Truth and the Government of Employment in the European Union

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Abstract
This paper examines how the European Employment Strategy attempts to govern a problem of employment in the European Union. We suggest that the truthful (or veridical) discourses about employment that are produced and reproduced through the European Employment Strategy gain their efficacy not by claims to universality or abstractness, but by their local and concrete character that renders reality susceptible to more or less systematic governmental intervention. Thus the type of truth produced is not opposed to governmental ambitions, or more broadly to power, but on the contrary a precondition for the political interventions seeking to affect employment in the European Union. It is through this production of truth that the member states are urged, but not forced, to conceive, govern and even dispute “the employment problem” in a particular manner. The governmental rationality of the European Employment Strategy thus represents an indirect “government at a distance”. This is also reflected in the fact that whereas problematizations and political imaginaries in relation to employment share significant characteristics across EU states, there are also important differences. In Germany, the ambitions of the EES are subsumed a problematization of “confidence and security” in the population and within this overarching discursive framework, recent reforms of employment policies subscribe to “new public management” discourses predominant in the anglo-saxon world and the Nordic countries since the mid-1980s. In Denmark, recent problematisations of employment are affected by the saliency of tax-issues and by concerns for labour shortages and the inclusion of immigrants. The relation between the EES and national policies would appear most straight forward in the United Kingdom, reflecting the fact that the EU’s Lisbon Strategy, including the EES, “sets out the Government’s agenda pretty squarely”, as stated by a government official.
1. Introduction

In the attempt to spur on economic growth, technological innovation and employment, the European Union has resorted to a wide range of “soft” governing instruments. The European Employment Strategy, with its use of benchmarking, peer reviews, guidelines and national action plans, is one such example.

This paper examines the forms of knowledge and truth that are applied in the European government of employment and the ways in which the production of truth constitutes a technology of government in contemporary Europe. The overall question driving this paper then is: What role does truth play and in which forms in the contemporary government of employment in Europe? Under the headline of this broad question, several other questions are relevant:

- Upon which regimes of truth does the European Employment Strategy depend? How are these regimes of truth produced, i.e. by what means?
- What sort of problematizations is the production of truth related to? And in relation to this: What is the political imaginary of the European Employment Strategy? If the EES is the answer, to what is it an answer? What is its implied understanding of society, and what is its implicit utopian element – the desired ends and political dreams embedded in the policies, programmes and strategies of the EES?
- How do the regimes of truth, the problematizations and the political imaginaries of the EES relate to the government of employment in other, national settings? The question we ask here is of the governmental and discursive spaces which emerge in the interplay between European strategies, programmes and ambitions on the one hand and the ongoing and long-standing aspirations to govern employment in the context of national (welfare) states.

One hypothesis is that the truthful (or veridical) discourses about employment in the EU gain their efficacy not by claims to universality or abstractness, but by their local and concrete character that renders reality susceptible to more or less systematic governmental intervention. Thus, far from being opposed to governmental ambitions, or more broadly to power, the types of truth produced in the EES must be seen as crucial preconditions for political interventions seeking to shape, affect and enhance employment in the European Union. It is through a series of reiterated truths that the EU member states are urged, but not forced, to design employment policies, ambitions and programmes in particular manners.

Another hypothesis is that the EES both reflects and contributes to the reproduction and enhancement of a particular advanced liberal mode of governing throughout the EU and its member states. The EES does not as such “create” or “cause” a particular ambition of governing employment, but it is one among a number of technologies, ambitions and programmes in EU and national settings that all point to far-reaching governmental ambitions for the lives and activities of citizens and for the performance of societies and individuals. While earlier classical liberal or Keynesian programmes of government sought to mould society by establishing certain securities (for instance property rights and insurance systems),
contemporary advanced liberal government increasingly – and in addition – seeks to work upon the individual lives of citizens by affecting their incentives for employment, education and training and even personal development. The production of truths about employment is no doubt hinging upon advanced liberal rationalities of governing, though they cannot be reduced to these. As our analysis of the EES and Danish, British and German employment policies will show, we also find governing thought drawing heavily on notions of social security and solidarity.

The paper first outlines a Foucauldian inspired analytics with which to address truth, government, power and their relationship. We then analyse how the key governing instruments embedded in the European Employment Strategy, notably guidelines, benchmarking, indicators, and peer reviews, are put into play, and the problematizations, ambitions and political imageries to which these technologies point. In particular, we address the objects (e.g. “the labour market”), subjects (e.g. “social partners”), causal relations (e.g. activation is a precondition for enhancing employment) and substantive and procedural standards (e.g. average employment rate and participation of social partners in policy delivery) that are (re)produced in the EES.

Third, by carrying out exemplary analysis of selected key policy documents from three EU member states, Denmark, Germany and United Kingdom, we put the governing problematizations of the EES into a wider perspective. What truths and forms of knowledge can be found in the national approaches to the governing of employment? Far from trying to document any causal relationship between the EES and national efforts to govern employment, our objective is to analyse the regimes of truth and the governmental problematizations within which the EES is located, and to which the EES contributes. Finally, in the conclusion, we discuss whether the problematizations of the EES congruent with those of national governments.

