d’Urgence (PU) (CRI, 2008). The Socialist opposition, however, criticized the government for cutting too much and not spending enough on educational and vocational measures protecting the unqualified, unemployed youth from social exclusion and poverty (CRI, 2008). The lion part of the budget for youth labour market policy was earmarked for apprenticeships through tax breaks and premiums for hiring apprentices offered to the employers (CRI, 2008). The conditions for remuneration for the young was contingent on the participation in a programme, as an apprentice, trainee or intern, although many companies were paying salaries to apprentices which is an argument that the Conservative governments used to favour the apprenticeship system rather than the state-subsidized jobs (Question No. 1141). The stimulation of the market was perceived as a way to create economically independent individuals, coupled with the conditionality for remuneration at the participation in the PU measures (CNLE, 2010).

*Organizational dimension*

After years of letting the local missions be the point of coordination for the allocation of jobs and support for young jobseekers, the Conservative lead by the Minister of Labour suggested a re-entry of the regional PES offices for the sake of clarity and comprehension (CRI, 2008). In the policy deliberations for this measure, private employment agencies were brought in as a viable option to allocate jobseekers and the job openings, or indeed the apprenticeship positions (Ibid).

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\(^9\) Other budget discussions than that of employment and work did not include the issue of young people without employment or any complementary measures for the deliberations in November 2008. The parliamentary material for this reform is therefore a little less comprehensive than for the other reforms, a fact that I try to make up for by including more questions and answers to the Minister in the analysis.
Financial dimension

For the PU and the employment budget consecrated to youth unemployment policies for the fiscal year 2009, there were significant cuts to the passive measures such as state-subsidized employment and second chance educational programmes (Aeberhardt et al, 2011). But there was also a continued emphasis on apprenticeship slots for the young and the “stimulation” of such positions through tax cuts for the employers (Question No. 60466; Question No. 61176).

5.5.5 Youth Guarantee (YG)

Ideational dimension

For the fiscal year of 2014, the Socialist government through the Minister of Youth, Sports and Education prescribed higher spending on the youth unemployment policy to come to terms with the ever-increasing unemployment rates in the wake of the financial crisis in 2008-2009 and the budget cuts from the PU in 2009 (CRI, 2013a). The coordination of and job support for the young unemployed was suggested to be re-oriented to the PES (CRI, 2013a). Another aspect of the GJ was the possibility of acquiring EU funding from their Youth Guarantee project, launched in 2012, which could be used to create apprenticeships and other forms of activities for young people in regions hit hard by youth unemployment (higher rates than 25 per cent). This was a goal that the Socialist government obviously aimed for, at least in part, with the GJ (Q. No 40636; Q. No 42691). In the budget discussions for 2014, the Socialist representatives claimed to seek the overarching goal of stable employments for the young rather than “short-term measures just to improve the statistics” (CRI, 2013b).

In terms of conditionality, the attendance and performance request was still included and proposed from the Socialist government and not particularly disputed from either the radical Left or the Right wings (CRI, 2013a). The Socialist Minister of Social affairs and Health held that the remuneration would be equal in size with the minimum benefits and require counter-performance from the young (Q. No 31019). However, parts of the budget suggested by the
Socialist government were dedicated to improve benefit rates, which was criticized by some representatives from the Right as a too costly measure (CRI, 2013b).

Organizational dimension
In the deliberations on the local level about how to best match and best reach out to the young people in the most need of support and service, the inclusion of and communication with a multitude of actors was proposed and supported by the Right-wing as well as the Socialist government. The idea was to not induce a top-down, “populist” measure but rather anchor it well among the practitioners, the Minister of Youth, Sports and Education expressed (CRI, 2013a).

Financial dimension
The Socialist government suggested that the sharp cut in the financing of active and employer-oriented measures such as tax-cuts for apprenticeship and trainee positions: an intervention that representatives from the Right-wing opposition strongly disagreed with (CRI, 2013a; 2013b). Representatives of the Right-wing, both from the Conservative and Centre-Right parties, expressed a fear of driving the country into debt and creating strong disincentives for companies to hire young people in the budget deliberations for 2014 (CRI, 2013b). In a speech by the Prime minister in April 2014, however, the government reversed their positions on the cuts of social charges for the companies and reintroduced the idea of a better and more business-friendly policy, along with decreased salaries for the young workers (CRI, 2013a).

