

# Working partially on the working poor

Explaining the indirect approach of the European Social  
Fund+ towards in-work poverty



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# Abstract

In-work poverty is a societal problem that should be prevented according to the European Pillars of Social Rights. However, the European Social Fund Plus, being the main European social policy, only addresses the issue indirectly. The aim of this thesis is to build an explanation for this partial actuation of the European Union. By adopting an abductive approach, a process-tracing is conducted to find the factors that explain the outcome, guided by an eclectic theorisation of multiple streams framework and ideational historical institutionalism. I develop a causal explanation through the three streams identifying both ideational and institutional intervening factors. The main findings stand that when the ESF+ was designed, the problematisation of the issue was in a low profile; the European Commission, as the main policy entrepreneur, only patronised indirect policy ideas, and the jurisdiction –Lisbon Treaty– was anchored in a previous ideational paradigm. Thus, I conclude by clarifying that during the opening of the Fund’s policy window, all the three streams –problem, policy and political– were unready for directly addressing in-work poverty.

*Key words:* in-work poverty, European Social Fund, process-tracing, Multiple stream, Qualitative Content Analysis

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# List of abbreviations

EaSI-EU program for Employment and Social Innovation

EC-European Commission

EP-European Parliament

EPSR-European Pillar of Social Rights

ESF-European Social Fund

ESF+-European Social Fund Plus

ESPN-European Social Policy Network

EU-European Union

FEAD- Fund for European Aid for the most Deprived

IWP- In-work poverty

MSF-Multiple Stream Framework

OMC-Open Method for Coordination

QCA-Qualitative Content analysis

SPC-Social Protection Committee

TEU-Treaty of the European Union

TFEU-Treaty of the Functioning of the European Union

USA-United States of America

YEI-Youth Employment Initiative

# 1. Introduction

*In-work poverty shall be prevented.*  
(European Pillars of Social Rights, 2017)

The beginning of the 21<sup>st</sup> century brought, along with new hopes and challenges, an unprecedented supranational dimension in social policies. The European Union (EU) started addressing social competencies that previously were exclusive statal areas. Labour was settled as the main pillar for European social policies and, therefore, participation in the labour market was framed as the main method to reduce poverty and create social inclusion (Cantillon & Vandenbroucke, 2013). This labour-centred logic dodged the reality of the working poor, which in 2019 constituted 8,9% of the EU workers (Eurostat, 2022).

Despite the blind spots in the leading logic of European Social Policies, the phenomenon of in-work poverty (IWP) has not gone unnoticed within the Organisation. The issue of In-work poverty was explicitly first introduced in the employment guidelines for the Union in 2003 by the Council (Bardone & Guio, 2005). Even if the visibility of the issue has been increasing (Bennett, 2014; EAPN, 2018), “combatting in-work poverty as a specific policy objective has only rarely been on the political and reform agenda” (ESPN, 2019, p. 78).

An important consideration is the fact that after 2003, indicators to measure IWP were created. By these indicators, it is able to quantify the working population in the poverty threshold (EAPN, 2018). This measurability enabled the main explicit mentions of IWP. Among them, it is crucial the annual report of 2013 by the Social Protection Committee (SPC) which dedicated a whole section to analysing the issue. The resolution adopted by the European Parliament in 2010 is also key, as it confirmed the increase of the “number of working poor”, and “the need to tackle this new challenge by combining different instruments” (European Parliament Resolution of 20 October 2010, res. 26, in Papa, 2021).

Probably the most essential mention was the 6<sup>th</sup> objective of the European Pillars of Social Rights (EPSR) to prevent in-work poverty –the quote that heads this introduction–. The European Commission (EC) affirmed the predisposition to materialise the EPSR and recognised the European Social Fund Plus (ESF+) as the main instrument to implement it (European Commission, 2021b).

Preventing in-work poverty is not an easy task. Addressing it needs from indirect and direct types of measures (Papa, 2021 p. 53; EC, 2013, p. 96). However, according to the European Social Policy Network, IWP is generally framed indirectly in the EU. The Union considers it within wider policy goals –employment and social inclusion– and the policies to address it take an indirect character (ESPN, 2019 p. 78). A clear example of this approach is the European Social Fund (ibid.), which was meant to be the main implementor of the EPSR. In the Fund, in-work poverty is not referred as such and it is

addressed through indirect measures with activation policies, childcare and up-skilling training among others (ibid.).

## 1.1. Research Aim

Considering all the above said, the aim of this thesis is to explain why the European Social Fund Plus –admitted by the EC to be the main policy to implement the EPSR, which remarks the need to prevent in-work poverty– does not address IWP directly. Concretely, I focus on ideational and institutional explanatory arguments of political and policy research, identified by Parsons (2007) (see section 3.1). The eventual question that the thesis addresses is the following:

*Which is the ideational and institutional causal explanation that led to in-work poverty not to be directly addressed in the ESF+?*

## 1.2. Overview

To answer the research question, I mix outcome explaining process-tracing with Qualitative Content Analysis (QCA). For building the explanation, abductive reasoning is adopted – a combination of deductive and inductive paths (Peirce, 1955 in Beach & Pedersen, 2013 p. 19)–. The causal mechanisms are deduced from theory: both from Ideational Historical Institutionalism and Multiple-Stream Framework (MSF) by Kingdon (2011). On the other hand, the institutional and ideational factors are inductively obtained from the empirical material, by analysing policy papers and relevant official documents that preceded ESF+. To materialise the coherency of both paths, I classify the material into theoretically based categories using extractive Qualitative Content Analysis. Once the material is classified, the process-tracing is conducted through the different theoretical categories. The explanation, and therefore, the answer to the research question is derived from coupling all the tracings.

The research is valuable to deepen the understanding on the evolution of the social EU, and concretely the evolution of the IWP within it. Moreover, addressing the study from a particular eclectic theorisation of MSF and historical institutionalism can bring further theoretical insights. Among them, the European Commission is seen as a policy entrepreneur, the analysis of a failed policy window and the introduction of temporality in the multiple streams are noteworthy. Concerning the methodology, this research develops an unusual mixed method in Political Science.

The thesis is structured in seven parts. After this introduction section, the relevant literature is presented. It is compounded by the literature on how earlier scholars have analysed the ideational and institutional elements of addressing in-work poverty, and of the social sphere of the European Union. The aim is to present the research gap that this study aims to fill. In the third section, the theoretical foundations of the analysis and the

characterisation used on in-work poverty are presented, as well as the synthesis of both that is used in the analysis. The fourth section of methods exposes the main attributes of the methods that are used, the material that is selected, the process that is followed in the analysis and its limitations. The following analysis section develops the process-tracing. The results part explains the main derivations developed from the analysis. Hence, it elaborates the answer to the research: an explanation of why in-work poverty was addressed indirectly in the ESF+. Finally, a conclusion section discusses the main results and launches further debates.

### 1.3. Defining in-work poverty

Prior to beginning with the literature review, it is seen worthy to discuss a couple of notes on the definition of in-work poverty and provide a brief introduction to the EU's social sphere.

As it happens with many social phenomena, in-work poverty lacks a universal definition –which depends on first place on how “poor” and “work” are defined– (Cantillon & Vandenbroucke, 2013). As this research focuses on the European Social Fund Plus, it is seen as adequate to provide the definition used by European institutions when referring to in-work poverty. According to Eurostat (2022) “Individuals (workers) are at risk of in-work poverty when they work for over half of the year and their equivalised yearly disposable household income is below 60% of the national household median income level”.

The main characteristic of this definition is that it mixes individual working status with household income; combining, therefore, individual and household levels (Bennett, 2014). Understanding this duality in the very definition is essential to grasp the complexity of addressing in-work poverty (Peña-Casas et al., 2019, p. 24). It is practical to keep in mind this earlier definition. The research is based on tracing the ESF+ based on EU institutional documents. Thus, whenever the term “in-work poverty” appears in the analysed documents, it is backed by that latter definition. Nonetheless, this does not mean that the thesis adopts this characterisation of in-work poverty, but it involves acknowledging the use of the concept that is made in the analysed material. The actual characterisation of in-work poverty for the research is based on Lohmann and Crettaz (2018) as it is explained and justified in section 3.3. *Conceptualising in-work poverty*.

#### **A brief contextualisation of Social Europe and terminology**

Before continuing with the literature review, I would like to provide some contextualisation about Social Europe and its main concepts.

What today is called the European Union, did not always have a strong social sphere. It was the approval of the Amsterdam Treaty in 1997 that brought the recognition of the need to prevent social exclusion within the European project (Papa, 2021). This recognition was in line with the



statements of the Commission president Jacques Delors, who at that time coined the term “European Social Model”.

The European Social Model is a concept that refers to the convergence of the social policies between member countries and the Europeanization of the social sphere (Barbier, 2013). In contrast to the European social policies – the policies that are promoted and led by the EU– European Social Model refers to the ensemble of social spheres across the member states that share common characteristics (Idem).

This differentiation is necessary as the recognition of a model brought the creation of policies. In other words, the Treaty of Amsterdam and the recognition of the existence of a European Social Model were fundamental to the creation of the Lisbon Strategy, which “initiated an EU policy process in a number of social fields that are new to the EU” (Daly, 2008, p. 15). It was the Lisbon summit in 2000 that brought into agenda issues that previously were not discerned in the organisation –such as poverty, social inclusion, health care and pension systems– (European Parliament Resolution of 20 October 2010).

Among initiatives after the Lisbon Strategy to promote the Social Model –which in this research are named as European Social Strategies– are the Europe 2020 Strategy (EUROPE 2020, 2010) and the European Pillar of Social Rights (European Commission, 2021b). On the other hand, examples of European Social policies are the European Social Fund (ESF), Fund for European Aid to the Most Deprived (FEAD), Youth Employment Initiative (YEI) and European Programme for Employment and Social Innovation (EaSI). These four policies are, in fact, the four funds that were melted in 2021 to create the new European Social Fund + that is investigated in this research (REGULATION (EU) 2021/1057, 2021).

Table 1: Brief Contextualisation of the Social EU and terminology

## 2.Literature review

The following sections present the main existing literature related to the research topic dimensions. Specifically, it addresses how has in-work poverty been problematised in the welfare literature and which are the institutional and ideational logics behind the social EU might affect how the phenomenon is addressed. The intention is to provide an understanding of the pillars in which this research is building and present a research gap.

### 2.1. Problematising In-work poverty in Welfare literature

If the definition of a problem affects how this problem will be addressed (Kingdon, 2011), understanding how the main literature has studied the problematisation of in-work poverty is essential to investigate how and why is addressed in a certain way. Concretely, its problematisation has gone in hand with welfare regimes and the social investment paradigm.

#### 2.1.1. Welfare regimes

The State has been traditionally the flagship institution on social matters and, therefore, the great extent of literature on in-work poverty has centred on this institution. Through these statist lenses, in-work poverty is a clear example that “we no longer live in a world which low-skilled workers can support their entire family” (Gøsta Esping-Andersen et al., 2002 in Cantillon & Vandenbroucke, 2013, p. 133 ). Thus, it is considered a phenomenon of the post-industrial era.

Within the welfare literature, authors such as Lohmann & Marx (2018), Andreß & Lohmann (2009) and Crettaz (2011) have theorised the type of in-work poverty that each welfare regime faces. There is a consensus among these scholars that the adequacy of adopting policies depends on the predominant factors that create in-work poverty in each regime. The welfare regimes are clusters of countries that “embody distinct values and rationales” (Andreß & Lohmann, 2008, p. 7) that were originally classified by Esping-Andersen (1990) between social democratic, liberal and conservative corporatist regimes.

Lohmann & Marx (2018, p. 23) state that social-democratic regimes –which base their institutions on egalitarian aspirations– suffer from minor in-work poverty rates. The problematisation of IWP is focused principally on mono-parental families and on relatively scarce single-earner households. In the Conservative/centre European regimes, low-work attachment is the main factor that causes the working poor (ibid). This is due to their institutional culture based on the breadwinner model, which causes in a post-

industrial era single-earner households to face the risk of entering poverty thresholds. On the contrary, the problematisation of liberal countries concerning IWP is related to low wages and bad working conditions (ibid) and not to a low-work attachment. The low regulation of the labour market in liberal countries makes it easier to increase the demand for low-skill workers and, therefore, mitigate low-work attachment factors. Finally, Lohmann and Marx (2018) refer to the Mediterranean welfare regimes identified by Bonoli (1997). These latter, are among the countries with higher rates of IWP, characterised by low wages and conditions and high low work attachments. Nonetheless, the institutional culture of families helps to diminish its effects (Lohman and Marx, 2008, p. 30).

Crettaz (2011), on the other hand, names three mechanisms to enter the IWP threshold –low earnings, low labour force attachment and high needs–, and therefore, he theorises which policies are used depending on which mechanism is prevalent in each welfare regime. Social-democratic regimes are characterised by policies that enable high labour participation, especially among women, and generous social transfers (Crettaz, 2011). The main mechanism that the Conservative/centre European regimes face, concerning in-work poverty, is the low-work attachment. On the contrary, in liberal regimes, IWP is mainly created by low earnings and a high dependent ratio. Thus, while work maximisation is the most prominent objective in conservative regimes, the main policies to address IWP in liberal regimes are the increase of minimum wage and household incomes (Crettaz & Bonoli, 2010). Finally, in Mediterranean regimes, addressing IWP involves principally improving working conditions and maximising employment (Crettaz, 2011).

So far, the mentioned scholars just focus on institutional factors. Besides that, ideational implications when addressing in-work poverty have also been referred to in the academy. Among the ideational scholars, the research on policies to combat in-work poverty has been strictly linked with the social investment paradigm.

### 2.1.2. Social Investment

The social investment could be tagged as an ideational wave in welfare states. It rose in the 1990s and it resembles a halfway construction between the previous two welfare paradigms –Keynesianism and neoliberalism–(Hemerijck, 2012). According to Hemerijck, social investment's main logic is that social policies ought to invest in certain stages of people's lives. It is a perspective defending that the intervention of the state in social issues should go hand in hand with the economic sustainability considerations of Welfare States.

The application of social investment, however, has not been equal among the states. Cronert and Palme (2019) find two strands of the same paradigm: on the one hand, they distinguish the “Nordic model” which is based principally on the social investment assumptions by the Danish scholar Esping-Andersen and on the other hand, the “third way” which is based on the perspective of the British Giddens. Depending on which model do the states follow, the problematisation and, therefore, application of policies to combat in-work poverty differ significantly (ibid, p. 215). According to Cronert and Palme (2019), the states following Giddens's perspective focus on activation and human

capital investment. On the contrary, the Nordic model is based on collectively bargained wages –and not only on job creation– as a way to combat in-work poverty. Jenson (2012) also differentiates both perspectives, but instead, he remarks that the main characteristic of the *third way* perspective is that they focus on employment supply, while the *Nordic* model synthesise policies on making work pay, investment in human capital and in childhood.

Social investment has been criticised for being a re-commodifier of the labour market –especially, but not only, the third-way perspective–. De la Porte & Jacobsson (2012 p. 143) stand that the main goal behind social investment has been to create employment, and not improve the quality of employment. Thus, unemployed and unskilled workers have been pressured to accept low-quality jobs. On the other hand, Cantillon (2011 p. 445) affirms that although the policies of activation and upskilling can improve the conditions of the working poor, the social investment paradigm has gravitated toward the “investment” part. Thus, objectives such as social redistribution and care of the most vulnerable have been forgotten and placed in a second stage.

Welfare literature has centred its attention on the problematisation of in-work poverty by states in both institutional and ideational strands. However, as the purpose of this thesis is to analyse how in-work poverty has been addressed in a policy of the EU, theories based on the state level are too limited for the analysis. Thus, the following section elaborates what have been the foundations of the social sphere in the international organisation.

## 2.2. Institutional and Ideational factors behind Social EU

The social sphere of the European Union has been characterised by a slow, soft and irregular development. According to Barbier (2008), this evolution lies primarily on three institutional factors: the primary origins of the EU as an organisation centred on the economy, the exclusiveness of states on social competencies and the disruption of the CJEU in the hierarchy of the legal rules. Not very distant from this premise, other scholars have analysed the logic that was behind the main social strategies of the EU in the XXI century.