2. Truth and Government

Regimes of truth, problematization and government

Three concepts are particularly important in this paper: regimes of truth, problematizations and normalization. The concept of ‘regime of truth’ (Foucault 1980: 131) seeks to direct our attention to the historically specific ways (procedures, rituals and mechanisms) and the epistemological space (theories, objects of knowledge, causal linkages, etc.) through which truth is produced. If this is interesting, it is because the ways in which we seek to talk the truth about something potentially has strong effects for the ways in which we may govern that something. Consequently, we should try to examine the possible ways in which the exercise of power depends upon on knowledge about the things it governs.

This having been said, and while we regard knowledge/truth and power as intrinsically related, they remain two different phenomena. Thus, in contrast to a form of ideological reading, which reduces knowledge to an instrument for reproducing power structures or interests, the notion of regime of truth stresses the irreducibility of truth/knowledge. Conversely, power cannot be subsumed under knowledge: as any scientist knows, the production of truth does not necessarily imply power that changes things. In fact, knowledge may be used for all kinds of purposes that transcend whatever the intentions of its producers.
In our case, while the European Commission, Eurostat and various national statistical agencies play a key role in assembling, selecting, calculating, and illustrating knowledge on employment, it would be problematic to consider power to be something that these agencies hold qua that role. The production of truth and knowledge may generate power effects that go beyond the intentions of their producers.

If expanding employment is the solution, what sort of problem is it supposed to solve? Or, more precisely, what sort of problematization are the many suggested employment measures trying to respond to (Rose 1996: 25-26)? The point is that a particular problematization allows for a certain set of solutions or interventions, whereas other suggestions are either not articulated at all or disqualified as irrelevant by not addressing the “essence” of the problem. The analytical implication of this concept is that we analyze how, where and by whom aspects of employment are being considered problematic, according to what regimes of truth and in relation to what concerns. In our case, we are interested in analyzing, how the employment problem is articulated: What is the essence of the employment problem, what are its causes, and how should it be governed?

Finally, we apply the term government to denote a set of governing activities. Rather than denoting a certain institutional set-up or a set of actors, we apply the term government to bring into light the manifold forms of problematizations, regimes of truth, administrative procedures, and techniques engaged in the attempt to act upon the actions of individuals, social groups, organizations, or markets. The point of conceiving government as an activity rather than as an institution or an as an actor, is that it opens for an analysis of the shifting relationships between the exercise of power (governing of others) and freedom (the governing of self by the self). Rather that seeing power and freedom as each other’s anti-thesis, this conception of government questions the ways in which power may actually depend upon particular forms of freedom of those over whom power is exercised. This seems particularly pertinent in the case of the EES, which seems to rely above all on soft, indirect forms of governing, rather than hard, direct steering.

**Diagnosing the significance of the EES**

The paper examines the government of employment in contemporary Europe. In doing so, it adopts a certain analytical stance found in recent Foucauldian inspired governmentality studies. These studies do not constitute a fixed programme of research or methodology, but could rather be seen as a toolkit and a series of analytical themes. Inspired by these themes, we view the EES as a strategic constellation or assemblage of regimes of truth, problematizations and concrete mechanisms of government. It is strategic in the sense that it is imbued with a series of calculations on how to govern member states in a particular direction. And it is a constellation or assemblage in that it serves to relate or connect hitherto more or less discrete actions (member state employment policies) in a more or less systematic manner.

With a view to highlight the subtle and often overlooked dimensions of power, we try to undertake a “creative diagnosis” of the EES by mapping the regimes of truth, problematizations and governing mechanisms found both in the EES and the member state employment policies (Rose 1999: 57-58). Our particular conceptualization of the kind of power and government involved in the EES, which differs from what most scholars in the area have done, constitutes one such creative measure.
Apart from our conceptual reworking of the understanding of power, we adopt three methodological tools to pursue a creative diagnosis. First, we embark on a positive (“empiricism of the surface”) description of what is said and done (Foucault 1974: 125). Rather than looking for hidden motives and agenda, we study the utterances and political actions that are actually made. In this part we emphasise the predominant or even unquestioned understandings of the employment problem and its solutions. By default we but also to point to the limits of what is regarded as reasonable and what is not. Thus, instead of identifying causal factors such as actor interests or even discourses (Trubek and Trubek 2005: 91ff), we are trying to create a new understanding (truth?) of the EES and the member state policies by isolating and re-grouping the lines of arguments, problem identifications, objectives, interventions and programs articulated in the EES and in the member state policies.

Second, we adopt an anti-essentialist analytic strategy in the sense that we seek to diagnose the surfaces of government without applying a priori distinctions and categorizations to these surfaces. For instance, in recent years it has been widespread to think of the EU as a “multi-level” or “multi-tier system of governance“ (e.g. Marks 1993, Kohler-Koch 1996, Risse-Kappen 1996, Christiansen 1997). While there are merits to such an approach, not least the fact that that it draws attention to the wider field of power relations, the notion of multi-level governance still reproduces and reifies a notion of politics as operating on separate planes, even if processes of will-formation may or may not take place in an interaction between different ‘planes’ (cf. Diez 1999: 604-5). Similarly, we try to avoid the topographic level-of analysis which may either go top-down (EU tries to steer member state policies) or bottom-up (member states influence EU policies). Although we fully acknowledge differences in organizational setups and jurisdictional competences, we are not examining the governing effects of the EES in terms of the EU as a particular, higher (supranational) level seeking to impose policies on a lower (national) level. Instead we analyze the implications of the EES by focusing on its production of truth, which may and indeed does traverse both organizational and jurisdictional boundaries.