5.6 Discussion and classification of the French youth unemployment policy motives

In Table 5, the results of the motivation analysis of the parliamentary deliberations, Committee reports and other statements from key policymakers involved in the youth unemployment reforms are presented. Notably, there are some motivations, arguments and ideas that are recurring throughout the time
period and transcending both the changing economic times, with financial crises hitting France during PAQUE, PU and to some extent also GJ: a fact that is present in the discussions around these programmes. The inclusion of several actors, the relatively recurring increase in youth labour market policy spending as well as the targeting of both public and private employers are proposed by the incumbent governments throughout the period, regardless of party or ideological belonging, along with the favouring of active measures.

Turning to the primary goals for the delivery of reform and the governments’ intentions to demark the individuals vis-à-vis the institutions’ need to adapt in order to mitigate the mass youth unemployment problem, it is notably stable except for the years 1996-1997. This was during the NSEJ negotiations, when the government took the view that it was the young people that needed to become more employable. It was also around this time that the talk of flexibility, the loosening of salary protection and rigid employment contracts depart and is exacerbated in the PU, when large parts of the labour policy in general was permeated by ideas of flexibility (see Pickard, 2014; Aeberhardt et al, 2011). However, the financial hardships that struck France twice did not have the expected effect on overall expenditures, with the exception of the two last governments on the Right and Left-wing respectively favouring the active versus the passive measures. These actions must be seen in the context of the levels that previous reforms and youth unemployment budgets had set, which is underpinning the reactions of the political actors on both sides in their favouring or disfavouring of the new measures. Likewise, the matter of the idea behind the reform and what values it sought to illuminate seems relatively contingent on partisanship, while at the same time preserving the Employment-centred regime core value of “vocational qualification”, suggested in Hypothesis 2. Rather than changing course radically, in neither of the dimensions or operational indicators, the intentions guiding the French youth unemployment regime over time have the look of layering, which Streeck and Thelen determine as one possible form and feature of policy change and convergence pattern (2005), where new institutions are layered on top of the already existing ones.
<table>
<thead>
<tr>
<th>Labour market policy options</th>
<th>PAQUE</th>
<th>NSEJ</th>
<th>PU</th>
<th>GJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incumbent government’s intentions for public expenditures on youth employment</td>
<td>Increase overall spending</td>
<td>Increase overall spending</td>
<td>No change in budget from prior year</td>
<td>Increase overall spending</td>
</tr>
<tr>
<td>Incumbent government’s intended goal for youth employment programme</td>
<td>Consolidate efforts both increasing employability and public employment services.</td>
<td>Improve individual’s employability</td>
<td>Consolidate efforts both increasing employability and public employment services.</td>
<td>Consolidate efforts both increasing employability and public employment services.</td>
</tr>
<tr>
<td>Main purpose of youth employment programme outcome</td>
<td>Vocational qualification to accommodate the industry and the individual / Educational opportunity for the individual’s development</td>
<td>Vocational qualification to accommodate the industry and the individual / Economic independence of youth</td>
<td>Vocational qualification to accommodate the industry and the individual / Economic independence of youth</td>
<td>Vocational qualification to accommodate the individual / Educational opportunity for the individual’s development</td>
</tr>
<tr>
<td>Conditionality of benefits</td>
<td>Not discussed</td>
<td>Not discussed</td>
<td>Increased conditionality of benefits suggested</td>
<td>Not discussed</td>
</tr>
<tr>
<td>Design of youth unemployment benefit system</td>
<td>Security</td>
<td>Balancing flexibility with security</td>
<td>Flexibility</td>
<td>Balanced flexibility with security</td>
</tr>
<tr>
<td>Sector specificity of reform</td>
<td>Other or no specific sector favoured</td>
<td>Industry sector favoured</td>
<td>Other or no specific sector favoured</td>
<td>Other or no specific sector favoured</td>
</tr>
</tbody>
</table>

Organizational dimension

<table>
<thead>
<tr>
<th>Main provider and administrator of employment service</th>
<th>Public</th>
<th>Public</th>
<th>Both public and private</th>
<th>Public</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of employer targeted</td>
<td>Both public and private</td>
<td>Both public and private</td>
<td>Both public and private</td>
<td>Both public and private</td>
</tr>
<tr>
<td>Level of centralization of main implementation of reform</td>
<td>Regional</td>
<td>Local</td>
<td>Regional</td>
<td>Regional</td>
</tr>
<tr>
<td>Subsidization</td>
<td>Subsidization of non-public employers</td>
<td>Subsidization of non-public employers</td>
<td>Subsidization of non-public employers</td>
<td>Subsidization of non-public employers</td>
</tr>
<tr>
<td>Number of actors included in the implementation of unemployment reform</td>
<td>Several</td>
<td>Several</td>
<td>Several</td>
<td>Several</td>
</tr>
</tbody>
</table>