Daly (2008) argues that the approval of the Lisbon Strategy was a clear example that the EU social policies are just secondary characters of bigger economic and labour policies. He claims that it is doubtful the existence of political ambition to address social exclusion and that its creation answers more to an introduction of control and reforms into the social policies. On the contrary, Borrás & Radaelli (2011) affirm that the openness of the Lisbon Strategy on social issues was extending the idea of European social policies to new actors and the Member States, and therefore, there was a certain purpose of introducing the new lens on the economic-centred EU. De la Porte & Heins (2016), who analyse Europe 2020 Strategy, remark on the contrast between the broadness of social and employment agreements and the strictness of fiscal and monetary policies. The creation of the European Semester –including the social one– are also characterised,

according to Copeland and Daly (2018), by the aim of the EU to motorise the economic accounts of the States and the lack of willingness to use social policies to provide strict solutions to market failures. Lastly, Graziano and Hartlapp (2019) stated the softness of the European Pillar of Social Rights, placing it as an example of the decline of Social Europe.

When referring to ideational elements of Social Europe, the previous authors characterise the Union's ideational foundations as a halfway between the neoliberal and social investment paradigm. Copeland and Daly (2018, p. 15) state that the market rationale was behind the logic of social Europe. In the same way, de la Porte & Heins, (2016) affirm that the European Monetary Union criteria on financial sustainability have been an impediment to the transition toward a fully social investment paradigm. Daly (2012, p. 273) states that the EU philosophy takes "from social investment and liberal approaches, neither of which has a strong orientation to addressing poverty". Finally, the most explicit examination was done by de la Porte & Jacobsson (2012) who affirmed that the ideational turn towards social investment by the EU was not in favour of redistribution but towards financial stability.

So far, literature in the field of in-work poverty and social Europe has focused on how welfare states and social investment paradigms problematise in-work poverty and which are the institutional and ideational characteristics of social EU. But, what about the factors behind how the EU addresses in-work poverty? Even if the presented literature surrounds the research topic, none of the authors penetrates explaining why in-work poverty is addressed indirectly in the EU. The present research adds to and fills this research gap in the European Union's welfare literature.

## 3. Theory

As this is an outcome explaining research, the theory part becomes of the most essential character. For the sake of transparency, this section commences by explaining which are the meta-theoretical claims that are adopted when the research question is answered. It is followed by the theoretical perspectives that are used –ideational historical institutionalism and Multiple Stream Framework– and a third subsection that deepens on how in-work poverty is conceptualised in the analysis. To finish this theory section, an eclectic synthesis is provided in which the theoretical perspectives, literature and in-work poverty conceptualisation are combined.

### 3.1. Ontological and epistemological claims

The main theoretical approaches adopted by the thesis are critical realism and historicism. These approaches have in common a strong ontological realism; in other words, the claim of the existence of an intransitive reality (Bhaskar, 1998). On the other hand, they are characterised by epistemological relativism. From these perspectives, the generation of knowledge is strongly influenced by the process of its production (Zachariadis et al., 2013). Linking it to historical study, although historical facts are intransitive, the knowledge we have about them is constantly changing (Bhaskar, 1998). Moreover, causality is not understood as the relation between two particular objects, but as the process and circumstances by which one causes the other (Zachariadis et al., 2013 p. 857). Historicism does not accept universal but particular truth claims –emphasising the specificity of time and space of social events–, therefore, it assumes complex causality rather than uniqueness (Suddaby et al., 2013, p. 105-106). Furthermore, the agent/structure relationship is explained by agents interacting in a hardly modifiable social structure that they did not create (Sayer, 2010).

Applied to the present case study, the intransitive reality where workers live under certain conditions –relative poverty– is taken as an assumption. However, knowledge about in-work poverty is constantly changing. As the research is based on an institutional setting –the EU– and analyses an issue that has been traditionally linked to ideational elements, the research centres on institutional and ideational explanatory factors (Parsons, 2007). Policies – ESF+ in this case– are taken as real social events. The ESF+ was adopted and approved by policymakers –agents– who designed it based on the conditions and on the knowledge that was present at a certain time in a certain place –knowledge reflexivity–. From this theoretical perspective, the causes of ESF+ addressing in-work poverty in a particular way is not understood as some natural rule. To understand causality is to understand the ideational process and the institutional circumstances that led ESF+

to address in-work poverty in the way it does. It is not translatable to any other process, nor is it considered a universal truth.

## 3.2. Theoretical approach

Building on the above meta-theoretical assumptions, the thesis adopts a synthesis of historical institutionalism, on the one hand, and the Multiple Stream Framework (MSF), on the other. This theoretical eclecticism is possible once due considerations are made when adopting the Multiple Stream Framework (Béland, 2019).

### 3.2.1. Ideational Historical Institutionalism

Historical institutionalism is a theoretical perspective that “draws attention to the role of temporal phenomena in influencing the origin and change in institutions that govern political and economic relations” (Fioretos et al., 2016, p. 5). Thus, historical institutionalism provides an understanding of temporal and spatial dimensions of processes. Since causality is understood as a process in this thesis, historical institutionalism becomes an essential tool for analysing it. It also embraces the phenomena of path dependency, whereby the evolution of a given institution is directly affected by the path that the same institution has taken (Thelen, 1999).

As far as historical institutionalism is not a dogma –and depends on the researcher that takes it–, it is mouldable to the objectives of the research. In the present case, ideational historical institutionalism will be adopted. By embracing this approach, the analysis will focus on how the evolution of institutional and ideational factors affect an ultimate outcome –the ESF+ addressing in-work poverty–. The combination of ideational and institutional factors is a more holistic option to address a plausible explanation (Béland, 2019; Lieberman, 2002).

A key scholar of ideational historical institutionalism is Hall (1993) who theorised about the policy paradigms. He asserted the existence of three different changes in public policies based on ideas: 1<sup>st</sup> order changes –minor changes in settings–; 2<sup>nd</sup> order changes –changing policy instruments– and 3<sup>rd</sup> order changes –policy paradigm shifts–. When adopting the ideational character of historical institutionalism, it is important to attain to a categorisation of ideas (Béland, 2019). Mehta (2010), by analogy with Kingdon’s Multiple Stream Framework, differentiated ideas into problem definitions, problem solutions and public philosophies. Each type of idea represents the three streams developed in the following section.

### 3.2.2. Multiple Stream framework

The Multiple Stream Framework, developed by Kingdon (2011), explicitly addresses the ideational analysis of the policy process but its development “remains rather vague and narrow” (Béland, 2019 p. 23). Thus, MSF needs some reconsiderations to be consistent with an ideational historical institutionalist perspective. Moreover, it is worth noting that Kingdon’s framework is very much focused on USA political context. This section will, therefore, briefly explain the key features of MSF with the different adaptations made to apply it to the EU context and ideational analysis.

Since the Multiple Stream Framework aims to explain how and why a certain policy was adopted (Zohlnhöfer et al., 2022), it is an ideal theoretical tool for this research as it provides building blocks for the explanation of a policy outcome.

The policy process, according to Kingdon (2011), is differentiated into three independent streams: problem stream, policy stream and political stream. The framework was based on the “garbage can” model by Cohen et al. (1972 in Béland, 2016) which remarked the anarchical character of decision-making.

Problem stream refers to the process by which “problems capture the attention of people” (Kingdon, 2011, p. 90). That attention can have different origins. The problem may arise because of feedbacks, indicators or “focusing events” –disasters, crises, symbols– (Herweg et al., 2018). In MSF, problems are not seen as objective events, but as social constructs. This is important in two ways: on the one hand, it means that problems need public recognition and on the other hand, the way a problem is framed will affect the policy process and solution (Kingdon, 2011, p. 90). Thus, the problem stream is strictly linked with the ideational process. Ideas shape the definition and perception of the problem, (ibid, p. 36). Mehta, (2010, p. 33) states that problem definitions describe policy goals and the nature of the problems; they are like frames in that they “emphasise some elements and neglect others” and combine normative and empirical descriptions in a reinforcing way. However, the frames are generally used for linking to pre-existing ideal elements (ibid.).

The policy stream is portrayed as a community of specialists –from researchers to interest groups– where the ideas about how to address a specific problem “float around” (Kingdon, 2011 p. 114). The members of that “primaeval soup” discuss, modify and recombine these ideas” (ibid., p. 127) biased by the structure and integration of the community (Herweg et al., 2018 p. 23). According to Mehta (2010, p. 28), within MSF, it is in the policy stream that ideational analysis is most developed through ideas of the policy solution. Kingdon also describes the role of policy entrepreneurs in this stream, who are agents that advocate for the disposition of policy ideas (Kingdon, 2011). In the EU context, most scholars studying the policy stream, have framed the European Commission as the main policy entrepreneur (Ackrill et al., 2013). They point out that there is a difference between early scholars –who applied Kingdon’s framework in a more orthodox way (citing Nowak, 2010)– and later ones who revised to a European context. Among the latter, they mention Ackrill & Kay (2011) and Musselin (2007) who added that, in the EU context, the European Commission as a policy entrepreneur, can also open policy windows.

Finally, the political stream is where a particular issue is promoted or withdrawn from the agenda. According to Béland (2016, p. 234), the ideational elements of this third stream are related to the opening of policy windows. Policy windows are rare and short opportunities in which the three streams join together, and the possibility of reform



appears (Kingdon, 2011). It can be opened by a focusing event on the problem stream, by the political stream (ibid) and by the European Commission, as a policy entrepreneur in the EU context, in the policy stream (Ackrill & Kay, 2011). How and when the policy window is opened responds normally to the political aim to reform, which is based on ideas (Beland, 2016).

According to Ackrill et al. (2013 p. 879), MSF has two main limitations: a simplistic conception of policy entrepreneurs and a bias toward studying successful policy windows. On the one hand, the ideas that policy entrepreneurs are individual agents and policy ideas come as in natural selection obviate specific contexts in which “ideas have their time”. In the case of the EU, the European Commission constitutes a complex policy entrepreneur that proposes specific policy ideas depending on the context. On the other hand, when using MSF most scholars have assumed that the policy window was a “window of opportunity” and, therefore, they only focused on policies that succeeded. Thus, Zohlnhöfer et al. (2022, p. 39) remark that the academy should start focusing on “failed coupling” rather than the successful ones.

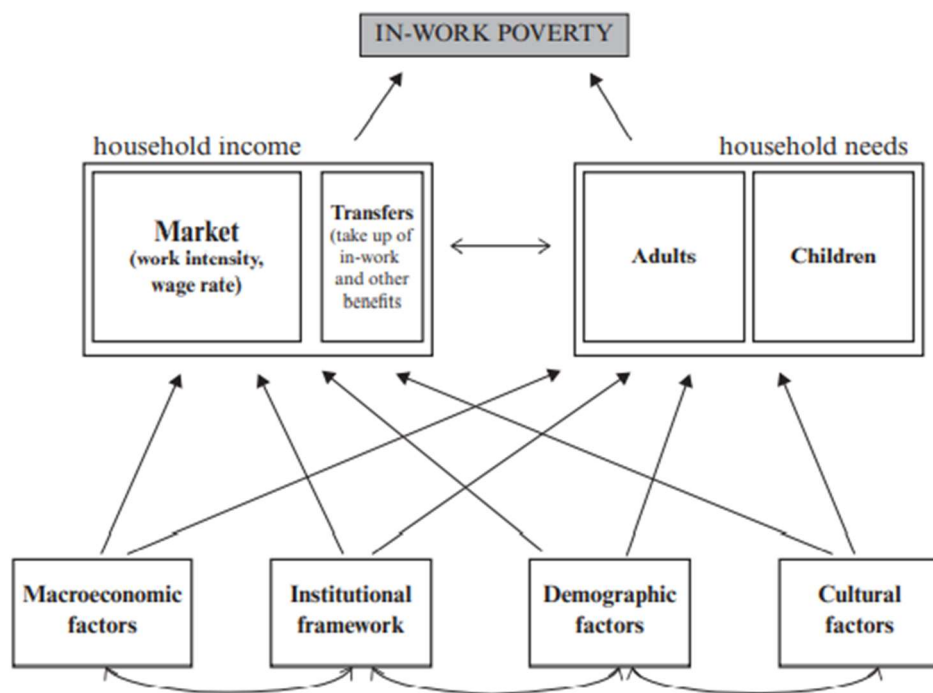
The synthesis I do between historical institutionalism and MSF overcomes both limitations. I consider broadly the process of policymaking by analysing the evolution of ideas and institutions –based on ideational historical institutionalism– and I also adopt a more complex conception of policy entrepreneurs –bringing it to the EU context–. Moreover, contrary to the common usage of MSF centred on successful couplings, in this research I analyse a failing one– ESF+ did not address directly in-work poverty–.

Before proceeding with the synthesis of both MSF and historical institutionalism theoretical perspectives, it is needed to determine how in-work poverty is conceptualised in the analysis.

### 3.3. Conceptualising in-work poverty

Due to the number of scholars that have characterised in-work poverty, the aim of this subsection is to define which conceptualisation of in-work poverty will be used for the analysis. In-work poverty is indeed a multifaceted phenomenon. The difficulty of studying and addressing stems from the definition itself, as seen in the introduction section (ESPN, 2019).

That complexity is also influenced by all factors surrounding the issue. In-work poverty is affected by very divergent elements, whether household characteristics –such as the number of children– or structural ones –for instance, the macroeconomic situation–. Taking this multiplicity of factors into account is useful in understanding how in-work poverty is addressed and why. As the scholars differ in their nomenclature and scope, this research draws on Lohman and Crettaz’s classification (2018, p. 51) that brought together the main micro and macro factors affecting in-work poverty (Map 1). The importance of Lohman and Crettaz’s mapping is not only that introduces both micro and macro factors, but that it relates the interconnectedness between them. Considering these elements is valuable for understanding how the states and EU problematise in-work poverty.



Map 1: Micro and macro elements affecting IWP (Lohmann & Crettaz, 2018, p. 51)

Given that in-work poverty is a multi-factorial phenomenon and working poor “do not constitute a well-delineated, homogenous group” (Torsney, 2013 p. 144), the strategy and policies to combat it depend on which element is set as the focus of attention. In this thesis, I use the classification of policies done by Torsney (2013) as the main reference (map 2). He follows mainstream scholars in that he differentiates between the policies that address IWP directly –which have a direct impact on in-work poverty income– or indirectly – which increase potential earnings or stimulate work intensity– (ibid, p. 145). According to Papa (2021) integrating both types is essential to combat IWP in the long term. The added value of Torsney’s classification is that he introduces new and innovative policy options. He also argues that problematising in-work poverty as financial poverty brings focus on direct measures while doing it as a problem of insufficient breadwinner earnings entails addressing it indirectly (Torsney, 2013).

	Incremental options	New options
Direct income support	<ul style="list-style-type: none"> <li>-Minimum wage/wage floors</li> <li>-Tax relief</li> <li>-Reduction of employee social security contributions</li> <li>-Child benefits</li> </ul>	<ul style="list-style-type: none"> <li>-Negative income taxes</li> <li>-In-work benefits</li> <li>-Basic income</li> </ul>
Indirect support	<ul style="list-style-type: none"> <li>-Upskilling/training</li> <li>-Demand policies</li> <li>-Activation policies</li> <li>-Facilitating labour participation (childcare)</li> </ul>	<ul style="list-style-type: none"> <li>-Innovative demand policies (service cheques)</li> <li>-Innovative supply policies (empowerment)</li> </ul>

Table 2: Policies to address IWP  
Own elaboration from Torsney (2013)

### 3.4. Synthesizing the theory with literature on in-work poverty in the ESF+

So far, the literature review about addressing in-work poverty, the conceptualisation adopted for the thesis and the theoretical perspective that is utilized in the analysis have been addressed. This subsection eclectically synthesises all to explain how the theory applies to this particular topic. In doing so, the theory adds to the scholars that have overcome separately the previously mentioned limitations of MSF. Among them, they are noteworthy Borrás and Radaelli (2011) who synthesised MSF with historical and discursive institutionalism, Ackrill et al. (2013) who propose a base for considering how to investigate the policy stream in the EU case and (Venters et al., 2012) who also used MSF to analyse a historical failure and considered the specificity of time.

ESF+ is a supranational policy. Its adoption in 2021 is viewed as a policy window in which the three streams –problem, policy and politics– came together. In other words, the adoption of ESF+ is a policy window where they met together 1) a certain notion of social problems in Europe and the need to address them; 2) a conglomerate of policy ideas that respond to how these problems should be addressed and 3) the political and administrative will to address it.