Third, to the extent that the EES contributes to produce or re-produce a particular truthful discourse and problematization of employment that is reflected partly or wholly in other settings, we regard this as an effect that is no less substantial than other types of effects. Thus, we question the common distinction made in attempts to measure the impact of European policies on national ones between “substantive” and “non-substantive” aspects of policy. Typically the former, which include values and goals, are seen as the more “real” aspects, whereas the latter is often depreciated as procedures or “discourse” (Barbier 2005) or symbolic politics (Chalmers and Lodge 2003) with limited if any impact on national policy-making. Values and goals of employment policies may indeed be enabled and therefore structured by the possible ways in which we may utter the truth about the employment problem and thus construct the problem of employment. If this is so then a particular way of talking the truth about employment and/or a particular way of problematizing employment is clearly no less substantial or real than political values or goals.
3. The EES and Government at a Distance

Since the early 1990s, the European Union has increasingly turned to “indirect” ways of govern-
ing, notably the so-called Open Method of Coordination. The European Employment Strategy was one of the first and hitherto the most extensive case of the use of the Open Method of Coordination. The European Employment Strategy dates back to the 1994 Essen European Council. Continuous monitoring at the EU-level of employment and of the member states’ progress with respect to labour market reforms became a key component of the EES. At the 1997 Luxembourg summit this system of monitoring was expanded under the label ‘the Luxembourg process’. Since then, methods of Open Coordination have been applied to an ever wider range of policy fields, including education, information society policy, and social policy, just as macro-economic policy is part of the overall Open Coordination framework (cf. DTI 2005: 33-35)

Government at a distance or how to steer through freedom

A first point pertains to the nature of government in the EES. As is the case for the other areas covered by open coordination, the EES rests on a centralized formulation of objectives, quantification of indicators for measuring progress towards these objectives, decentralized implementation in the Member States or their regions, and systematic monitoring through comparison. In the EES, the centralized objectives take the form of the so-called European Employment Guidelines. Decentralized implementation and monitoring takes the form of the Member States’ formulation and – supposedly – implementation of National Action Plans for Employment – from 2005 onwards termed National Reform Programmes, and of Member States’ reports and the European Commission’s assessments of progress achieved. A “Joint Employment Report” makes up the common verdict of the Council of Ministers and the Commission about challenges and progress in the year that has passed.

Against this background, the EES is often seen as a ‘soft’ form of governance, which interferes less directly in the affairs of each individual member state than traditional communitarian forms of regulation in the EU. This fact is seen to result from a simultaneous interest among a majority of the member states in addressing a number of problems at the European rather than solely at the national level and in limiting the Union's formal scope of competences in a situation where popular scepticism towards the EU is large and growing (Ardy and Begg 2001; Mosher and Trubek 2003).

More precisely, we may situate the indirectness of government and the particular form of freedom that is promoted the EES in the larger context of advanced liberal government. As Mitchell Dean puts it (Dean 1999: 150-159, 164-171), 'advanced liberal government' may be regarded as ‘practices of liberty’ which promote and facilitate liberty, but which also discipline and constrain the exercise of it. They contract, consult, negotiate, create partnerships, empower and activate forms of agency, liberty and the choice of individuals in their different capacities. However, they also set norms, standards, benchmarks, performance indicators, quality controls and best practice standards with a view to monitor, measure and render calculable the performance of these various individuals or agencies.

Thus the concept of a ‘free subject’ has in advanced liberal government taken on a meaning of a potential technical instrument in the achievement of governmental purposes and objectives, of being an artefact which can be constructed and shaped by governmental practices.
Advanced liberal rule operates through our freedom, through the way this freedom is structured, shaped, made calculable and predictable.

The EES can be understood much along these lines. Far from trying to harmonise national employment policies and authoritatively define policies and prioritisations, the EES seeks to promote a particular form of ‘freedom’ of its subjects, namely the Member States and the sub-national groups envisaged to play a role in governing employment. The EES proposes a set of guidelines and indicators which are formulated under strong influence by the Member States. Moreover, it is entirely up to the member states to determine the ways in which these guidelines are to be turned into concrete interventions. In fact, in so far as the member states have committed themselves to the Amsterdam Treaty and its articles on promoting employment, the only thing that is not up to the member states is not to take any action at all. Taking this minimum of hard or sovereign power into consideration, it is little wonder that many politicians and analysts (e.g. Barbier 2005) are extremely sceptical of the efficacy of the EES.

While there are good reasons to be sceptical about the governmental resonance of the EES, we have to expand our analysis of the EES outside the ambit of hard/sovereign power. We suggest thinking about the EES as a form of government that works by creating or at least enhancing particular forms of agency. The ‘technologies of agency’ of the EES can be seen to contain elements of both a certain kind of contractualism and a certain kind of ‘technologies of involvement’. Through the employment of voluntary yet systematic and purposeful systems of cooperation and coordination, the European Employment Strategy produces a new kind of agency and this agency is inserted into a specific system of purpose: The formulation of common objectives and the ongoing, cyclical review and evaluation of progress towards these objectives involves various governmental actors in new forms of communication and interaction. Common guidelines and systematic review of progress can be seen as a form of ‘quasi-contract’ between the Member States and the European Commission. In systematic peer reviews and mutual learning programmes, a new type of European forum is created for creating and exchanging knowledge and for involving agencies and actors into a common, purposeful set of activities, oriented towards the government of employment (Cf. eg. http://www.mutual-learning-employment.net).