Financial dimension

<table>
<thead>
<tr>
<th>Loci of expenditures</th>
<th>Active measures</th>
<th>Active measures</th>
<th>Active measures</th>
<th>Both active and passive measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response to financial hardship</td>
<td>No decrease</td>
<td>Not applicable</td>
<td>Governments’ intention to decrease funding for passive labour market measures</td>
<td>Decrease in funding for active labour market measures</td>
</tr>
</tbody>
</table>
6 Youth unemployment policy motives: The comparative perspective

In this chapter, I compare the three countries and the cross-temporal changes that the motives of the youth employment programmes have undergone. Drawing on the five hypotheses, I highlight the main findings and reiterate to the theoretical framework in order to interpret the results and to answer the research question:

- To what extent have Sweden, the UK and France’s governments’ formation of programmes targeting youth unemployment converged or diverged between 1990-2014?

6.1 Hypothesis 1: Modern welfare states’ responses to periods of economic downturns

Hypothesis 1. At periods of economic downturns, modern welfare states’ governments argue for the decrease of funding for passive youth unemployment measures (benefit duration and generosity of benefits).

In the case of Sweden, the first hypothesis holds since the governments during the 1990s crisis, the Great recession and the years after decreased the funding for passive measures. Although, in 2011 spending on active measures was increasingly promoted. This is coupled with the increased conditionality of benefits that transcends both party politics and economic cycles. In the UK, the results are more ambiguous at the end of the period. This was when the Left government left the passive measures unaltered, but suggested increased active
measures in 2009, whereas the Right-wing government cut funding for both types in 2011.

It seems as if partisanship matters more in the English case than in the Swedish, notwithstanding the fact that the reforms are rather synchronized. Even more ambiguous is the support for Hypothesis 1 when we consider the French case, as the Left-wing government in the early 1990s maintained their spending level on passive measures but the Right-wing government significantly cut this funding. Later, in the most current GJ reform, it was the spending on active labour market measures that the parliamentary majority wanted to decrease: not the passive.

Considering these results, it is not relevant to talk about a very strong liberalisation trend that would predict retrenchments in the face of financial austerity or instability across different welfare regimes. Neither are the unifying, harmonizing patterns among policymakers within the youth unemployment domain with relation to the (de-)commodification of benefit generosity or duration through economic drivers persistent, contrary to Drezner’s predictions (2001). Although the Liberal and Employment-centred countries in this study have proven to not adhere to the path staked out by the mechanisms of regime stability and continuity (Rothstein – Steinmo, 2002, pp. 95-101), we can not rule out that the Universalistic Sweden have undergone change in this regard (Streeck – Thelen, 2005).

6.2 Hypothesis 2: Different welfare states’ main purposes for youth employment outcomes

Hypothesis 2. Youth transition regimes matter for the governments’ objectives for the youth employment programmes:

2a: Liberal youth transition regimes’ governments emphasize economic independence of the young in the formation of youth unemployment policies.

2b: Universalistic youth transition regimes’ governments emphasize the provision of educational opportunity.
Employment-centred youth transition regimes’ governments emphasize vocational qualification in the formation of the youth unemployment policies.

This hypothesis juxtaposes the youth transition regime theory and the policy convergence theory and prompts the rather unanimous support for the one or the other theoretical postulate, in relation to the intended overall purpose that the national policymakers had in mind for the programmes. The results from the within-case analysis are interesting in their diversity of results. Granted that all three countries “started out” in the early 1990s with purposes that adhered to their different, regime-specific legacies, all have proven to take on, or layer (Streeck – Thelen, 2005), another regime’s purpose on their own. Like Lødemel discusses, in his work on convergence in youth unemployment policy, the push-factors from liberalism and globalisation coupled with the increased EU engagement in youth employment issues enable countries to take on new ideas, although not necessarily through the same routes (2000, pp. 308-314).

The preferences among the Swedish policymakers in this regard have expanded to not only entail “educational opportunity” but also the values of “vocational qualification to accommodate the industry and individual” over time and over two consecutive youth reforms. Conversely, the French policy preferences have over time grown to adopt the Universalistic programme purpose “educational opportunity” alongside of the Employment-centred regime “vocational qualification”, notably during the Left-wing governments. However, during both Right-wing mandate periods, the Liberal “economic independence” was layered on top of “vocational qualification”.