On the other hand, in-work poverty is a societal problem in the European Union. Furthermore, it is one of the social problems that the EU should address according to the EPSR. The way in which in-work poverty is addressed in the fund is defined by the way this problem and its solutions are viewed in the three streams when the ESF+ policy

window is opened. Thus, to understand why in-work poverty is not directly addressed in the ESF+ a separate analysis of the three streams is necessary.

Moreover, based on our epistemological claims, causality is not seen as a direct relation but “as the process and circumstances by which one of them causes the other”. Hence, analysing just the moment of the adoption of the fund –analysing the streams just when the policy window is opened– is epistemologically limited to answering the research question. Answering what are the ideational and institutional factors of an outcome requires spatial and temporal considerations and, therefore, the streams are analysed as historical processes. This contains a risk that the same Kingdon drastically notes (2013, p. 76): tracing the origins of ideas might be useless as the researcher might fall into the infinite regress. Beland (2016, p. 232), however, claims the necessity of studying policy processes along with historical research. In that path, Campbell (2004) argues that stating a time period for the policy process study is a necessity to overcome the infinite regress.

Within the problem stream, the institutional process is composed of feedbacks, indicators, crises and events. In-work poverty has been problematised through the years by the European indicators that raised its concern quantitatively, by feedbacks that highlighted the effects that previous policies had on the issue and by crises and events that put the working poor on the agenda. At the same time, at the ideational level, the problematisation of in-work poverty has had a certain evolution in its definition and its conceptualisation –to which elements that Crettaz (2018) has identified have been related to–. Understanding the historical process of institutional and ideational problematisation of in-work poverty allows understanding of the problem stream when the ESF+ is adopted in 2021.

Concerning the policy stream, the institutional process is linked with the policy community and policy entrepreneurs. Here, following Ackrill et al. (2013) the focus is set on the European Commission as a policy entrepreneur and main guide of the community. The analysis of the evolution of the Commission as an entrepreneur on social issues –and specifically, in the issue of in-work poverty– is seen as a reliable frame for exemplifying institutional factors within the policy stream. On the ideational side, the process is compounded by the evolution of community policy ideas in relation to in-work poverty or directly related issues. These policy ideas might be differentiated between those on a more macro level –main logics of Social Europe– and those micro –precise policies to address in-work poverty identified by Torsney (2013)–.

Finally, in terms of the process along the political stream, the institutional factors that have affected how in-work poverty is addressed have been the jurisdiction as the policy framework. Recognising how the competencies of the EU have evolved in social matters is key to understanding the capacity to address or not a certain issue. On the ideational strand, the process is related to the conception of the EU as an institution that should address in-work poverty and directly related issues. That conception or public philosophy (Mehta, 2011) is identified in both the public mood (Kingdon, 2011) and in the political sphere.

Once the two main theoretical approaches have been synthesised with the characterisation of in-work poverty, the next section resolves how the research question is answered methodologically and in coherence with this previous theoretical junction.

## 4. Methodology

As mentioned in the introduction, two different qualitative methods are combined to answer the research question. Namely, I make use of process-tracing in synthesis with qualitative content analysis (QCA). Both are broad methods and contain subcategories that must be specified in accordance with the research aim. This section details each of the methods selected, as well as the functioning of their combination. It also addresses the limitations of the methods and which materials are used in the analysis.

### 4.1. Process-tracing

Process-tracing is according to Beach & Pedersen (2013), a method that enables to investigate causal mechanisms. The purpose of this research is to explain the process of causality that led to a certain outcome –the EU addressing indirectly in-work poverty within the ESF+– without having a *prior* causal factor. Due to this specific causality conception, the choice of process-tracing sort adopts a crucial character. Among the different varieties of process-tracing, for this thesis, I adopt the outcome-explaining typology rather than the more common ones –theory-testing and theory-building–.

“This type of process-tracing can be thought of as a single-outcome study, defined as seeking the causes of a specific outcome” (Gerring, 2006, in Beach & Pedersen, 2013, p. 18). There are two main reasons for choosing this type of process-tracing. On the one hand, this method fits within the research aim, as the purpose is to explain a singular phenomenon with causal variables that are *a priori* unknown –institutional and ideational factors–. On the other hand, it also fits with the meta-theoretical claims and the adopted approaches. Concerning the epistemological claims, outcome-explaining process-tracing is close to critical realism and historicism in that it enables studying a singular phenomenon without the intention of creating any translatable theory (Gerring, 2006). It is also close to historical institutionalism in that it focuses on temporal explanations and processes. According to (Beach & Pedersen, 2013, p. 20) this method resembles historical methodology.

An example of outcome-explaining process-tracing that is close to the research topic and theoretical approach was developed by Borrás and Radaelli (2011). They explored different possible pathways to explain the creation of the Lisbon Strategy considering organisational and ideational components. Borrás and Radaelli’s approach might resemble the one adopted for this thesis –as they combine discursive institutionalism with MSF –.

Outcome explaining process-tracing uses of abduction –dialectical relation between deduction and induction (Peirce, 1955 in Beach & Pedersen, 2013 p. 19) –, being, therefore, possible to sustain the method from both paths. For this research, I use

the inductive path for identifying the intervening factors and the deductive one to derive the causal mechanisms –an eclectic approach (Sil & Katzenstein, 2010) between MSF and ideational historical institutionalism–. But how can I sustain coherently an abductive process-tracing and connect the deduced causal mechanisms to inducted factors? To overcome that challenge, it is needed to relate the traced empirical evidence within theory deduced analytical categories. Thus, I add an extra step to the process-tracing: Qualitative Content Analysis.

## 4.2. Qualitative Content Analysis

QCA is a collection of techniques to analyse text in a systematic way (Mayring, 2000). The purpose of using QCA in this research is to be able to classify the material in relation to the theory, so the inducted factors in the tracing are in coherence with it. In other words, QCA is used to divide the tracing into different theory-based analytical categories, so the identified factors are systematically related to the theory. Thus, QCA will acquire an extractive character by, according to Glaser and Laudel (2019, p. 7), “extracting information that is relevant (...) and then ordering this information according to the information requirements of the investigation”.

In this case, the theoretical synthesis of section 3.4 is used as the base for the creation of analytical categories. An example of similar use of QCA to classify material according to MSF is the article by Schmieder et al., (2021), who differentiated between the elements of “problem framing, external conditions, policy emergence, policy windows, actors and evaluations”. The steps of that category-creation, as well as the insertion of QCA within the process-tracing, are developed in the following section.

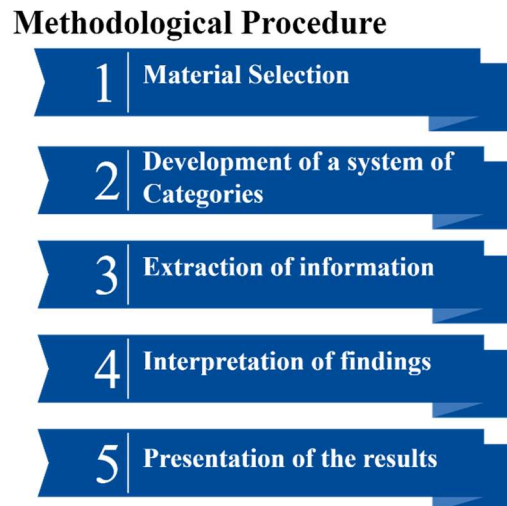
## 4.3. Mixing Method

The combination of Process-tracing with Qualitative Content Analysis has not received much attention in the literature and, therefore, has not been widely used (Beach, 2018, p. 66). Nonetheless, there are few authors that have utilised and analysed this mixed method. One of such is Beach (2018), who provides examples of different combinations and theorises about the limitations and potentials of this methodology. Despite his conclusions being helpful to build the methodological structure, the fact that he does not consider the outcome-explaining typology of process-tracing limits his contribution to the present research. A more similar approach to the present research is the methodology of Gläser and Laudel (2019) which, indeed, combined extractive qualitative content analysis and outcome explaining the process –although their research subject is far from the present study–. Thus, Gläser and Laudel (2019) are taken as the pillars for building the procedure of the mixed methods in combination with Mayring (2000 and 2014) and Schmieder et al. (2021) on certain QCA elements and Beach and Pedersen (2013) in the process-tracing part.

### 4.3.1. Procedure

The methodological procedure of this research is divided into 5 main steps that are illustrated in map 2. In this methodology section, I develop the first three steps –material selection, development of categories and extraction of information–. The fourth and fifth steps are established as the analysis and results sections, respectively.

## Material Selection



Map2: Methodological procedure

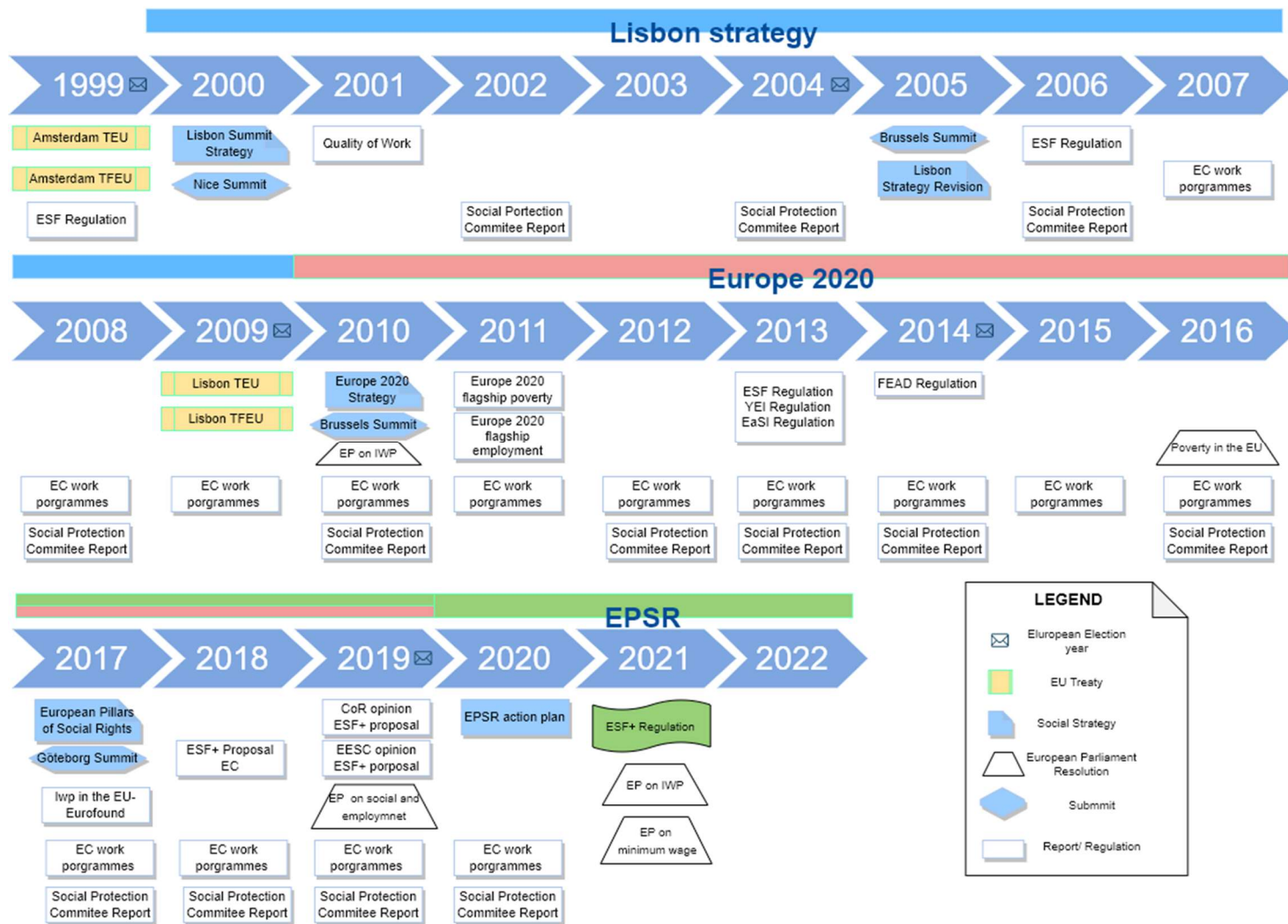
Own elaboration based on Gläser and Laudel, (2019)

The material selection is a crucial part of the process as it constitutes the empirical pillar in which the tracing is sustained. Thus, I try to be the most transparent as possible not to weaken the reliability of the analysis.

When choosing the material, it is followed a logic of partial triangulation. The partiality comes since all the used material has a specific origin: first, the tracing is based on written material such as policy documents, reports and treaties. Second, in all the cases the documents have as their author an EU institution, namely, European Commission, European Parliament, European Council and in some cases other secondary bodies and agencies. Third, a time limitation is established, by which the analysed documents are not newer than the ESF+ regulation –June 2021– and no older than the Amsterdam Treaty –which took effect May 1999–. These are overly strict limitations –which are developed in the subsection of limitations– that have the limited character, time and resources of this research as the main reason. From that limitation on, the chosen material intends to adopt a triangulation process by which different type of documentation is utilized.

The selection process responds principally to theory-based reasoning. On the one hand, material centred on both ideational and institutional factors is considered. On the other hand, documents in which the three streams are identifiable are chosen. This selection takes an approximative character, and therefore, the determining documents that represent each of the categories provide empirical material for other categories too.

## Analysed documents timeline



Graph 1: Analysed documents timeline  
Own elaboration

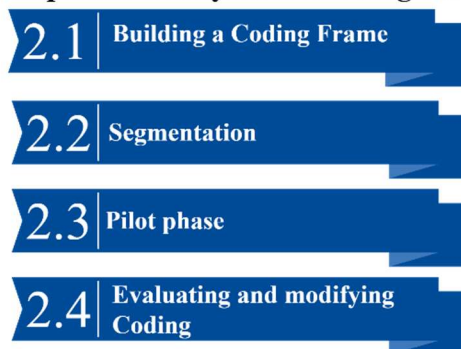


The used material (illustrated in map 3, see also annex 1) can be classified between annual Social Protection Committee (SPC) reports –problem stream, institutional factors–; European Commission work programmes –policy stream, institutional factors–; European treaties and different European Social Fund regulations and drafts –political stream, institutional–; reports and initiatives explicitly addressing in-work poverty within the EU organs –problem stream, ideational factors–; European Social Strategies and their action plans –policy stream, ideational factors– and Council Summits adoptions linked to the Social Strategies –political stream, ideational factors– (see graph 1 of the analysed material in chronological order in the following page, the full list in annex 1).

## Development of a system of Categories

The development of a system of categories by which the material is coded consists of four steps (Schreier, 2014) (see map 3).

### 2. Development of a system of Categories



Map 3: Development of a system of categories  
Own elaboration based on Schreier (2014)

First, a preliminary coding frame is built in a concept-driven way (Schreier, 2014, p. 7). Thus, the categories are created based on previous theories and literature. In the present case, it is taken from the eclectic synthesis exposed in section 3.4. by which a preliminary categorisation is created filling table 3.

Category	Subcategory	Definition	Examples	Coding Rules

Table 3: Preliminary categorisation box

The next step is establishing the segmentation of the analysed material. Segmentation “involves dividing the material into units in such a way that each unit fits” the determined subcategories (Schreier, 2014, p. 9). Segmentation can be done in a formal way –sentences or paragraphs– or through a thematic criterion (ibid). The latter involves an extra process by which all the material is segmented into

determined sections. Due to the extractive nature of the QCA where only just determined useful parts are extracted from the texts and due to the extensive length of the selected material –among which many documents contain more than 100 pages– a formal segmentation criterion is adopted. More specifically, I use segmentation to code sentences into determined categories.

Once the material is selected and segmented, and the preliminary categories are indicated, a pilot phase is conducted. An extract of the material is analysed with the preliminary categories in two different moments –separated by 14 days– (Schreier, 2014). The purpose of this pilot trial is to prove the specificity of the created categories and their descriptions. To improve all the categories created, distinct types of material were assessed in this research –based on temporal criteria and considering which categories could be tested in such documents–. For the test, I used the Lisbon Strategy (European Council, 2000b), SPC Annual Report (European Commission, 2008a) and the Employment guidelines (Council of the European Union, 2020)<sup>1</sup>.