To the enabling and productive aspect of the EES we must add the supervisory and directive aspect. The technologies of agency in the EES are supplemented by a range of ‘technologies of performance’ (Dean 1999: 168-169). These plural technologies of government that have during the past decades been designed to penetrate the substantive domains of expertise fostered under the welfare state and to subsume these domains to new formal calculative regimes (Rose and Miller 1992). Through the setting of quantitative targets for the EES and the various performance indicators a calculative and governmental space is found that enables a systematic comparison and evaluation of the ways in which the member states freely design their employment policies. The freedom of the EES is thus a freedom not to do just anything, but to do something particular. By entering into a system of open coordination with the objective of governing employment, member states, their bureaucracies, their agencies and civil servants, have not only been presented with a range of new possibilities for exchange, coordination and action. They have also subjected themselves to the surveillance, scrutiny and evaluation of others in new domains, with a view to arriving at certain objectives, having been defined as common objectives in the process.
A calculative regime of performance

What are, then, the regimes of truth within which the European Employment Strategy is embedded? As touched upon above, its rationality is a calculative regime inscribed within a broader advanced liberal governing of individuals, populations, organisations and markets.

The calculative regime, in turn, relies upon a set of targets that are to a high extent quantified, and defined as to be achieved within a specific time period. The European Employment Guidelines for the period 2005 to 2008 thus defines 7 overall guidelines, defined within a framework of three cross-cutting priorities (full employment, improving quality and productivity at work, and strengthening social and territorial cohesion) to which a set of quantitative targets are frequently attached (Council 2005). The overall guidelines pertain to employment levels; a “life-cycle approach” to work, by which is meant systems and policies that allow all age groups to participate in the labour market; active and preventive labour market measures which should create incentives to work; efficient labour market institutions for matching demand and supply of labour; increased flexibility in labour market regulation; an objective of employment-friendly labour cost developments and wage-setting mechanisms; an objective of increasing investment in human capital; and finally an objective of adapting education and training systems in response to new competence requirements.

Quantitative targets and benchmarks in relation to these overall objectives pertain to 1) the overall employment rate and the rates for female and older workers, 2) the extent of active labour market measures, 3) the average exit age from the labour market, 4) the provision of childcare, 5) the proportion of early school leavers, 6) the educational attainment level, and 7) the degree of participation in lifelong learning activities.3

These objectives and instruments is that they (re)produce ‘employment’ as a knowable object. The EES and its guidelines and objectives establish employment as a particular perspective on the populations of Europe. Far from being constructed as for instance citizens with certain rights and responsibilities, populations are developed as objects of government and as a productive resource which is to be mobilised in the most efficient manner in the development of the European economy.

The regime of truth in the EES underpins the production of employment as a knowable object and the construction of populations as a productive resource. To a large extent, knowledge in the EES takes the form of statistical quantities, which enable a normalizing ‘comparative gaze’ – across countries and over periods of time. Examination of progress towards achieving the objective of creating incentives to work is, for instance, made possible by establishing statistical time series for the EU25 countries as regards the size and trends of the marginal effective tax rate on labour income, the combined effect of increased taxes and in-work benefits withdrawal as on increases the work effort (framed as the ‘low wage trap’), and as regards the magnitude and trends in the taxation on low wage earners (Commission 2005: 65-73). This normalizing, comparative gaze implies not that all member states pursue identical employment policies, but rather that they problematize, evaluate and identify the uniqueness of their policy solutions according to a common frame of reference.

This ‘comparative gaze’ is – in turn – embedded within a set of procedures and rituals that are captured by the system of ‘Open Coordination’ to which the European Employment
Strategy belongs. These procedures and rituals are characterised by a certain circularity (cf. Ekengren 2002), a cyclical movement where the (re-)formulation or (re-)statement of governance objectives and the formulation of national reform plans are followed by the collection and reporting of statistical information, followed by a set of common assessment and evaluation activities, to be concluded with a new re-statement of – potentially revised – political objectives.

**Figure 1, Employment rates.** Source: (CEC 1999: 23).

![Figure 1](image1)

**Figure 2, Unemployment rate.** Source: (CEC 1999: 25).

![Figure 2](image2)

Therefore, if the EES and the system of Open Coordination, within which it is embedded, can be thought of as illustrations of contemporary ‘advanced liberal’ forms of government, they can also be thought of as a system for the production of new regimes of truth. The comprehensive system of objectives, quantitative targets and benchmarks and systematic procedures for comparison and evaluation results in a new regime of truth that enframes European employment as a particular object of government. On the one hand then, the governing instruments of the EES depend fundamentally on the particular regime of truth in order to identify and act on “the employment problem”. On the other hand, the production of the regime of truth is informed not only by elevated scientific, expertise (such as macro-economic theories), but also on very mundane political and administrative problems such as what to do with the people who are dependent of public support or how to count the number of unemployed people. In short, the actual governmental interventions and the regimes of truth that are part of the EES are mutually interdependent, but the one cannot be reduced to the other.
The political imaginary of the EES: The inclusive performance society

The EES contains a number of more or less clear objectives and targets. If these objectives and targets constitute answers, what are the problems they try to answer? What is the utopian element towards which these problematizations point? The ‘comparative gaze’ of the EU’s Joint Employment Reports is very illustrative in this respect, as are the overall Guidelines for the European Employment Strategy and their specific wording.