Thus, France has shown a propensity to alter its approaches, while retaining the Employment-centred focus all along, but the trend has not been univocal. The patterns in the UK follow those in France in terms of the Left-wing government’s preference for the ‘Universalistic way’ with “educational opportunity”, but without the adaptation of Employment-centred vocational goals for the Right-wing governments. It could be argued, thus, that of any regime it is the Universalistic that has prevailed in other cases than in its original regime context: Sweden. Other than that, it must be concluded that regime legacy along with party politics seems to play a more dominant role than convergence streams in this aspect. However, the case for uni-modal change,
conceptualized by Streeck and Thelen (2005) is supported empirically through this indicator.

Considering the other goal-oriented indicator for the governments youth employment programmes, however more related to party politics and preferences than youth transition regime legacy, a most univocal change in all three countries from efforts to ‘improve employability’ towards ‘consolidating efforts both increasing employability and the PES’. This finding, I believe, speaks to the increased complexity and imminence of the youth unemployment problem and the experienced difficulties among the national governments to focus ‘just’ on purely demand or supply side efforts. Or, it may be that policymakers’ experienced difficulties of simply knowing how to come to terms with the problem through political initiatives. Nevertheless, it is a finding that supports the occurrence of convergence, at least in this aspect, and questions McNeish and Loncle’s study of the European direction of labour market policy goals for young people (2003, p. 111).

6.3 Hypothesis 3: Youth transition regimes and benefit and employment policy system configurations

Hypothesis 3. Youth transition regimes matter for the governments’ objectives for the formation of benefit systems for the young unemployed.

3a: Universalistic and Employment-centred (high-committed) countries suggest security measures or balanced flexibility and security measures for the young unemployed.

3b: Liberal (low-committed) countries favour flexibility measures at the expense of security or balanced flexibility and security measures for the young unemployed.

We move on to the question that relates to the employment benefit system and policy incentives to counter high youth unemployment rates, and which seeks to unfold the activation and liberalisation movement that the theoreticians of globalisation, youth transition regimes as well as labour market policy change
predict (McNeish – Loncle, 2003, pp. 111-112). The results here are ambiguous at best from the three countries studied. In Sweden, it seems like it is the financial circumstances in the world that prompted arguments in favour of increased flexibility in the JDG reform, whereas the maintenance of balance between flexibility and security prevailed after the Great recession. In all essential, Sweden stays true to its high-committed, Universalistic heritage. The UK governments, on the other hand, follow the party lines as the emphasis on balance flexibility and security vis-à-vis flexibility shifts with their placement on the Left/Right scale. Similar trends are found in the French majorities’ motives, although a slight shift from the initial focus on security towards the latter emphasis on flexibility or balanced flexibility and security. This, considering France’s ranking among the high-committed countries, does not lend support to the third hypothesis or to the overall youth transition regime’s theoretical keynotes on the matter (McNeish – Loncle, 2003, pp. 111-122). Thus, support for Hypothesis 3 cannot be found in this study, and I believe that a more in-depth inquiry of the motives used in related fields such as social security debates would have had been necessary in order to fully explore the implications of this hypothesis.

6.4 Hypothesis 4 and 5: Party politics and propensity for spending and subsidization

Hypothesis 4. Government placement on the Left/Right political scale matters for youth employment spending propensity:
4a: Left-wing governments increase overall spending on youth unemployment policies.
4b: Right-wing governments decrease overall spending on youth unemployment policies.

Hypothesis 5. Government placement on the Left/Right political scale matters for subsidization of non-public employers:
5a. Left-wing governments prefer no subsidization of non-public employers.
Since these two hypotheses are somewhat interrelated and adhere to similar theoretical perspectives, I choose to discuss them together. Starting with the general question of party-contingent spending levels over time on youth employment measures, this hypothesis finds its strongest support in the Swedish case. Whereas the first 1990s reform, carried out under Conservative auspices, involved cuts of overall spending, the subsequent Social Democratic government turned the ship around and argued for higher labour market spending. However, this trend prevailed even with the following Right-wing government, which indicates that the bar has been set for high spending in Sweden regardless of ideology. In the UK, the party politics argument holds water, since the Left- and Right-wing governments respectively argued for increased and decreased spending. The French case, on the other hand, shows no contingency on party politics but rather persistently argues for increased or high spending across party lines. This trend is not as visible in for the subsidization variable, as all governments have allowed for subsidization of non-public employers throughout the period. In the UK and in Sweden, the trend is similar with the persistence of subsidization towards the end of the studied period. Although, in the Swedish case there was only one Social Democrat-led reform which somewhat weakens the robustness of the results.