In the second stance of the pilot phase, 14 days after the first coding trial, a revision of the coding was effectuated (Schreier, 2014). None of the prior categories was discarded, although their definitions were further detailed, and coding rules were set to overcome discrepancies that might appear in determined segments. Examples are also added to the coding book from the coding trial, to illustrate and facilitate the coding process. The coding book resulting from this process can be found in Annex II.

## **Extraction of information**

The coding was effectuated using the program NVivo. The material for analysis was named and, therefore, ordered by their year of publication. Nine nodes were created for which each of them represented the nine analytical categories that were decided in the previous step and can be found in annex 1.

The material was coded in two separate ways. For eight of the nodes, the coding was manual, guided by the coding book. In contrast, for one of the nodes –for the conceptualisation category– a text search engine was used, by which all the paragraphs that contained “in-work poverty” and “working poor” concepts were automatically coded. Once all the material was coded, a revision and cleaning of information were done to discard coding mistakes. The codes were, finally, downloaded in Html format for the tracing.

## **Conducting the tracing**

Once the material is divided into nine theory-based analytical strands, the next step is to conduct the tracing, (section 5). To have a better perspective on the outcome, the analysis is headed by a brief description of how the ESF+ regulation does

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<sup>1</sup> This last document, and its annual analogues, were *a priori* among the selected material for the analysis. Nonetheless, in this testing process, they were discarded as they did not provide useful material for the analysis.

indirectly address in-work poverty (section 5.1). Next, I trace the nine analytical categories to identify the factors that affect each (sections 5.2, 5.3 and 5.4). A posteriori, I coupled the categories (sections 5.5), first within the three streams –problem, policy and political– and after over them. Once the coupling is effectuated, the causal explanation is derived in the Results section.

### 4.3.2. Limitations

The above-explained methodology is adopted since it is assumed to be the most adequate methodology to respond to the research question. Nonetheless, adopting it requires also being conscious of the limitations that it brings to the investigation. Three general types of limitations have been identified: metatheoretical, methodological and material limitations.

Starting from the metatheory, a risk rather than a strict limitation must be underlined. Adopting an eclectic approach in the category-creation of the QCA endangers the metatheoretical coherence of the adopted conclusions (Sil & Katzenstein, 2010). Although I have tried to be meticulous in tying together and liming the edges between the different theoretical approaches and phenomenon characterisation, it is possible the appearance of certain slight incoherent spots.

Concerning the methodological limitations, the main one is the determined nature of the research in length, time and resources. Being this research a master's thesis, it has a very defined character that produces several limitations.

One of such is that the outcome-explaining process-tracing is limited to one phase. If the present tracing could have not explained why the EU addresses in-work poverty in an indirect way in the ESF+, there would not be a possibility to enlarge the investigation and adopt neither an inductive nor another deductive –based on other theories– path.

Another more concrete but illustrative example is that the research limitation also applies to the number of theoretical categories. Taking the policy stream as an example, in a broader investigation, the institutional factors of the policy stream would not only consider the European Commission as a policy entrepreneur. Instead, the policy community as a whole or its characteristics could be analysed. Due to the limited character, I have determined a narrower scope in each of the categories. This narrowing process leads, consequently, to a narrower deriving capacity of the outcome.

Another methodological limitation is the segmentation phase. Ideally, the segmentation could have been based on a thematic criteria rather than in a formal one. The thematic segmentation could have involved a better classification of material into categories. In any case, adopting a formal criterion also provides validity to the research as it avoids certain subjectivity.

Considering material limitations, the selected material is admittedly biased. All the used documents are written text, produced within the EU institutions and limited on time. The existence of innumerable documents related to the European Union –both from within and from out of the organisation– makes the complete use of material impossible. Thus, clear selection criterion was set –presented above–,

to enable the analysis. Finally, the logic behind the time limit being set on the Amsterdam Treaty, is that it is recognised to be the first essential norm that considered social competencies of the Union (Papa, 2021). Although the temporal limitation might seem a limitation, it is also a measure that must be taken, according to Campbell (2004) to avoid a useless infinite tracing of ideas that Kingdon criticises (2013, p. 73).

## 5. Analysis

### 5.1. Describing the outcome: in-work poverty in the ESF+

It is sterile explaining the reasons of an outcome without knowing which is the outcome itself. There is, indeed, literature underlining that in-work poverty has been indirectly addressed in the EU (see Cantillon & Vandenbroucke, 2013) and in the European Social Fund (see e.g., ESPN, 2019). However, I consider relevant a more detailed approach to understanding how ESF+ does not directly address IWP.

First and the most apparent element when analysing the regulation is the lack of explicit mention of in-work poverty. The structure of Regulation 2021/1057 is composed of three parts: the recitals, where the reasons and considerations of the regulation are expressed –54 in total–; the normative articles among which objectives and definitions of the policy are –42 articles–, and the annexes, where indicators of how to measure the policy-outputs are listed. In none of these sections, there is an explicit mention of in-work poverty or working poor. In contrast, there can be found other elements fundamentally related to in-work poverty such as “poverty”, “employment”, “social inclusion” “fair working conditions”.

Another way of indirectly mentioning in-work poverty is through generic attachments to EPSR. In the first recital of the regulation, it is affirmed that “the 20 principles of the Pillar should guide the actions under the European Social Fund Plus ” (Regulation (EU) 2021/1057, recital 1). Since the 6<sup>th</sup> of those principles formulates the need to prevent in-work poverty, the regulation is adopting indirectly the objective of preventing in-work poverty.

The last aspect in which is apparent the indirectness is what types of policies and objectives the regulation adopts. The clearest example is the 4<sup>th</sup> article which condenses the specific policy objectives of the Fund. The mentioned goals can be summarised in the following categories: improving activation policies, promoting upskilling measures, fostering inclusion and equal opportunities –regarding gender, nationality, ethnicity and age–, providing services to ensure labour participation –such as childcare– and addressing material deprivation. All these policy objectives are identified by Torsney (2013) as indirect measures to address in-work poverty as they focus on increasing potential earnings and stimulating labour participation. The only policy objective that would exempt from this categorisation is the provision of material aid to the most deprived, which if directed to the working poor, could increase the direct income of the household. Nonetheless, the regulation lets the definition of the “most deprived” in the hands of the Member States (article 2), and so it does with the type of aid that is provided to the most deprived –which

is not necessary to be material assistance– (article 19). Thus, it is hardly relatable this policy with direct policies toward the working poor.

To sum up, Regulation 2021/1057 addresses in-work poverty indirectly in three different strands: in the problematisation, in the adopted policies and the objectives to fulfil. First, its indirect problematisation is characterised by a lack of explicit mentions and by being enclaved within major and generalist policy goals such as employment and social inclusion. Second, the adopted policies in the ESF+ are indirect, according to the categorisation by Torsney (2013), as they do not aid the earnings of the working poor. Finally, the regulation sets indirectly the prevention of in-work poverty as an objective when it generically affirms that EPSR –in which in-work poverty is stated as an issue to be prevented– will be used as guidance for the Fund. Once it is described how the ESF+ addressed in-work poverty, the next step is to trace the process in the different analytical categories.

## 5.2. Identifying sequences- Problem stream

In this section, the evolution of the problematisation of in-work poverty is analysed by tracing ideational and institutional categories of analysis. Namely, crisis, indicators, feedbacks and the conceptualisation of the term are traced.

### 5.2.1. Crisis

Crisis and focusing events are according to Kingdom (2011, p. 94), elements that push problems into the systemic and political agenda. In the analysed period, there have been identified two major crises that have revolutionised the social agenda of the European Union, although their effects on the problematisation of in-work poverty have been divergent. On the one hand, the consequences of the financial crisis that the European countries endured after 2008 caused an increase in attention toward the working poor. On the other hand, the crisis of 2020, produced by the Covid-19 pandemic affected its problematisation in a much more subtle and unrelatable way.

In 2008, the financial crisis hit hard European countries. In the first years of the crisis, the analysed documents relate how the financial crash worsened the employment, economic and social conditions of the Member States and the EU (European Commission, 2008b; European Commission, 2010 & EUROPE 2020, 2010). Nonetheless, references to the crisis as a potentiator of the working poor are scarce at that point.

In the recovery years, after 2011, the presence of this causal relation –crisis affecting in-work poverty– increases significantly. In 2012 and 2013, for example, the SPC of the EC destined a whole section to examining in-work poverty in their annual report about the social situation. In both sections, the factors affecting the working poor are listed while explaining how these were influenced by the 2008 crisis. Above all, the necessity to pay attention to the problem is highlighted:

In fact, even in the period of employment growth in the years before the crisis, the share of working poor has remained rather stable suggesting that creating jobs is not enough and more refined and targeted policies are necessary. The crisis has put this problem at a new level and more so in some Member States. (European Commission, 2013, p. 73)

The increased presence of this causal effect in the recovery years is due to the improvement of other economic and employment indicators. The contrast between the decreasing unemployment but increasing IWP rate led to a raising problematisation of the phenomenon and the use of the 2008 crisis as an explanation of why it worsened. Through the documents, this post-crisis-effect argument reached its peaks separately in 2013 and in 2017. In both years, the analysed documents incisively expressed how in-work poverty –as a problem that was enhanced by the crisis and has worsened since– must raise concern (EC, 2013 & Eurofound, 2017).

The other important event before the adoption of the ESF+ was the Covid crisis in 2020. However, the mentions relating this crisis to in-work poverty have been minor. For instance, the SPC does not relate both issues in their 2020 report. There are two basic reasons that can explain this lack of link before the ESF+ adoption. On the one hand, the last EU indicator of in-work poverty was dated in 2019. The lack of updated data made it impossible to clarify any relation between the crisis and the phenomenon. On the other hand, in an analogy to the 2008 crisis, the effects of the crisis on in-work poverty were not emphasised due to the abundance of other problems on the agenda.

Nonetheless, is worthy to underline the declaration by the European Parliament in 2021 where it was remarked the prospective effects that the pandemic would have on in-work poverty. “(...) whereas the COVID-19 pandemic will therefore most likely have a direct impact in terms of increasing poverty and in-work poverty”(EP 2019/2188, 2021, recital BS).

These crises affected in a divergent way the problematisation of in-work poverty. However, it would not be such without the existence of indicators of the phenomenon.

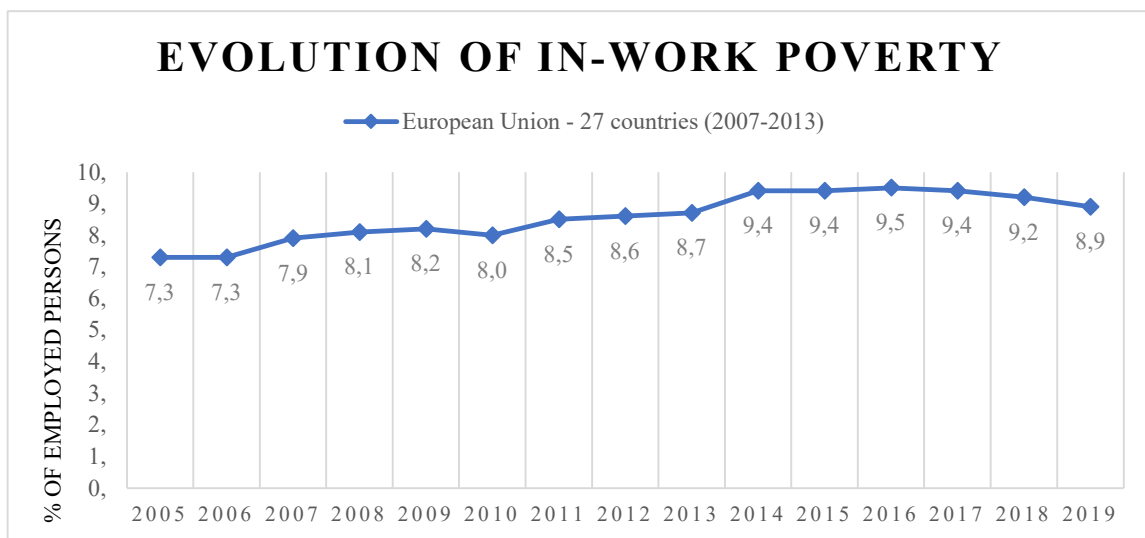
### 5.2.2. Indicators

Indicators are common elements in revealing that “there is a problem out there” (Kingdon, 2011, p. 90): they tend to illustrate the evolution of a certain phenomenon. Bringing it to the present research, the principal indicator when problematising in-work poverty has been the in-work at-risk-of-poverty rate of each country. The use that has been done of this indicator through the policy papers has not been uniform.

The first reference of it –through the analysed documents– is in 2001, prior to the official adoption of the in-work poverty measurement, when the EU sets a framework to evaluate the quality of employment. In this document, in-work poverty is set as an indicator for measuring the quality of employment and is defined as the “proportion of employees earning less than 60% of median income”

(European Commission, 2001, p. 22). In 2001, the last European in-work poverty-rate data available was from 1996, and therefore, the report remarked on the need to adopt a common and stable indicator.

It was in 2003 that Eurostat established a common measure for the in-work poverty rate in the European Union. This establishment as an official indicator supposed two improvements in the problematisation of in-work poverty: first, in-work poverty was defined systematically in the EU<sup>2</sup>; and second, the rate was measured every year from 2003 on. The definition that was adopted in 2003 “considers individuals to be at risk of in-work poverty when they work for over half of the year and when their equivalised yearly disposable household income is below 60% of the national household median income level” (Eurofound, 2017, p. 5).



Graph 2: Evolution of in-work poverty in the EU  
Data: Eurostat; Own elaboration

Concerning the evolution of the indicator, the IWP rate in the EU climbed from 7.3% of the working households in 2005 to 9.5% in 2016 (graph 2, Eurostat, 2022)<sup>3</sup>. In the graph, it is illustrated how the phenomenon increased during the recovery years of the financial crisis of 2008. After the peak in 2016, the rate slightly fell until the last data available, in 2019. The data after 2019 is only available for some countries, and therefore, it is impossible to determine the EU average.

In relation to the use of the indicator to problematising in-work poverty, since 2003 the mentions of the indicator have been stable, except in 2015 and 2016 –when none of the analysed texts mentions it–. Besides its temporal stability, the

<sup>2</sup> Although in Eurofound (2017) it is warned that determined countries use different definitions when measuring.

<sup>3</sup> The graph shows from the rate from 2005, since in the 2000’s there were new countries joining the EU. 2005 was the first year in which where the data of all the countries was available.



in-work poverty rate has also been used in documents of diverse character –namely, SPC Reports, European Parliament resolutions and Europe 2020- and EPSR-related documents–. Its utilization for problematising has followed two non-exclusive paths: remarking the high percentage of working poor and underlining the shift of the rate.

In 2008, 8% of the people in employment were living under the poverty threshold. This figure has not improved since 2005. (European Commission, 2010, p. 34)

Moreover, depending on the report, the IWP rate has been coupled with other different indicators and measurements, within sections of third social issues. Thus, the same indicator has been used in distinct types of problematisation. This conceptualisation issue is further deepened in a following ideational section. Before it, feedbacks tracing is explained.

### 5.2.3. Feedbacks

Feedbacks from previous policies bring attention to an issue when these do not provide the expected results, or they identify new problems (Kingdon, 2011, p. 100). The feedbacks tracing that has been effectuated in this research has resulted especially limited, but not consequently unfruitful. Among the 61 analysed documents, only two of them developed a direct relation between previous policies and in-work poverty. These two policy papers are the annual report of 2013 by the SPC of the European Commission and the report of Eurofound published in 2017.

The report of 2013 analyses direct and indirect policies that Member States have adopted in relation to in-work poverty (EC, 2013). Instead of focusing deeply on a determined policy to combat in-work poverty, it does a generalist and conglomerative policy analysis of diverse countries. One of the conclusions of the report is the multidimensional character of in-work poverty that makes it difficult to address it, and “therefore, the policy responses to address in-work poverty should also be multidimensional”. (p. 96). It also enables us to glimpse why there is a lack of feedback on policies to combat in-work poverty. Due to the multidimensional character of the issue, it is not common to approach policies specifically toward in-work poverty.