Employment has been the key focus of the EU Employment Strategy since 1997. Whereas unemployment is still regarded as an important phenomenon that requires political attention and intervention, it is above all the employment rates of the population and its various subgroups that is now gaining increasing importance. It is simply not good enough for a country to have a low unemployment rate, if at the same time its population is not sufficiently active. For example, in 1997 Belgium had an unemployment rate below the EU average level, but its employment rate was below the EU average, cf. figures 1 and 2 above. Thus, a relative large group of the potential Belgian workforce (such as house wives) were not actively seeking a job. Regardless of whatever activities these non-working groups may undertake, they are regarded by the EES regime of truth as non-contributors to the performance of Belgian society and ultimately to EU as a common economy.

Employment is rendered visible and concrete through a number of statistical artefacts and techniques of inscription. The diamond figure, which was used extensively in the Joint Employment reports between 1998 and 2002, is one such technique. The figure below visualizes the employment growth and employment rates of various groups in Germany in the years 1994 and 1998 relative to the EU benchmark. The latter with the nominal value 1 is calculated as the average of the three best performing EU member states.

Figure 3, German employment indicators, 1994 and 1998. Source: (Council European Union 1999: App. 1, p. 20)
In a quite simple fashion, the figure “reveals” the poor performance of Germany in all four employment dimensions compared to the EU benchmark. In fact, apart from the employment gender gap, Germany’s employment performance has gone from bad to worse from 1994 to 1998. The obvious conclusion is that Germany need to reform its labour market policies and that it could look to the better performing member states, such as Denmark and Great Britain, for possible inspiration. At a more general level, the diamond figure illustrates how, via the use of statistical quantities and the construction of a ‘EU Benchmark’, the Employment Strategy rests on a utopian notion of a growing society of active populations. The goal is a society of high employment rates, with few females outside the labour market, and with individuals continuing their relation to the labour market well into their 60s.

As for the overall employment guidelines for the period 2005 – 2008 (Council 2005), the 7 guidelines for employment policies both point to the underlying problematizations that are at play, while at the same time pointing to a future condition, defined by the absence of these implied problems.

If the seven guidelines are the answer, what questions or problematizations are they trying to answer? While several aspects can be highlighted, the most important underlying problematization appears to be the ‘underutilisation’ of the European workforce. If the answer is to increase overall employment rates and the employment rates of females and older workers in particular, the problem is too low employment rates in general and among these two groups in particular. If the answer is ‘active and preventive labour market measures’ including ‘early identification of needs, job search assistance, guidance and training as a part of personalised action plans’, then surely the problem is one of ‘passivisation’ where the quality of the workforce is depleted due to long terms of unemployment spells. If the answer is ‘inclusive education and training policies and action to facilitate significantly access to initial vocational, secondary and higher education’ and ‘significantly reducing the number of early school leavers’, the problem must be one inadequate individual skills, exclusionary education systems and high drop-out rates from education. And if the answer is ‘support for active ageing, including appropriate working conditions, improved (occupational) health status and adequate incentives to work and discouragement of early retirement’, the problem would seem to be one of a population consisting of individuals who disengage from the labour market at an early point of time in their lives and increasingly consisting of ageing individuals that are about to leave the labour market (cf. Council 2005).

The problem of ‘underutilization’ of the European population as workforce corresponds to a particular utopian vision for European society. Some elements of this vision are explicit - “More and Better Jobs” is not only the title of the Joint Employment Report 2005, it is also one of the slogans defining the EU’s overall Lisbon Strategy, the strategy for economic reform and reinvigoration by 2010 – but some are more implicit. In total, the 7 EES Guidelines for the period 2005 – 2008 suggest that the utopian vision consists of the improvement of society towards ‘cohesion and inclusion’, but in a particular manner. Social cohesion and inclusion is not so much a question of social security (securing the individual against sickness or loss of economic income), but of ensuring that all citizens are active on the labour market and thereby contribute to the performance of themselves and society. The Utopian vision is thus of a particular notion of society as an economy of employed or self-employed individuals (cf. Threllfall 2002).
In sum, the EES envisages society as a *machinery of performance*. It is above all an economic machine in so far as notions of competitiveness, efficiency, and wealth and are fundamental elements of the strategy. Individuals, companies, and member states are urged to perform better in order to be more competitive vis-à-vis each other and not least vis-à-vis societies outside the EU. But it is also a biological machine in the sense that the governing and well-being of populations, i.e. of their living standards, their education, their ageing, and their entry into and exit from the labour market, occupy an important place. Finally, it is a machine characterized by its advanced liberal mechanisms that work mainly, albeit not only, through the normalized freedom of member states and (national) social partners.

### 4. Governing Employment in Germany, Denmark and the UK

How do the regimes of truth, the problematizations and the political imaginaries of the European Employment Strategy relate to the governing of employment in national European settings? This is the question we ask in the following sections, focusing on the government of employment in Germany, Denmark and the UK in the period 1998-2006. We try to identify and diagnose the regimes of truth and the governmental techniques at play and point to contending and possibly conflicting elements.

**Germany: Modernisation and new public management**

What are key technologies in the contemporary government of employment in Germany? To which problematizations do these technologies point? And what is the character of the utopian notions of society which lie behind problematizations and technologies? We shall attempt to extract some answers to these questions by analyzing the government of employment as it is expressed in connection with recent policy reforms: The reform programme Agenda 2010, which was launched by the then centre-left government in 2003 and to a large extent built on the analysis and recommendations of the so-called Hartz-commission (Hartz Kommission 2002).