All in all, the results related to the first hypothesis do not support the assumptions emanating from the policy change drivers discussed in 3.3 (idea proliferation and convergence patterns) other than for the case of the UK. For Sweden and France, there has rather been a movement towards the acceptance of high spending levels as one of the tools to counter the youth unemployment problem. Similarly, France and the UK have taken a comparable path regarding the promoting of subsidization for non-public employers, whereas Sweden’s case supports the hypothesis of the importance of party politics.
6.5 The European influence

Drawing on the national parliamentarians’ motives and motivations in the debates, some findings that would indicate that the idea proliferating qualities of the all the more closely knitted European network of countries and epistemic communities are discovered. The EU Youth Guarantee mission in 2012 allocated money to projects that sought to give young people an offer of employment, internship and apprenticeship in all Europe. The Socialist Minister of Labour predicted that France could get about €600M from the EU Youth Guarantee for their YG project in 2013, which was followed by a broad consensus in parliament. Was this incentive perhaps strong enough to forge the three countries’ national policies as of 2012? Comparing to Lødemel’s postulates about policy diffusion and influence from the EU on the labour market policy developments in its member states (2000, pp. 306-308), the findings from my analysis of the debates fuel that thought. On similar notes, there are numerous English MPs that allude to the German example, as do the Swedish (also including Denmark) and French ones in their respective debates. Aside from these instances, there were no other explicit mentions of the EU or convergence pressures, but instead ideational drivers of learning from ‘best practice’ examples and previous actions resulting from the two crises (Drezner, 2001; Bennett, 1991). Not only do policymakers in the different national contexts acknowledge other countries’ successful policy solutions, but in many cases they also take the crucial steps towards the implementation of that solution in their own country. This, even if the traditional labour market policy legacy forces would hold them back, according to youth transition regime theory (McNeish – Loncle, 2003). Thus, even if a causal relationship can not be confirmed from this analysis, it is possible that the increased activity on EU level concerning the youth unemployment policy including increased interactions, ideational diffusion and cooperation that the European member states have undergone over the time period (Berthet, 2015, p. 45), has nudged the countries in a similar policy direction.
7 Concluding remarks and suggestions for further research

The allocation of expenditures on active rather than passive measures is the most obviously similar trend that the countries of all regime types are following. It seems like an irreversible path taken, and with the gradual increase of benefit conditionality (let alone across all different types of government compositions), it forms a strong argument for the existence and persistence of the activation turn in youth labour market policies.

Reviewing changes in the organizational dimension, the movement in both Sweden and the UK towards the subsidization of non-public employers (and the continued subsidization in France), as a supply side tax policy incentive is the most convincing sign of convergence within this dimension. The governments’ active financing and inclusion of these actors in the overarching efforts to activate youth and increase the employment rates for this group signals the convergence of policy. Further, coupled with the inclusion of more actors in the implementation process of policies, it speaks to the growing importance of governance modes of steering, through new partnerships and interaction between different actors with stakes in the labour market (Berthet, 2015, pp. 45-47).

Concluding the results from the ideational dimension, it is plain to see that regime type still matters to a broad extent in all three country-cases studied. There has not been proof of the qualified convergence, brought to bear by Streeck and Thelen (2005), of the motives and intentions for the overarching goals and purposes for the youth programmes designs and outcomes, which I set out to examine. However, the gradual shift towards a partial policy convergence, as both Sweden, the UK and France have shown evidence of within the areas of “intended goal for youth employment programme” and “main purpose of youth employment programme outcome” (Table 2), indicates the possibility of an on-going trend. Although we may not have arrived to a
common destination, or are going along shared policy routes, some aspects of youth unemployment policies in Europe might be headed in the same general direction. Still, there is little or nothing in this study indicating that youth unemployment policies in all its complexity would fully converge in any foreseeable future.

In this thesis, I have attempted to give a comprehensive image of how countries of different youth transition regime types have evolved, changed, converged and diverged over more than two decades. Inasmuch as the findings have pointed to the importance of regime legacy in some labour market policy choices, party politics mattering for others and the occurrence of layering and partial convergence of third and forth areas, some questions remain unanswered whereas other new ones have arisen. In order to take the new insights gained from this study a step further, it is necessary to venture deeper into the causal mechanisms behind idea proliferation and ideational and economic drivers for convergence. Alternatively, testing the newfound claims on other cases or areas within the labour market policy sphere to ascertain or reassess their theoretical value.
8 List of references


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