These multiple factors draw a very heterogeneous picture of the working poor (...), which explains in part why the national authorities in these countries did not opt for a policy approach specifically targeting this group (p. 95)

The Eurofound report of 2017 on in-work poverty also adopts the style of the previous report and analyses the indirect and direct policies in the different countries of the EU. However, the main conclusion differs from the report of the SPC in that it adopts an active role when considering the need for further feedbacks. Eurofound (2017, p. 48) remarks among other conclusions, that “more policy evaluations are needed to understand better the effectiveness of measures that can help to address in-work poverty”. Moreover, another distinctive conclusion is that

it criticises the common approach of activation as a response to the working poor as “the focus on getting people into employment can lead to more in-work poverty if no attention is paid to the wages these workers receive and the households in which they live” (p. 48).

As previously mentioned, the tracing of feedbacks has been limited; even more, considering that it has not been found any direct mentions between previous EU social policies and in-work poverty. Despite that fact, it has uncovered an essential key to in-work poverty by clarifying that is its multiple dimensions which limit the problematisation of the issue.

#### 5.2.4. Tracing the conceptualisation

Tracing the conceptualization of IWP has acquired a differentiated character from the very beginning. The extraction of material to this category has not followed the same process as the rest. For this analysis, all the extracts mentioning “working poor” or “in-work poverty” were coded –even in the cases in which these extracts were coded in other categories–. The purpose of this exception was to identify all the contexts in which in-work poverty was used, and therefore, problematised.

The evolution of the conceptualisation of in-work poverty has not been a unique pathway within the European Union. After tracing the utilization of the term, and analysing with which issues were connected, a bidirectional route has been identified depending on the type of document analysed. Concretely, there can be differentiated conceptions of in-work poverty as a *labour issue* and as a *social inclusion issue*.

The first conceptualisation, the one related to employment, appears from the beginning, in 2001 when IWP is set as an indicator of the quality of work. It has a steady development until 2021 through all the European Parliament resolutions, EPSR-related documents, and the SPC report of 2010 –an exception among the EC documents–.

The main characteristic of this conceptualisation is that it strictly links in-work poverty to employment-related issues. Moreover, it generally takes in-work poverty from an individualistic view: remarking the problem of “working poor” and, therefore, focusing on the workers and not the members of the households. The main utilisations that are done of this conception are using the in-work poverty rate in a quality-of-employment-related section or linking the indicator itself to other types of indicators such as the salary, work intensity or the type of jobs.

However, having a job is not always a guarantee against the risk of poverty and the working poor represent one third of the working age adults at-risk-of-poverty. In 2008, 8% of the people in employment were living under the poverty threshold. This figure has not improved since 2005. In-work poverty is linked to employment conditions such as low pay, low skills, precarious employment or under-employment. (European Commission, 2010, p. 34).

One of the most important adherences to this employment-conceptualization of in-work poverty is in the European Pillars of Social Rights in 2017. The already mentioned phrase “*In-work poverty shall be prevented*” is stated under the 6<sup>th</sup> objective of the Pillars called “wages” and within chapter II dedicated to “fair working conditions” (*European Pillar of Social Rights*, 2017).

The second conceptualisation –in-work poverty as a social inclusion issue– is not a stable conceptualisation; it has been evolving and acquiring more characterisation elements. The common ground, as previously stated, is that it frames the issue as a problem within the social exclusion. Generally, it does not only take the worker itself as a measuring unit but also the household as a reference on poverty. It is founded generally in the policy papers and proposals of the European Commission –namely, annual reports, Europe 2020 Strategy, ESF regulation of 2013 and the ESF+ proposals– as well as in the Eurofound report of 2017. This second conception of in-work poverty does not exclude the issue from employment-related elements, but it does centre the attention in other perspectives too.

It commences in 2004 when household elements are introduced into the analysis of in-work poverty.

Low pay is obviously an important risk factor of in-work poverty, (...). Other, equally important factors relate to the household situation of workers: clearly, lone parents or sole earners in a household with children are particularly vulnerable to poverty (EC, 2004, p. 27)

In 2008, adding to the household characterisation, the SPC report relates in-work poverty to child poverty. Furthermore, the 2012 report develops a framework by which in-work poverty is analysed as a phenomenon affected by three factors: employment characteristics, household structure and work intensity. In 2013, a different framework is presented taking as base scholars such as Marx and Nolan (2012). This conceptualisation introduces new elements in the characterisation of in-work poverty by the EU such as the “structure of economy and labour market” (EC, 2013, p. 75).

Despite the introduction of the new conceptualisation of IWP, the further reports of the SPC stick to the 2012 framework. In any case, the common grounds stay stable. When the regulation of the European Social Fund is adopted for the 2013-2020 period, the working poor is framed as a group of disadvantaged people that the ESF should consider when implemented. In the same way, the proposal of the EC for the ESF+, in 2018, adopts this conception taken in the previous ESF regulation. Nonetheless, this reference is deleted for the approved regulation.

The ESF should also promote of disadvantage people social across implies mobilising a range of policies most disadvantaged regardless inclusion of their and prevent and combat poverty with a view to breaking the cycle of disadvantage across generations which implies mobilising a range of policies targeting the most disadvantaged people regardless of their age

including children, the working poor and older women. (Regulation (EU) No 1296/2013, recital 6).

### 5.3. Identifying sequences- Policy Stream

In this section policy stream is traced in three categories of analysis. First, it is addressed the evolution of the social inclusion logic in the EU. It is followed by the analysis of the EC's activity as a policy entrepreneur in the social sphere of the EU to finally elaborate on the tracing of policy ideas to address in-work poverty.

#### 5.3.1. Policy logic

Before deepening into how the policy ideas and the EC proposals evolved, it is essential to zoom out into a bigger picture of how were developed the policy logic in the areas of employment and social inclusion.

The possibility of addressing social policies in a supranational way was opened in 2000 with the Lisbon Strategy. Lisbon launches this new dimension, in which the maximum goal is growth, but with more and better jobs and social cohesion. Within the strategy, a section was dedicated to “promoting social inclusion” in which it invited to adopt agreed indicators, promote inclusion by investing in education, health and housing through European Structural Funds and targeting the most vulnerable ((European Council, 2000, p. 8). However, this logic on EU taking social competencies is not holistic: the social objectives of the Union, except the employment policies, are mainly centred on coordinative action. Through the period 2000-2005, employment maximisation is seen as the pivotal social policy of the EU.

In 2005, when the Revision of the Lisbon Strategy is effectuated in the Brussels Summit, the priorities changed: “It is essential to relaunch the Lisbon Strategy without delay and re-focus priorities on growth and employment” (Council of the EU, 2005, p. 2). The coordinative competencies on social inclusion are set apart and innovation and knowledge perspectives take place in employment issues. Moreover, the reports mentioning social inclusion, remark on the need to find efficient and cost-effective approach. Following that line, the Lisbon Treaty's social policy chapter of, signed in 2007, directly links the European –and states– social policies to the needs of competitiveness of the European economy.

The introduction of the objective/terms “flexicurity” and “active inclusion” within the policy documents bring back the social inclusion topic into the table (European Commission, 2006 & EC, 2008a). In both concepts, employment and social protection are remarked as linked policy objectives.

"Flexicurity" has been acknowledged as a promising approach to marrying labour market flexibility and the development of skills with robust social protection. ((European Commission, 2006 p. 6).

The concept of "active inclusion" is based on three main pillars: (i) a link to the labour market through job opportunities or vocational training; (ii) income support at a level that is sufficient for people to live in dignity; and (iii) better access to services that may help some individuals and their families in entering mainstream society, supporting their re-integration into employment. (EC, 2008a, p. 95)

Europe 2020 Strategy, in 2010, clearly follows these concepts in that it brings social inclusion back to the EU agenda within the "inclusive growth" term. The new strategy separates employment from social inclusion, creating differentiated flagships –action plans– for each. This shift is also reflected in the SPC report of 2010. This report is essential since it admits that employment does not directly take out citizens from poverty (EC, 2010, p. 33). After this perspective turn, employment as the unquestionable policy response to social inclusion will no longer be a logic in the policy documents. In all the following years until 2021, the different policy documents repeat the mantra that having a job is not anymore, a synonym for social inclusion. It is at this moment that the EU adopts definitively a post-industrial logic (Esping-Andersen et al., 2002) in the social inclusion and employment issues.

It must be noted that economic considerations of addressing social inclusion also play a role in the 2010-2020 period. Growth is repeated as the general objective when talking about social and employment issues, arguing that is the growth which sustains the European Social Model (European Commission, 2014). Moreover, in some cases, poverty is framed as a drawback in the competitiveness of the EU economy (EP, 2010), edging its reduction as an economic goal. A clear example of these economic considerations is found in the 2018 ESF+ proposal, in which the first remarked justification for its design and implementation is to be economically competitive.

Europe is at a crucial point in time where its relevance and success in the decades to come will be determined by its ability to remain competitive in the global economy and ensure high levels of employment, education and training, health, social inclusion and active participation in society. (EC, 2018, p. 1)

To sum up, in the evolution of the EU logic, there can be distinguished three different periods. The first period is the epoque before the Lisbon Strategy –which has been barely analysed here due to the temporal limitation–. In this period, the social logic of the European institution was intrinsically linked to employment. Lisbon produces a shift into the second one, introducing the social inclusion issues into the EU agenda. However, this period is defined by a conflict in which the new-introduced logic has its drawbacks towards the old perspective centred on employment. Thus, the ideational conflict that Borrás and Radaelli's (2011) identified when they researched the Lisbon Strategy is also found in this analysis. Finally, the Europe 2020 Strategy sets the definitive introduction of the social sphere in the EU –third period–, although it continues combining it with employment and economic elements. Through this changes, it is dividable a policy

paradigm change –3<sup>rd</sup> order–, theorised by Hall (1993) in which the EU social logic shifted from being labour-based to a coupling of employment and social protection.

### 5.3.2. European Commission as a policy entrepreneur

To analyse the policy community, I take The European Commission as the main guide. This –as justified above–, is due to the limited length of this research. Following Ackrill & Kay (2013), who adequate the Multiple Stream Framework to the European reality, I assume the European Commission as the main policy entrepreneur in the social sphere of the EU. Thus, it is traced its activity in developing social initiatives.

From the very beginning, it is found clear what Ackrill et al. (2013), note about the European Commission being a privileged policy entrepreneur. The Commission is the EU body that has the legislative initiative at the same time as it also has the administrative competencies of different policies. Already in the Amsterdam Treaty, it is established that the Commission would have the management competencies of the European Social Fund.

Among the different initiatives that the Commission has launched through the years, it is remarkable the social policy strategy of the Nice Summit in 2000 –namely, the social sphere of the Lisbon Strategy–. After that summit, the Commission took the responsibility to mark the employment guidelines for the countries and, therefore, it became an essential policy entrepreneur in labour issues. In the same Summit, it was adopted the OMC (Open Method of Coordination) as the tool for policy coordination in which the Commission, with the Council, became the main coordinator and evaluator of the social policies (European Council, 2000a).

It is under that context, that in 2001 the EC proposes to adopt a common definition and measurement of quality of employment, in which in-work poverty would be included as an indicator to measure it (EC, 2001). It is the Commission, which urges to quantify in-work poverty in a stable way.

After Lisbon Strategy, the European Commission is involved principally in employment issues. As happened with the Lisbon Strategy, the proposal for its revision came, in 2005, by the hand of a Commission communication, which eventually would lead to refocusing the policy priorities on growth and employment (Council of the EU, 2005). This is also crystallised in the Commission's working papers of the time, in which the social agenda is clearly defined by employment issues. In 2006, a new ESF regulation appears proposed by the EC, which is centred on employment creation, even if social inclusion elements are introduced (EC, 2006). In 2007, the Lisbon Treaty is signed. Within the Treaty, the EC adopts again the administration task of the European Social Policies, including the ESF (Treaty of Lisbon, 2007), article 164).

The EC starts marking a different route in 2008 with the recommendation of active inclusion. When it proposes the Europe 2020 Strategy, in 2010, it clearly integrates social inclusion as an issue to centre the agenda. The clearest empirical evidence, as mentioned in the previous section, is that the strategy separates the

issues of social inclusion and employment into two paths. Moreover, in the Europe 2020 flagship –action plan– against poverty it is stressed the need to use ESF as a policy to deepen social inclusion –and not only in employment, as until then–.

Within the Europe 2020 framework, the EaSI, the YEI, a renovated ESF and the FEAD are approved between 2013 and 2014. The 2013 version of the ESF includes more references, than the previous, towards combating social exclusion and one specifically about the working poor (Regulation (EU) No 1304/2013, 2013).

The previous incrementing period stopped with the arrival of the new Juncker’s European Commission in 2015. The SPC does not produce the annual report and all mentions of social inclusion disappear in the Working papers of the EC, while employment is set along with investment and growth as the main objectives again. The new Commission proposes in 2016 the “Our New Skills Agenda” centred on upskilling to improve human capital. It also sends the proposal to create the EPSR. However, it is noteworthy that this proposal is just a call for consultations –it addresses the structure and nature of the Pillars, not the contents of it–.

One year later, the Commission launches the new proposal for the ESF+ in which the four Funds are melted into one (EC, 2018). One of the objectives of this fusion is said to improve social inclusion part by mixing ESF and FEAD (EC, 2018).

“The overarching policy objective of the ESF+ Regulation is help create a more performing and resilient ‘Social Europe’ and implement the European Pillar of Social Rights, as well as the social and employment priorities endorsed by the European economic governance process.” (p. 2)

The last significant initiatives of the Commission before the adoption of the ESF+ proposal in 2021 are the New Skills Agenda, in 2020, and the proposal for a directive to set an adequate minimum income by petition of the European Parliament in 2021.

During the traced period, the European Commission has a key role in the evaluation and coordination of the National Social Policies. It is also a privileged policy entrepreneur, as apart from proposing new initiatives, the Commission monitors and in some cases administrates them. What is essential in the process from the Lisbon Strategy to the proposal of the ESF+, is that its initiatives to address social policies at the EU level increase with time. It goes from just coordinative policies to proposing an anti-poverty policy such as FEAD and then integrating this within the ESF+ to permeate the social inclusion issue into the Social Fund.

### 5.3.3. Policy ideas

Policy ideas are the most intrinsic ideational elements that compose the Multiple Stream Framework (Mehta, 2011). These ideas are the views on how a certain problem should be addressed. Thus, the evolution of the proposed solutions is a key process in which the ideational factors might be analysed.

As introduced in the literature review and the categorisation of in-work poverty, the policies to address it are mainly separated among direct and indirect typologies (Torsney, 2013). Although the coding has not differentiated them, in the analysis part it is seen as a proper idea to trace both types of policies separately. In doing so, it is distinguished how while policy ideas to address indirectly in-work poverty in the EU have been developed steadily, the direct policy ideas have been rarely mentioned except for the minimum income.

Concerning indirect policy proposals, since the beginning –Amsterdam Treaty and Lisbon Strategy– there has been an emphasis on policies related to employment. Policies to enable people to find a job have been repeatedly present in all the proposals of social exclusion policies. Precisely upskilling is the idea that takes most of the importance in the EU proposals along the 20 years, along with activation.

Commencing from the 1999 ESF, upskilling policies have been the hegemonical ideas in all the analysed documents. The new skills agendas, ESF but also other policies out from the employment sphere such as Erasmus or the more recent European Solidarity Corps (European Commission, 2016) have focused on upskilling. Activation has also been very present besides the upskilling (see e.g., SPC reports). Another remarkable indirect policy to combat in-work poverty is childcare services. This latter is present in every proposal, even if they do not take as much space as activation and upskilling. Childcare is related to employment in that the main objective, according to the documents, is that adults are enabled to work (EC, 2013, p. 97). Finally, integration policies had a different development. They start with integration centred on gender (see e.g., European Council, 2000b) and then move to the origin, ethnicity and disabilities (see e.g., European Parliament (EP), 2010).

On the other hand, when it comes to direct policy proposals, the minimum wage is the only direct policy idea to combat in-work poverty in the EU sphere that comes steadily and repeated during the years (EP, 2010 & 2021; European Parliamentary Research Service, 2016 & EC, 2020). In some cases, even if the minimum wage is not mentioned, it is followed the same idea utilising “making pay work”. The explanation of proposing this idea is explained in a resolution of the European Parliament (2010) when they state that:

(...) employment must be viewed as one of the most effective safeguards against poverty and, consequently, that measures should be adopted to encourage the employment (...) (Ep, 2010, 7).