*Modernisation in a context of crisis notions*

The key elements in the Agenda 2010 reform programme are tax reforms, reforms for more efficient product and factor markets, reforms of unemployment benefits and social security, notably involving a reduction of benefit eligibility periods and benefit levels, reforms in the administration of labour market policies and certain reforms in the area of vocational education and training and as regards research and development. The labour market and social security components of the programme were clearly the most controversial and far-reaching.

Evidently, in the political imaginary within which this far-reaching programme of reforms was initiated, notions of crises play a significant role. Whereas the European Employment Strategy may be said to embody a utopian notion of an inclusive and efficient machinery, with the diagnosis of contemporary Europe pointing to the underutilization of populations for productive ends as the primary problematization, Agenda 2010 suggests a somewhat different conception.

It is illustrative that a government strategy document preceding the launch of Agenda 2010 presents the problem as a crisis of confidence and growth, reflecting a worldwide sense of economic insecurity in light of war and terrorism (Kanzleramt 2002). The set of problemati-
izations to which Agenda 2010 points is therefore not the underutilization of the work force as such, neither is it a threat from globalisation as such, but rather a loss of confidence and security. International competitiveness in the globalized economy is not presented as a problem: “Unser Problem ist nicht die internationale Wettbewerbsfähigkeit unseres Landes. Die ist exzellent, wie immer neue Rekorde beim Export oder bei den Direktinvestitionen zeigen”. Rather, the challenge is one of confidence and expectations: “Bedrohungen durch Terrorismus und Krieg, der Absturz der Aktienkurse und die Gefahr einer anhaltenden Wachstumsschwäche mit hoher Arbeitslosigkeit drücken auf die Stimmung und die Erwartungen. Wir befinden uns in einer Vertrauens- und Wachstumskrise. Die vordringliche Aufgabe der Wirtschaftspolitik ist es, Bürgern und Unternehmern wieder Vertrauen in die Zukunft unseres Landes zu geben und die Weichen in Richtung Wachstum und Beschäftigung zu stellen”. The emphasis in Agenda 2010 and in the work of the Hartz Commission can be seen to be directed towards this crisis of confidence and growth, the immediate expression of which is unemployment.

Second, there is a pre-eminence of reforms targeted towards the “delivery mechanisms” of labour market and social policies in Agenda 2010 and in the Hartz proposals. A range of reforms of the legislative framework for activation policies, of the institutional structure of benefit systems and of the systems for delivery of advice and assistance to unemployed persons points to efficiency as an underlying - and frequently also explicit – concern., “Modernisation” against a background of long-lasting relative institutional and political stand-still is the ambition conveyed by the reform proposals, key terms in the policy programme being “customer orientation” and “market orientation” in active labour market measures (Harz Commission 2002: 48-50), as well as simplification of legislation, rules and procedures allowing for more decentralized and adaptable activation measures for the individual unemployed (Harz Commission 2002: 50-52. 68-75). Whereas an emphasis on active labour market measures is nothing new in German labour market policy, the novelty in the Hartz proposals is in the quest for quality and effectiveness in activation measures, to be made possible by decentralized, “customer-oriented” implementation.

*The construction of the “obliged individual”*

In parallel with this orientation towards institutional efficiency and modernisation one finds an emphasis on obligations of the individual unemployed in relation to benefits and activation measures, including new understandings of the concept of “Zumutbarkeit”, i.e. the “acceptability” of jobs which unemployed persons are obliged to accept if they are to retain benefit rights. The Harz Commission’s proposed reforms of the different “pillars” of German unemployment benefit and social assistance schemes, later to a large extent implemented by the government, entail a stronger emphasis on benefit seekers’ obligations to pursue employment and accept jobs and on a more comprehensive use of activation schemes, activating unemployed in principle into any kind of job. They also entail a shortening of the maximum periods of benefit eligibility for older workers with long contribution records from 32 to 18 months, thus bringing them closer to the general standard of 12 months (Knuth 2006).

The obligations of the individual and the strengthening of “conditionality” in relation to benefit entitlements can be understood as an expression of “individualisation” – a process in which the individual is constructed as not the bearer of rights, but also increasingly as the bearer of obligations – an object of governmental technologies for inducing certain desirable behaviours.
The ambition of governing via strategies and objectives

Do we find a tendency in Agenda 2010 and the Harz proposals towards “government at a distance” and towards the utilisation of “regimes of calculation and comparison” in the government of employment – the two predominant elements in the governmental rationality of the European Employment Strategy?

Yes and no. Yes in the sense that the ambitions that are reflected in the proposals of the Harz Commission very much point towards the introduction of principles of “new public management” in German public employment services. Detailed regulation of the activities of the Bundesagentur für Arbeit (the federal PES) and the regional Arbeitsagenturen is, for instance, to be replaced strategy-guided behaviour and by management objectives and the monitoring of goal achievement in terms of for instance job placements.

No in the sense that these ambitions reflect the existence of a reality of an altogether different nature, where juridical means of government via detailed regulation have prevailed and continue to do so. As opposed to what is the case in the European Employment Strategy, where attempts to govern employment rests almost exclusively on the construction and application of particular knowledges within a framework of “structured but voluntary cooperation” – the system of open coordination -, juridical government and thus the exercise of sovereign power continues to be a key technology in German labour market policy.