Despite minimum wage being proposed steadily, the two analysed policy papers that centred the most on in-work poverty reaffirm that minimum wage is not enough itself. In the SPC report of 2013 when they dedicate a whole chapter to in-work poverty, it is acknowledged policy responses to the working poor must be multi-dimensional. The report of Eurofound (2017) centred on in-work poverty goes further and remarks that the link between in-work poverty and minimum wage is very diffused and should be handled delicately. In spite of the advice, setting a European minimum wage comes as a real policy proposal from the commission in 2021 –just before the ESF+ regulation is approved–.



On every other occasion in which direct policies to combat in-work poverty are mentioned, they are centred on States and not on EU actions. The only exception happens in 2019, in which in-work benefits and fair taxation are remarked as essential policies to combat in-work poverty (EC, 2019 p. 6).

Finally, before continuing to analyse the political stream it is considered useful to trace how the policy ideas linked to the ESF have evolved. In the first analysed years, the ESF is taken as a fund to promote activation and upskilling –employment-related policies– (regulation (EC) No 1784/1999). However, after the revision of 2005, it is opened the possibility to use it as a policy to combat social exclusion. In Europe 2020 (EC, 2010), is reaffirmed the policy idea that ESF should be also directed to combat poverty. Thus, when in 2013 the new regulation concerning the ESF is adopted, they separate the scopes of actuation between employment, social inclusion and education, where employment policies are directed to create employment opportunities–not to enhance the quality of it–, and social policies to improve the integration to enable inclusion of people to the productive model (Regulation (EU) No 1304/2013, 2013). Last, in the ESF+ regulation, it is introduced the previous FEAD to combat material deprivation in the EU (Regulation (EU) 2021/1057, 2021). This last fund could potentially be a direct measure to combat in-work poverty. However, as noted at the beginning of the analysis, the regulation lets the definition of “most deprived” and the type of help provided in the hands of the member states. Being the targeted population and the provided aids divergent, it hardly can be described as a direct policy to combat in-work poverty.

## 5.4. Identifying sequences- Political stream

The political stream has been traced in two categories: jurisdiction and EU adequacy on social competencies. Both evolutions are detailed below.

### 5.4.1. Jurisdiction

The two main pillars in the jurisdiction’s tracing, for this analysis, are doubtlessly the Amsterdam (1997) and Lisbon Treaty (2007) as the basic regulation that rules the functioning of the EU –through both the Treaty of the European Union (TEU) and Treaty of Functioning of the European Union (TFEU)–. In this subsection, the treaties’ regulations on how the EU could act in the social sphere and the clauses related to ESF are analysed.

Before deepening in each treaty, it is noteworthy how the subsidiarity principle, as a basic element to consider in the jurisdictional issues, has been exalted through the documents’ analysis. It is a principle that the policies of the EU must follow. Subsidiarity implies that the policies must be implemented as closely as possible from the citizens and, therefore, EUs policies should be effectuated just in

the necessary cases. This principle is found in both treaties and referenced in documents such as the EPSR (2017) and the proposal of the ESF+ (EC, 2018).

Concerning the treaties, the Amsterdam Treaty was signed in 1997 and began to be effective in 1999. Within the Treaty, it is regulated that the EU can strengthen and supplement social initiatives in different social aspects, among them, *(b) working conditions; (c) social security and social protection of workers* (article 137, TFEU). Furthermore, in the latter issue, the council can act unanimously after a proposal of the Commission (art. 138).

In Amsterdam, the ESF is set as the activity in the social sphere to achieve the Community's objectives (article 3). Moreover, in article 146 of Amsterdam's TFEU it is set the purpose of the ESF:

In order to improve employment opportunities for workers in the internal market and to contribute thereby to raising the standard of living, a European Social Fund is hereby established in accordance with the provisions set out below; it shall aim to render the employment of workers easier and to increase their geographical and occupational mobility within the Community, and to facilitate their adaptation to industrial changes and to changes in production systems, in particular through vocational training and retraining. (Amsterdam Treaty, 1997, art. 146)

Unlike Amsterdam, Lisbon –signed in 2007 and took effect in 2009– introduces articles specifying the EU social policies. Concretely, in its 4<sup>th</sup> article, it is set that social policies are under shared management. The objectives of the EU social policies are established in article 154, which are noteworthy the promotion of employment, of quality of employment and life, social dialogue and the improvement of social protection and upskilling –with the lens towards employment– (Lisbon Treaty, 2007 art.154).

Apart from the new specification on social policies, Lisbon sticks to the text of Amsterdam when stating what can the Union complement and support the countries' social sphere. It does add that in many of the cases including the b) and c) sections –see above–, the Union can take directive initiatives (art. 153). It also gives the Commission extensive competencies in coordinating social policies across the countries. Nonetheless, when it comes to the ESF, the Lisbon Treaty barely introduces changes in the objectives, which do not affect the content (article 162). It still centres the attention of the ESF on employment creation, upskilling and mobility of workers.

All the above explained is essential to understand why and how is designed the ESF+. The new Fund is divided into two strands: the fund under the direct management of the Union (EASI) –minority part– and the Fund under shared management –the majority of the Fund, quantitatively and qualitatively–. The employment policies and the fund directed to social inclusion are within the shared management strand of the ESF.

#### 5.4.2. EU adequacy on social competencies

So far, the political stream has been focused on how the jurisdiction has evolved in the possibility of opening a policy window to address or not in-work poverty. This subsection will focus instead on the ideational arena; namely, how is perceived the role of the EU as an institution to address social issues such as in-work poverty.

Since the beginning of the analysis, in the Lisbon Strategy (European Council, 2000b), the European Union is seen as an institution that should eradicate poverty. However, its role in that purpose is more linked to coordinating social protection, promoting the knowledge on social exclusion and upskilling workers to enable them quality employment (European Council, 2000b). EU's action is seen as adequate more in the coordinative strand rather than an acting one. Even if the EU has the goal of eradicating poverty, social protection is perceived as a state's role (Council of the EU, 2002, p. 7). Employment, on the other hand, is seen as an essential action arena for the EU. This view is also followed in the revision of the Lisbon Strategy in 2005 and in the documents of the following years (Council of the EU, 2005).

In the SPC Report of 2010, a Eurobarometer survey of 2009 is referenced, in which the opinion on the role of the EU in various aspects is analysed. In that survey, the EU is not seen as the primary responsible of combating poverty (EC, 2010, p. 22). However, its role is seen as either "somewhat important" or "very important" by 74% of the citizens in that issue (ibid, p. 22). That same data is referenced in a European Parliament resolution to defend the minimum income directive of the same year (EP, 2010, recital AA).

Europe 2020 also continues to refer to employment as EU's role while social inclusion as something that ought to be shared by the States and the organisation. Whenever the social inclusion objectives are stated, Member States are also introduced:

Combating social exclusion, promoting social justice and fundamental rights have long been core objectives of the European Union, (...) the European Union and its Member States must do more and do it more efficiently and effectively to help our most vulnerable citizens.(European Commission, 2010b, p. 2)

However, with the creation of the FEAD in 2014, it is made explicit that the EU's role when eradicating poverty is not just coordinative anymore. FEAD is created as a European social policy to combat poverty. In any case, it follows the previous adequacy ideal of being complementary to the national schemes. This idea of the EU's role as a complementary but acting institution to combat poverty is present in the documents until 2021. But what about the idea of addressing in-work poverty?

In the previous years to the EPSR, there have been identified two paths which is the role of the EU in addressing in-work poverty. On the one hand, the EC documents remark in-work poverty as an issue that the states should act on while the EU's role is tracing, evaluating and coordinating the action against it (see, for example, EC, 2012 and 2013). On the other hand, the European Parliament resolutions express the need of an EU action to address it –specifically, to create a directive on minimum income– (see, EP 2010 and 2016).

The EPSR in 2017 sets that preventing in-work poverty is a goal (EPSR, 2017, obj. 6). It is also admitted that these pillars should be addressed both in the states and the EU, considering, therefore, the Union as an institution that should act preventing in-work poverty.

After 2017, the previously identified paths –EC and EP– reassume the same direction towards the objectives of the EPSR. The European Parliament resolution of 2019 EP explicitly states that the Commission must address the issue of in-work poverty (EP, 2019,) and in 2021 it remarks the need to consider it a Union goal. On the EC side, the SPC report states in 2020 the possibility to explode the Fund –direct action– to tackle in-work poverty.

“The EU funding potential can be further exploited with the view to enhance policies and innovations in preventing and tackling in-work poverty in the Member States.” (European Commission, 2021a p. 64)

## 5.5. Coupling categories

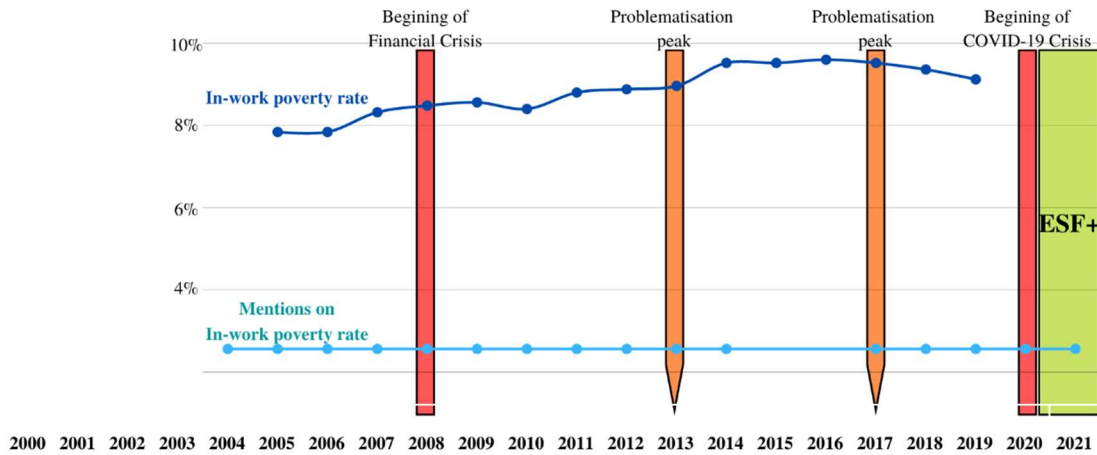
In this section, the different analysis categories, traced above, are coupled together. First, these categories of problem, policy and political streams are coupled separately. In a following subsection, the three streams are combined together.

### **Problem stream**

Within the problem stream, two derivations have been effectuated. The first one is the result of coupling indicators and crisis categories (see graph 3). For the second one, the strands of conceptualisation and feedback are the ones coupling (see graph 4).

After tracing indicators and crisis categories (graph 3), some elemental factors that have affected the problematisation of in-work poverty have been found. The effects of the financial crisis of 2008 were essential catalysts for launching in-work poverty into the EU agenda. Through the analysed documents, the issue’s problematisation reached its peaks in 2013 and in 2017. However, it was not the crisis itself that problematised the issue; but it was the rise in the in-work poverty rate –the indicator– during the recovery years which brought attention to it. This attention was settled due to three aspects. First, the indicator showed a high in-work poverty rate; second, that same high rate was at an increasing pace in the problematisation-peak years. Finally, the improvement on other related indicators –such as employment rate–, made in-work poverty to stand out above the rest as a problem that should concern the EU.

## Coupling Crisis and Indicators



Graph 3: Coupling of crisis and indicators

Own elaboration

The setting was different during the approval of the ESF+ regulation –even if it occurred in a post-crisis context–. The three ways that in-work poverty was problematised in the “peaks” of 2013 and 2017 were not present anymore. The last data on the in-work poverty rate was from 2019, before the COVID-19 crisis, and therefore, it could not be related the effect of the crisis on the issue. Second, the last trend in the indicator was downwards since 2016. The proportion of working poor was decreasing –although slightly– from a maximum of 9,5% in 2016 to 8,9% in 2019. Last, the COVID-19 pandemic brought attention to all type of issues that were new to date. Considering all three, the institutional problematisation of in-work poverty was in a low profile when the ESF+ was negotiated and adopted.

With the second coupling, feedbacks and conceptualisation tracings have been matched. I have identified a bidirectional path in the conceptualisation tracing (see graph 4, which show how different elements have been related to in-work poverty during the years). On the one hand, the documents of the European Parliament and EPSR, stable during the analysed years, frame IWP from the quality of employment lens.

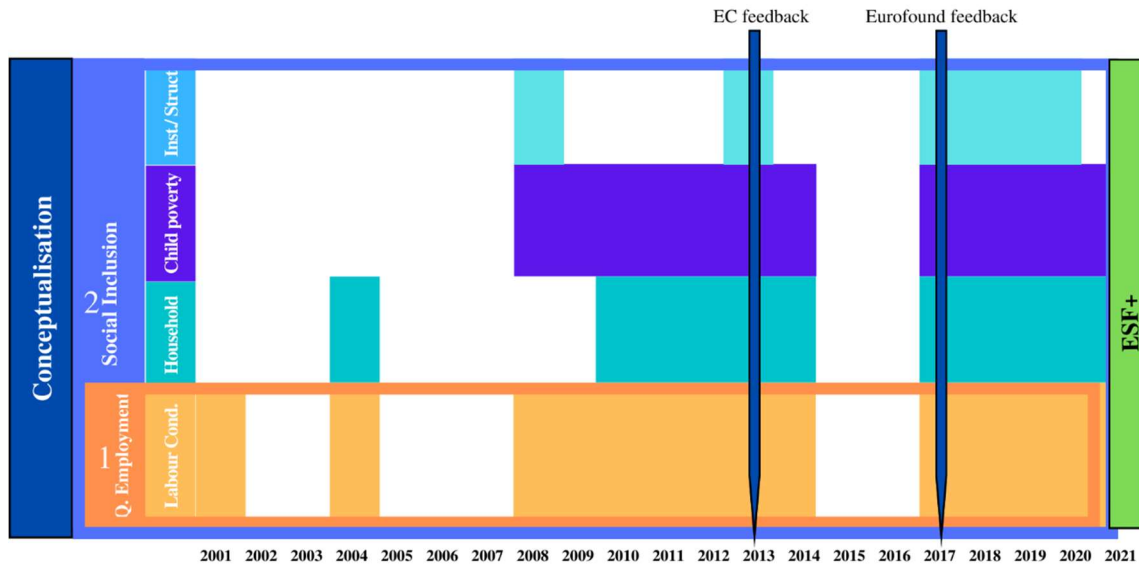
On the other hand, a second conceptualisation frames the issue from a social inclusion perspective. This latter relates to IWP as a conglomerate of diverse categories: among them, household structure, low employment quality, child poverty, structural factors etc. This conceptualisation is followed mainly within the European Commission documents. The feedbacks shed light on the effects of conceptualising IWP in this second multidimensional way.

In the documents that the two feedbacks were mentioned, the latter conception of in-work poverty was assumed (EC, 2013 & Eurofound, 2017). In these documents –as analysed above– it was glimpsed that due to the conglomerate characterisation that in-work poverty had accumulated –framed in the second,

social inclusion, perspective—, the policies used to not directly problematise the working poor. Instead, in-work poverty was framed under other bigger problems.

Thus, the fact that EC conceptualises IWP in a multidimensional way, entails that the issue receives less attention when being targeted on EC policy ideas.

## Coupling Conceptualisation and Feedbacks



Graph 4: Coupling Conceptualisation and feedback

Own elaboration

### Policy stream

The policy stream has been analysed in three different strands –policy logics of EU’s social sphere, European Commission as policy entrepreneur and policy ideas–. A similar pattern appears when coupling together the three of them (see graph 5).

Tracing the policy logic, three periods have been identified: 1) before 2000, the social sphere of the EU is formulated based on employment issues; 2) After Lisbon Strategy, social protection ideas are introduced in the EU action, producing a clash with the previous vision (similar to the identified by Borrás & Radaelli, (2011)); 3) After Europe 2020 Strategy, the social protection ideas incorporates steadily into the European social sphere, in juxtaposition with employment ideas. This process visualises an EU social policy paradigm shift (Hall, 1993) from a previous employment-based logic to a posterior combination between employment and social protection.

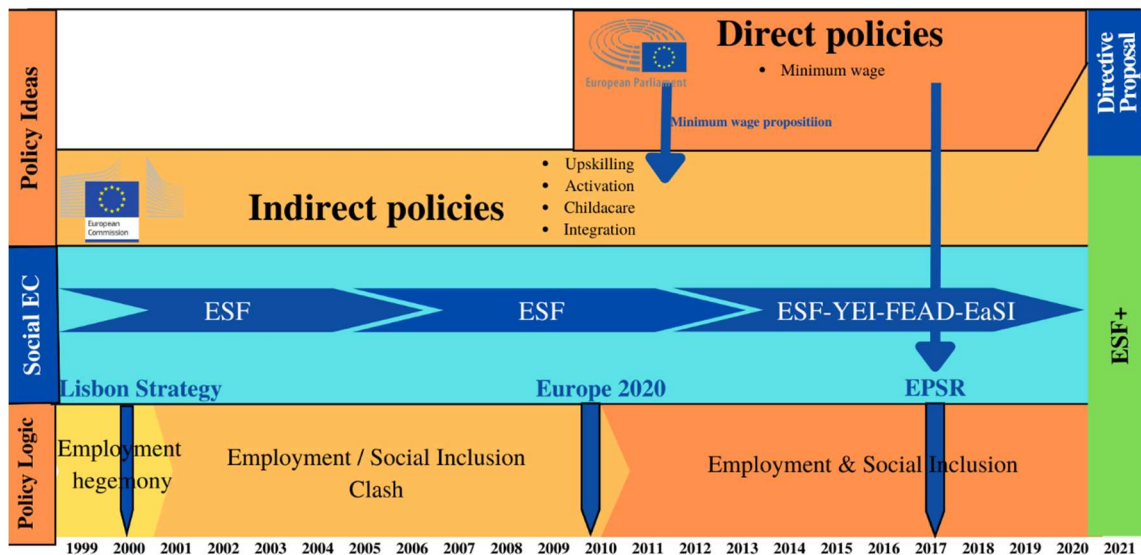
That shift is also seen in the European Commission initiatives. The European Social Fund’s evolution is a clear example of it. The ESF of 1999 –developed in the first period– concentrates exclusively on employment. In 2006, the commission introduces some elements that are linked with social protection. After Europe 2020, FEAD is created beside the ESF, which explicitly takes action

to combat poverty. Finally, in 2021, the FEAD is melted into the ESF+ and therefore, it permeates social protection policies in employment ones.

Concerning the evolution of the policy ideas to address in-work poverty, the ideas of indirect measures – upskilling, activation and childcare – have “floated around” since the first analysed years in a stable path. These ideas have been mostly related to employment creation, which according to Cronet and Palme (2019) relates to the third-way policies within social investment. On the other hand, the only direct policy idea identified steadily is the European minimum income, which has been located principally through the European Parliaments’ resolutions. The only time the EC mentions minimum income is in 2021, in order to propose a directive previous proposition of the EP.

Overall, an institutional factor that is present within this stream is a clear bias of the Union’s logic toward economic goals. All the policy ideas, initiatives and logic were backed by economic justifications. This comes in line with Barbier (2008), Copeland & Daly (2018) and Daly's (2012) characterisation of the social EU. But also, in line with other authors in the ideational arena have analysed the EU as an institution following the social investment ideals (de la Porte & Jacobsson, 2012). Aside from that, the privileged position of the European Commission as a policy entrepreneur must be noted. It has initiated most of the social initiatives including the social strategies and is the administrator of European social policies –such as ESF–. Characterised as a complex policy entrepreneur (Ackrill et al., 2013), it has only developed and patronised indirect policies to address in-work poverty in the EU.

### Coupling Policy stream



Graph 5: Coupling Policy stream  
Own elaboration

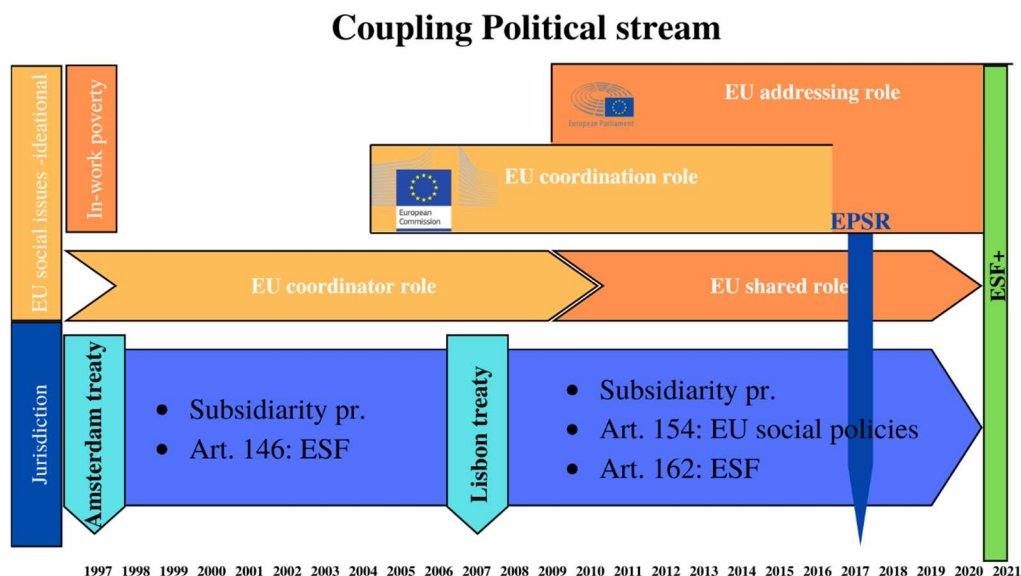
## Coupling political stream

Lastly, the coupling of the political stream shows a clear cleavage between the jurisdiction of the EU in social competencies –particularly referring to the ESF+, and the ideational position on how adequate the EU express it is to address social exclusion and in-work poverty (see graph 6).

To understand how the jurisdiction does affect the Fund, a paragraph of the proposal of the ESF+ that the European Commission launches in 2018 is clarifying:

The ESF+ under shared management strand is underpinned by the subsidiarity principle. Under shared management, the Commission delegates strategic programming and implementation tasks to the EU Member States and regions. It also limits EU action to what is necessary to achieve its objectives as laid down in the Treaties. Shared management aims to ensure that decisions are taken as closely as possible to the citizen and that EU-level action is justified in light of the possibilities and specificities at national, regional or local level. (EC, 2018, p. 4)

In other words, the ESF+ design and implementation of 2021 are directly affected by the subsidiarity principle and by article 163 of the TFEU –regulating the objectives of the ESF– written in 2007 in the Lisbon Treaty, which, at the same time, is almost identical to the one in the Amsterdam Treaty, written in 1997.



Graph 6: Coupling political stream

Own elaboration

On the other hand, the analysis has shown that ideationally, the social inclusion issue has evolved from being seen within the EU as a state competency –with minimum coordinative abilities of the EC– to being understood as a shared role in which still the EU has a secondary position –but stronger than previously–. When tracing the idea of the adequacy of the EU addressing in-work poverty, a dual



development of it has been identified. The European Parliament in its resolutions has insisted on the EU's adequacy in acting against in-work poverty, while the Commission has defined its role from a more coordinative approach. However, after the European Pillars of Social Rights, both institutions seem to follow the first perspective. Thus, when the ESF+ was adopted, the political stream was divided (graph 6). Ideally, the European Union was self-perceived as an institution that should –complementarily to states– act on social inclusion issues and specifically against in-work poverty. From the legal perspective, however, the subsidiarity principle and the article on the ESF objective in the Lisbon Treaty (2009 art.163) –written for the Amsterdam Treaty in 1997's– marked the direction of the ESF+.

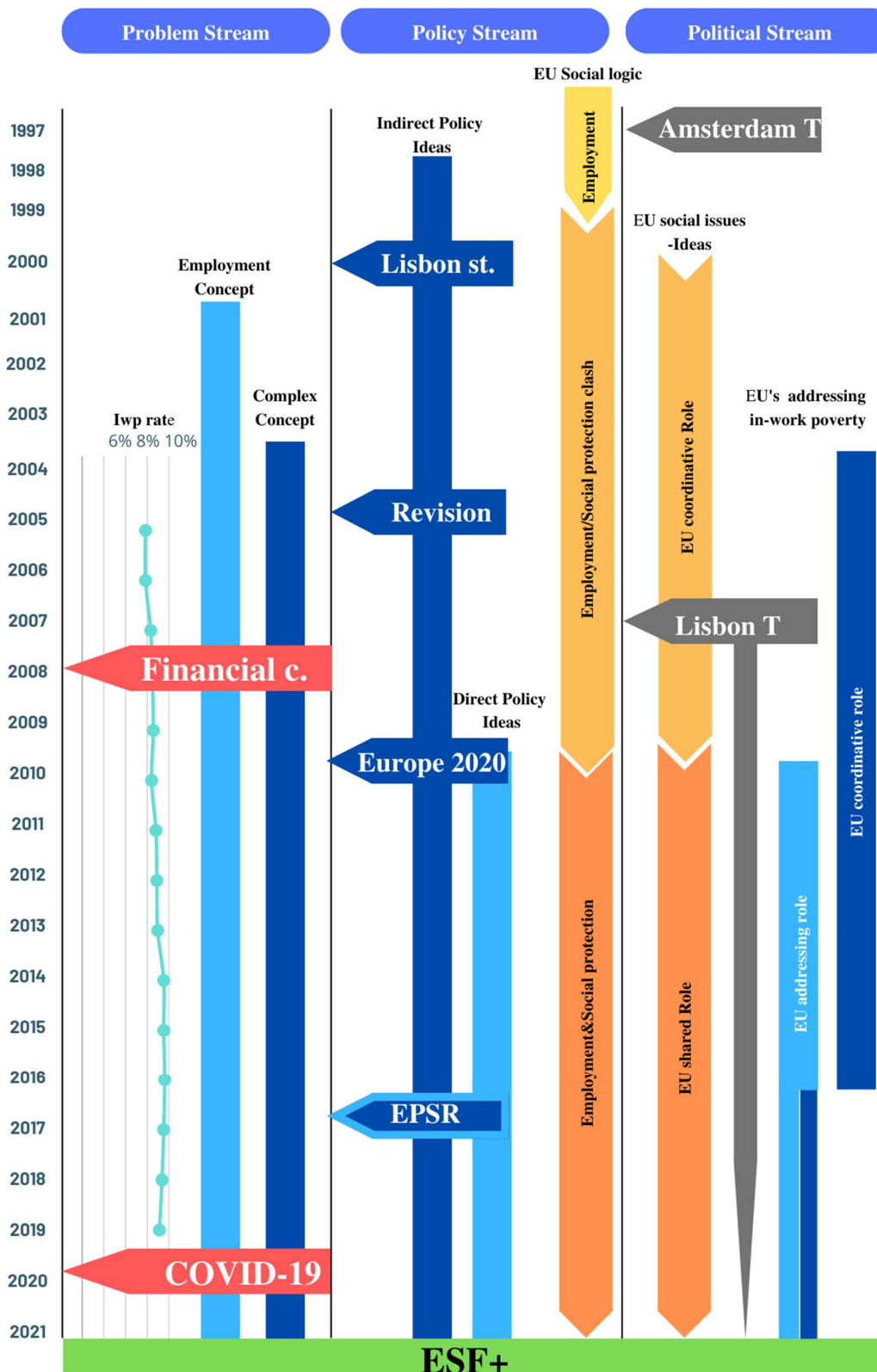
### **Coupling the streams**

As the last step of the analysis, the three streams are coupled to facilitate the visualisation of the factors and the causal mechanism that led to the ESF+ to address in-work poverty indirectly. This combination is made through a histogram (see graph 7) where the previous three stream couplings are combined. The main elements that affected the outcome resolution are placed in the histogram. The derivations from this coupling are in the result section.

# Coupling streams

**LEGEND**

- European Commission
- European Parliament
- Ideational logics
- ▶ Crisis
- ▶ Social Strategy
- ▶ Treaty



Graph 7: Coupling across streams  
Own elaboration

## 6.Results- deriving the causal mechanism

Deriving from the coupled streams in the analysis, I have identified two different paths, which led to different outcomes.

The first path is initiated by the conceptualisation of in-work poverty as an employment-quality issue. It is the European Parliament that frames in-work poverty in such a way. Thus, once when the EU is perceived as an institution that should address social protection in the political stream—2010—, the Parliament, acting as a policy entrepreneur in the policy stream, proposes the European minimum income—a direct policy—.

This conceptualisation of in-work poverty as an employment-quality issue is also founded within the EPSR, which relates in-work poverty to low wages. The Pillars marked the European Commission to accept addressing in-work poverty from the EU strand. However, this acceptance follows the Pillars conceptualisation, which leads to the Commission—the only body with legislative initiative—to appropriate the EP proposition on a directive for a European minimum income and open a new policy window. It is remarkable that this proposal is in accordance with the Treaties, which enable to creation of minimum directives in social policies (Lisbon Treaty, 2007, art. 153).

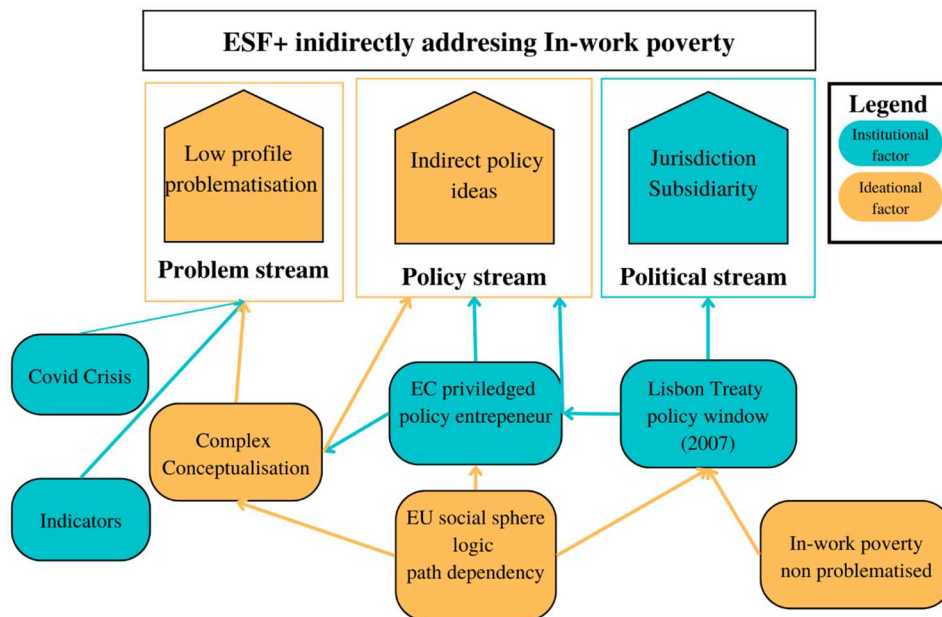
It is the second path which indicates the answers to the research question. This path is characterised by conceptualising in-work poverty as a multifactorial phenomenon. The European Commission adopts this conceptualisation through the analysed texts. The feedback analysis revealed that due to the difficulties of measuring a problem of multifaceted character, this conceptualisation produces to target in-work poverty indirectly within other bigger problems (this idea was also defended by ESPN, 2019).

Such a conceptualisation by the Commission is one of the factors that cause that, when this authority acts as a policy entrepreneur, proposes indirect policies to combat in-work poverty. Framed under other bigger goals, IWP is answered principally with employment maximisation ideas—e.g., activation and childcare—. Another cause for the Commission to propose these indirect policy idea, is the path dependency of the policies it manages and, of the EU social logic. The EU social sphere has traditionally been related to employment as a method for social inclusion, and therefore, the social policies administrated by the Commission have been strictly related to employment creation—and backed by economic goals—. This path, institutionalised in the Treaties, produces the EC to propose indirect policies.

Moreover, it must be remarked that the Commission acts as a privileged policy entrepreneur. It does not only propose ideas, but it does have the EU

legislative initiative and, on the other hand, administrates policies such as the ESF. Thus, when the ESF regulations are designed, the Commission’s ideas stand in a privileged position.