And no also in the sense that the indirectness of government in German labour market policy would – even if the ambitions of the Harz Commission were to be fulfilled – be of a qualitatively different nature that “the government at a distance” in the EES: Even in this situation, advanced liberal practices would coexist with other significant forms of government which are not pre- eminent in the EES: Keynesian welfarist forms of government with the objective of securing certain processes (e.g. ensuring the maintenance of the population and labour market via the administration of unemployment benefits and operation of the PES), and the exercise of sovereign power in the form of legislation, authoritative regulation and so forth. Government of German employment thus has at its disposal technologies that are presently not available at the European level - as is the case for instance with the administration of unemployment benefits and legislation governing the administration of benefits.

Finally, certain elements of what is usually referred to as advanced liberal government would seem to be missing in recent German labour market reform efforts, even in the most ambitious proposals such as those presented by the Harz Commission: Relationships of “individual contractualism” or other technologies of individual agency are only modestly represented the proposed reforms. Advanced liberal technologies of government appear to be mobilised towards large governmental institutions such as the Bundesagentur für Arbeit, less so towards the individual unemployed individual.

The rationalities of government in the Harz Commission’s proposals as well as in the Agenda 2010 programme would thus seem to reflect a set of conceptions which were predominant the UK and – in a somewhat different form – also in Denmark in the 1980s, not those that appear to define the rationalities of government today in these two countries. This is a rationality the core of which is the modernisation of public administration in the direction of “market orienv
tation” and “customer orientation”, much along the lines of the discourse of “new public management” which have been salient in these two countries from the mid-1980s onwards.

**Denmark: Activation and employability**

From the early 1990s onwards, Danish employment policies have been characterised by a clear trend towards ‘activation policies’ with a particular emphasis on so-called human capital development (Torfing 2004). A number of measures were introduced whereby unemployment would be countered by activating the unemployed at an early point of time through publicly sponsored training and education. The idea was to enhance the employability of the unemployed persons. Another key element in the employment reform, which is often overlooked, was the expansion of public investments in infrastructure, environmental projects and other public works and by stimulating overall demand. These reform measures, which retained the relatively high levels of unemployment insurance and social benefits, were followed by a drop in the unemployment rate from a high of 12% in 1993 to less than half by the end of the 1990s.

The strong emphasis on activation developed by the Social Democratic - Social Liberal government in the early 1990s was essentially retained by the Liberal – Conservative government that took over in 2001, though the individual job plans for the unemployed are now more focused on ordinary jobs and less on training and education for the unemployed (Ministry of Employment 2002). In the recent integrated employment programme (Denmark’s National Reform Programme) the overall goal is to increase employment by further strengthening the economic incentive for people to get into the labour market earlier and stay there longer (The Danish Government 2005). Moreover, the government will spur on efforts to increase the employment of immigrants who are suffering from a relatively high level of unemployment. Finally, the adaptability of employees and companies is to be improved by strengthening the efforts within general adult education and adult vocational training. (The Danish Government 2005: 35).

While the emphasis on activation and enhancing the employability of the unemployed has been a persistent feature since the early 1990s, Danish employment policies have nevertheless changed importantly in three ways in that period. All three changes were, as we shall see, in various ways resonate with the problematizations and political rationalities found in the EES. First, public spending as a means of fighting unemployment is increasingly regarded as an illegitimate means of regulating unemployment. Instead of Keynesian inspired fiscal-cum-employment interventions, the Liberal-Conservative government embarked on a reform freezing of income and other tax rates, which implied a de facto reduction of overall taxation of both middle and high income groups. The aim was both to make it more economically attractive to work (for those already in jobs) and to boost domestic consumption and thereby economic growth and employment.

Although the reform was in line with the European Commission’s recurring recommendations since 1999 that Denmark reduce its high marginal tax rates and the overall fiscal pressure on labour (Council European Union 1999: part II, p. 9), it was met with severe criticism from the political opposition and from most leading Danish economists. They argued that what is important in order to enhance employment is not to freeze or lower overall tax pressures, but to redistribute tax from work to property. A tax freeze, they argued, may actually jeopardize employment by inhibiting the public investments in education, research and
innovation necessary for maintaining Denmark’s international competitiveness. We see then that while Danish employment policies ascribe to a problematization of employment that is remarkably similar to that found in the EES, this does not imply political pacification. On the contrary, it seems that a new terrain of political struggle informed by notions of activation and international competitiveness is emerging. The source of struggle over employment today in Denmark is not whether or not there is a need of activation and the development of human capital in order to improve international competitiveness, but how to do so and what role state interventions should play in this endeavour.

Second, the early retirement pay scheme was further reformed making it more difficult to retire early and the transitional allowance for people gradually leaving the labour market was abolished (The Danish Government 2005: 36). This reform process, which was begun already in the late 1990s by the Social Democratic government, was strongly supported by the Commission (Council European Union 1999: part II, p. 9) who from 2002 urged Denmark to reinforce the process of promoting the participation of older workers and preventing bottlenecks in sectors with an ageing labour force (CEC 2002: 62). This recommendation resonated strongly with the “double-pressure” problematization of employment produced and reproduced by Danish politicians, economic experts and the major Danish newspapers from the early 2000s (Brun, Christensen et al. 2006). On the one hand, Denmark (like other European countries) is regarded as threatened externally by increasingly fierce global competition. On the other hand, it is threatened internally by the demographic development whereby the ratio of old/retired people to young/working people is increasing to an unsustainable level. Hence the supply of labour has to be expanded. The very few economists and (mainly left-wing) political parties who tried to dispute this truism, which supported the Liberal-Government’s proposal in May 2006 of an extensive overhaul of the welfare system including the pensions, were simply regarded as not knowing what they were talking about and therefore ignored (ibid.).