When the policy window for the ESF+ is opened between 2018 and 2021, the political stream is divided. On the one side, the jurisdiction sets a clear limitation on what the ESF can manage and is backed by the subsidiarity principle of the EU. On the other hand, in the ideational arena, the EC is open to addressing in-work poverty, to fulfil the EPSR. But again, the Pillars frame the issue from another conceptualisation, for which the ESF might not seem adequate or even legal –from the jurisdictional view–.



Map 4: Causal explanation  
Own elaboration

In map 4, I illustrate the identified mechanism within the MSF framework that caused IWP to not be directly addressed. Tracing the process of addressing IWP, showed that when the policy window of the ESF+ opened, none of the streams are positioned to enable in-work poverty to be directly addressed. In the problem stream, the problematisation of the issue is in a low-profile mainly due to the lack of updated indicators and overwhelming pandemic problems. Moreover, the issue itself is conceptualised in a multifactorial way: the complicatedness of the problematisation causes it to be introduced in other, more traditional, targets. In the policy streams, the European Commission, acting as a privileged policy entrepreneur, proposes indirect ideas. The causal explanation for that, comes from the three streams: 1) the already mentioned complex conceptualisation, 2) a path dependency of the Commission and EU to focus social policy ideas on employment maximisation 3) jurisdictional limitations of what can the ESF address. Last, in the political stream, although there is an ideational element open for addressing directly in-work poverty within the EU, it is backed in such a way that is incompatible with

the ESF+. On the other hand, the jurisdiction limits the action of the ESF+. The causal explanation for this limitation is that the Treaty of Lisbon was created in 2007 when: 1) in-work poverty was barely problematised; 2) the policy logic was situated in a clash where employment was the main perspective to EU's social protection and 3) the political view was that the EU should have just coordinative competencies in social protection issues.

The coupling of the three streams in that position in 2021, caused the ESF+ addressed in-work poverty indirectly in its problematisation, in its policy proposals and its objectives.

## 7. Discussion and conclusion

Employment is not a guarantee against poverty anymore: in the EU almost one out of ten workers are within the poverty threshold (Eurostat, 2022). This crucial problem needs to be addressed by combining direct and indirect policies (Papa, 2021 p. 53; EC, 2013, p. 96). Nonetheless, the ESF+ –the main social policy of the EU, and the main implementor of the EPSR– only approaches indirectly to in-work poverty. The primary purpose of this research has been to explain why a policy designed to prevent in-work poverty –among other objectives–, only adopts partial measures to combat it.

With the aim of building an explanation that could enlighten this unexpected outcome, I have conducted a process-tracing of the EU social sphere. The explanation has been developed from an abductive approach. On the one hand, I inductively identified the factors affecting the outcome within the tracing. On the other hand, the causal mechanisms were deductively adopted from the Multiple Stream Framework and Ideational Historical Institutionalism. For the sake of coherency between the inductive and deductive paths, I conducted Qualitative Content Analysis as a previous step to the tracing.

First, using QCA, the material was separated in nine analytical categories that responded to the deduced theoretical approaches. A posteriori, I traced the analytical categories to inductively find factors within them. After, I coupled the different tracings to identify how the factors were crosscutting the analytical categories. The last step was to derive the actual causal mechanisms of the identified factors –based on the theoretical synthesis– to provide an explanation of the outcome.

The overall result showed that the ESF+ does not directly address in-work poverty, since neither of the three streams of the policy process –problem, policy and political– were ready to do so when the policy was adopted –the policy window was opened–. The problematisation of the issue was in a low profile due to the lack of updated indicators and a complex conceptualisation that made it difficult to target the problem. Within the policy stream, a privileged policy entrepreneur, the European Commission, was endorsing indirect policies due to its conceptualisation and an ideational path dependency that was biased towards such policies. Last, in the political stream, the jurisdiction was anchored in previous ideational and institutional vision of the social EU. From that jurisdiction's perspective, issues such as in-work poverty were not meant to be addressed directly by the Union. When the policy window of the ESF+ opened, all the three streams coupled unready to address directly IWP and, therefore, caused an indirect focus on the issue.

Apart from finding an explanation for the outcome, I have identified phenomena theorised by previous scholars through the analysis. The economical character of the social EU, developed by Barbier (2013), Daly (2012) and Copeland

and Daly (2018) together with the jurisdictional and subsidiarity issue of the social EU (Barbier, 2013) have been observed through the different tracings. Furthermore, I have also encountered the ideational paradigm clash that Borrás and Radaeli (2011) theorised when they analysed the Lisbon Strategy. Hall's (1993) ideational shifts concept and theorisation have been essential when conceptualising the changes in the Social EU process. Finally, the identification of the European Commission's role as a policy entrepreneur departing from the perspective of Ackrill et al., (2013) has been key in providing an explanation to the research question.

Without doubts, this research faces several limitations and flaws. The main one, as explained in the limitation section, is that I have not been able to trace all the analysable categories within the three streams due to the limited character of the research. On the other hand, the main disadvantage of this research is that it is built on a methodology and metatheoretical claims that limit the investigated causal mechanism to this same case (Beach & Pedersen, 2013, p. 92). The explanation for this outcome cannot and must not be translated to explaining other phenomena.

Despite the limitations, the research provides insights that are valuable for the field, either in the literature, theory and methodology.

Concerning the theory, the research has deepened in the combination of institutional and ideational explanatory factors –a lately growing perspective in political science (Beland, 2016) –. Namely, I have produced an eclectic synthesis of Ideational Historical Institutionalism and Multiple Stream Framework, sanding the potential incoherencies of introducing ideational analysis into Kingdon's framework. A potential incoherency was mentioned by Kingdon (2011, p. 76), who did not recommend using MSF when tracing ideas due to the risk of facing infinite regress. However, following Campbell (2004), I delimited my temporal approach to overcome the risk. Another insight into the use of MSF is that the research is centred not on a successful, but a failing policy window. This approach has rarely been taken when using Multiple Streams (Zohlnhöfer et al., 2022), and therefore, the present research provides evidence that the framework is useful when studying failing windows. Last, the thesis has advanced in the adoption of the MSF into the EU arena, and moreover, the use of the European Commission as a *sui generis* policy entrepreneur (following Ackrill, et al., 2013).

Mixing process-tracing with QCA is not a common method (Beach, 2018), and moreover, if the tracing adopts an outcome-explaining character. Building upon Gläser and Laudels' (2019) method procedure, I explore the use of this particular mixed method in Political Science through this research.

Understanding why the ESF+ has not addressed directly in-work poverty fills a research gap in the EU's social sphere literature. Although it is not generalisable to other issues, the research is valuable to comprehend the social evolution of the EU and understanding the factors behind addressing indirectly in-work poverty. In that sense, a parallel path to the studied outcome has been identified –the path towards a proposal on the European minimum income–.

Considering that minimum income is a direct policy described by several authors as very limited to addressing in-work poverty (Cantillon & Vandenbroucke, 2013; Crettaz, 2011; Liu, 2022; Lohmann & Marx, 2018; Papa, 2021), it might be

of interest to further deepening in the explanation on this policy proposal in the EU level. Another possible path that additional research could take, is developing the categories that this research has not adopted due to its limitations. Deepening the political stream analysis would be especially interesting. Namely, investigating how the European Parliaments' elections and the changes within the Commission have affected the way of approaching European social policies.

Overall, this research is key when considering that the EU has the financial and political capacity to fully address within-work poverty while almost the 10% of European workers live in the poverty threshold. Clearing this research gap is an attempt to discover the causes of a partial actuation on an issue that represents an ulcer in the working population.



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# ANEX II: Coding book

## General rules:

1. Coding context is only permitted in node4. In the rest, context should not be coded
2. All coding must take an annotation of why with ideas or justifications.
3. As a rule, when in the same sentence there are two streams, Problem stream prevails to political one. Politics stream prevails to policy one, And Policy stream prevails to problem one.
4. When the three streams might be in the same sentence use discretion. Choose and justify why it is taken to one or another node.
  - E.g., “In order to benefit from a dynamic and productive workforce and new work patterns and business models, Member States should work together with the social partners on fair, transparent and predictable working conditions, balancing rights and obligations.” (European Council 2020, p. 5) In this sentence, it is identified a problematisation of working patterns (problem stream), the need of MS to address it (political stream) and policy ideas (policy stream). Using discretion, as the problematisation is vague, and the document itself is how states should address employment, then it is coded as a policy idea as this prevails to the other stream nodes.
5. If a whole sections should be coded, then introduce the section’s title as code and write “whole section” in annotations.

## Node1

**Category:** Problem stream Institutional

**Subcategory:** Indicators

### Definition:

The categories applies whenever the documents mention a direct or indirect indicator of In-work poverty. Being direct those who measure the phenomenon and being the indirect those adopted for the thesis (Lohman and Crettaz, 2018)

### Example:

“Half of poor children live either in a lone parent household or in a large family In the EU, half of poor children live in the two types of households that are most at risk of poverty: 23% live in lone-parent households and 27% in large families.” (EC, 2008)

### Coding rules:

- Indirect indicators can be distinguished by following the factors that affect in-work poverty by Crettaz and Lohman (2018):
- Micro:

- Low-wage rate
- Volume of work (individual and household) and atypical jobs
- High needs: household structures (relationship types and number of children)
- Insufficient social transfers
- Macro (macro-factors generally will not be taken into account: just if they are explicitly related to in-work poverty or micro-factor):
  - Macroeconomic: (GDP, GDP per capita, GDP growth and unemployment)
  - Demographic: Individual risks factors: same as “High needs” in micro factors
  - Institutional: indicators about labour market regulations and laws (unionization rate, minimum wages, employment protection legislation, bargaining centralization) or various tax and social policies (social assistance, unemployment benefits, tax credits, family cash benefits, childcare services, employer-sponsored benefits, transportation policy).
- Macro indicators will also be coded if they are related to in-work poverty or indirect factors in subsequent sentences. In these cases, justify.

## Node2

**Category:** Problem stream Institutional

**Subcategory:** Feedbacks

**Definition:** It applies when it is mentioned a previous feedback having effect on in-work poverty directly or indirectly.

**Example:**

“In most countries, family benefits play a significant role in supporting the income of families with children (on average in the EU they represent approximately half of cash social transfers to these households). They include benefits to support income during maternity leave (flat rate or earnings-related payments), birth/adoption grants, parental leave benefits, family or child allowances to partly offset the costs of raising a child and other cash benefits for families with specific needs (handicapped children, lone parents, foster families, etc).” (EC, 2008)

**Rules:**

- It must explicitly mention in-work poverty or a micro-factor that affects it (Crettaz and Lohman 2018).
- The feedback must refer to a policy within the EU (including Member States and subnational levels)
- If the jurisdiction of the policy is mentioned in the same sentence it will still be coded in Node2 (general rule 3).

## Node3

**Category:** Problem stream Institutional

**Subcategory:** Crisis and events

**Definition:** It applies when it is mentioned a recent crisis or event and how that affected to in-work poverty directly or indirectly

**Example:**

“In light of the COVID-19 crisis and in a context of ageing societies. The potential of people with disabilities to contribute to economic growth and social development should be further realised. As new economic and business models take hold in Union workplaces, employment relationships are also changing.” (Council of the EU, 2020)

**Rules:**

- It must explicitly mention in-work poverty or a micro-factor that affects it (Crettaz and Lohman 2018).
- If in a paragraph, there are mentioned both indicator and crisis/event then it will be coded in Node3.

## Node4

**Category:** Problem stream Ideational

**Subcategory:** Definition and Conceptualisation

**Definition:** whenever in-work poverty or working poor is defined. Whenever it is mentioned take paragraph.

**Example:**

“Member States should promote social dialogue and collective bargaining with a view to wage setting. Respecting national practices and the autonomy of the social partners, Member States and social partners should ensure that all workers have adequate and fair wages by benefitting, directly or indirectly, from collective agreements or adequate statutory minimum wages, taking into account their impact on competitiveness, job creation and in-work poverty.” (Council of the EU, 2020)

**Rules:**

- Sentences coded by Node4 van also be coded in other nodes. When coding into Node4, it will be added the sentence where in-work poverty is mentioned, its previous sentence and the following one. The objective is to gather information about the context in which in-work poverty is mentioned

## Node5

**Category:** Policy streams Institutional

**Subcategory:** European Commission social area

**Definition:** It refers to the European Commission proposing social policy ideas

**Example:**

“The European Social Fund (ESF) is the main financial instrument through which the European Union translates its strategic employment and social policy aims into action. Together with the European Regional Development Fund (ERDF) it will make a significant contribution to achieving the common social inclusion and social protection objectives during the 2007-2013 programming cycle.” (EC, 2008)

**Rules:**

- It should only be coded when the reference mentions already adopted or adopting initiatives proposed by the EC in the areas of social protection and employment.

## **Node6**

**Category:** Policy streams Ideational

**Subcategory:** Policy Ideas

**Definition:** It applies when a concrete policy idea is provided to address in-work poverty directly or indirectly in the EU

**Example:**

“They should enable everyone to anticipate and better adapt to labour-market needs, in particular through continuous upskilling and reskilling and the provision of integrated guidance and counselling, with a view to supporting fair and just transitions for all, strengthening social outcomes, addressing labour-market shortages, improving the overall resilience of the economy to shocks and easing adjustments needed after the COVID-19 crisis.” (Council of the EU, 2020)

**Rule:**

- Indirectly means that it must explicitly mention in-work poverty or a micro-factor that affects it (Crettaz and Lohman 2018).
- In case that an EU policy is proposed it will go into Node6, even if it is named a crisis or indicator. The proposal of a new policy prevails in the coding to the problematisation.
- In the case that EC is mentioned as the proposal maker, it will still be coded in Node 6. Node 5 is just for policy ideas that are being or have been adopted.

## **Node7**

**Category:** Policy streams Ideational

**Subcategory:** Policy logic

**Definition** It applies when a general ideational logics on the role of work, poverty or social inclusion is expressed. It also applies when the European social strategy is mentioned as a reference of the policy logic.

**Example:**

“People are Europe's main asset and should be the focal point of the Union's policies. Investing in people and developing an active and dynamic welfare state will be crucial both to Europe's place in the knowledge economy and for ensuring that the emergence of this new economy does not compound the existing social problems of unemployment, social exclusion and poverty.” (E. Council, 2000)

**Rules:**

- Definitions of concepts that summarise the logics are also coded in Node7.

## **Node8**

**Category:** Political stream Institutional

**Subcategory: Jurisdiction**

**Definition:** It applies when the Jurisdiction of a certain policy related to in-work poverty (directly or indirectly) is mentioned

**Example:**

“In defining and implementing its policies and activities, the Union is to take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against poverty and social exclusion, a high level of education and training and protection of human health as laid down in Article 9 of the Treaty on the Functioning of the European Union (TFEU).” (Council of the EU, 2020)

**Rule:**

- Indirectly means that it must explicitly mention in-work poverty or a micro-factor that affects it (Crettaz and Lohman 2018). In this node is also accepted when the macro issues are mentioned: employment and social initiatives.
- It must refer to a policy within the EU (including Member States and subnational levels).
- If a feedback is provided in the same sentence, it will be coded in Node2. Problem prevails to politics. Politics prevails to policy
- To differentiate from Node9, Node 8 mentions regulation and legal bases, where Node9 centres on opinion –generally using conditional grammar such as “should or ought to” –

**Node9**

**Category:** Political stream Ideational

**Subcategory:** EU social adequacy

**Definition:** It refers when the adequacy of addressing in-work poverty is mentioned, directly or indirectly, or whose “should” be the role to address policies related to in-work poverty phenomenon. It also refers when peoples’ perception on IWP is mentioned.

**Example:**

“The Union is to combat social exclusion and discrimination and promote social justice and protection, as well as equality between women and men, solidarity between generations and the protection of the rights of the child.” (Council of the EU, 2020)

**Coding rules:**

- Indirectly means that it must explicitly mention in-work poverty or a micro-factor that affects it (Crettaz and Lohman, 2018). In this node is also accepted when the macro issues are mentioned: employment and social initiatives.
- Code9 whenever it is mentioned whose should be competence of a policy or strategy to combat in-work poverty. Political stream prevails to policy.
- To differentiate from Node8, Node 8 mentions regulation and legal bases, where Node9 centres on opinion –generally using conditional grammar such as “should or ought to”.