Third, in order to make work pay new restrictions for receiving social benefits were introduced and the social benefit rates were reduced in 2003. This measure was targeted at all low-income groups including the many immigrants who according to the Liberal-Conservative government had a too little economic incentive to take a job instead of receiving social benefits. This reform was launched by the Danish government as a response to the Commission’s recurring recommendation since 2001 that Denmark strengthen its effort to integrate immigrants on the labour market (CEC 2001: 44; Ministry of Employment 2002: 21; Ministry of Employment 2003: 38; Ministry of Employment 2004: 44). The problematization of immigrants in terms of integration in terms not only of inadequate labour market participation, but also in terms of culture and gender relations has been a topic of intense political debate at least since the early 1990s. All political parties and most Danish social scientists have contributed to the view that immigrants are inadequately integrated at the labour market, that this is an important – albeit not the only – obstacle for their effective integration, and that extensive political interventions to remedy this problem are necessary. Thus, even if the many measures adopted by the shifting Danish governments are regarded as inadequate or even outright counter-productive by the Commission and by many inside Denmark, the EES recommendations did not introduce any novelty in terms problematizing immigrants. The “only” point of divergence is on what constitutes the proper solution(s) to this taken for granted problematization.
In sum, Danish employment policies have put special emphasis on activation and enhancing employability since the early 1990s. This emphasis and the subsequent changes (more work-orientation, retaining the old, and making work pay) resonate well with the political imagery of performance society espoused by the EES. The generally positive valorization of Danish employment policies found in the EES is explicitly reflected in the Danish employment policies pursued after 1998. Accordingly, shifting Danish governments in that period have seen no reason to undertake any substantial restructuring of their approach to employment policies. More importantly, even if the EES came into being primarily through the efforts of a coalition of the European Social Democratic parties (Johansson 1999), the EES and its various indicators hinge on a regime of truth that cut across particular party political ideologies. It is a regime of truth that presents itself as ideologically neutral, as simply presenting the facts of employment of unemployment in each member state and by the same token suggesting certain broad policy directions. While Denmark has had some important disagreements with the Commission on how to promote employment, such as retaining the older population at the labour market, there has been little or no questioning of the attempt to induce or even force as many people as possible into paid work in order to make Danish society perform better and become more competitive.

Great Britain: “Work-First”

New Labour’s electoral triumph in 1997 entailed a number of important shifts in British employment policies, but also important continuities. As should be clear from the following, many of these novelties are remarkably similar to the ideas and approaches found in the EES guidelines introduced from 1998 onwards. Although the British government has received several recommendations from the Commission since 1998 on how to improve its employment policies, these suggestions must be considered as minor objections to a policy approach that is not only accepted, but also often put forth as an example to be followed by other member states.

Before its defeat in 1997, the Conservative government found that unemployment was best handled neither through (fiscal) regulation of demand for labour nor through enhancing the skills of the labour, but by a combination of control, sanctions and economic incentives for the unemployed to take a job. Not unlike Denmark, the overall idea was to expand employment by activating the unemployed. However, unlike Denmark in the early 1990s, the Conservative government rejected the use of Keynesian inspired demand regulation as a viable instrument in the employment policy. This employment policy approach was essentially retained by New Labour that braced mechanisms of control, sanctions and economic incentives in order to encourage if not force unemployed people to find a job (The British Government 1998). For example, while the much heralded New Deal obliges the government to create opportunities for work and training, capable citizens must active seek jobs and accept the jobs or training schemes offered to them (The British Government 2001). In this sense, New Labour basically retained the work-first approach, activation through work, adopted by the Conservative government in the early 1980s.

The New Deal, which was further expanded in 2002 through the introduction of Jobcentre Plus (DWP 2002: 12), is based on a problematization of activation very similar to the one informing the EES pillar 1 on improving employability. At the same time, this problematization supported recurring recommendations from the Commission that the British government improve its activation measures. Instead of relying almost exclusively on intensive job
search through the Job Seekers Allowance in preventing long-term unemployment, the Commission recommended that British employment policies intensified the support and activation of adults at a much earlier stage than the 24 month point when they move on to the New Deal (CEC 2000: 222). The point then is not that British employment policies do not rest on the quest for activation, but that activation of the unemployed should be further reinforced.

New Labour, like the Conservatives, is emphasising that work should pay (compared to receiving social benefits). Only then could it be ensured that the potential workforce remained active. Yet, New Labour has tackled this issue not by cutting social benefits, but by supervising and in certain cases raising minimum wage levels and introducing tax credits for low paid workers. The National Minimum Wage Act 1998 and a tax and (insurance) benefit reform were both launched in 1998. Moreover, a National Minimum Wage Commission was formed in order to monitor the development of wage levels and advice the government on possible measures to be taken in order to ensure that work pays. This reform predated the EES with at least five years. Thus, in 2003, after strong pressure from several member states, including Great Britain, the 19 guidelines were reduced to 10. One of these (no. 8) was exactly to “make work pay” (Council European Union 2003). This shows not only that the EES is changeable according to member state pressures, but also that the problematic of activation may be played out in many different ways.

Probably the most important change in British employment policies after 1997 is the role attributed to education. Until 1997, British employment policies were clearly reluctant to embrace publicly sponsored training and education. New Labour changed this by making job training and more general education a central element in its attempt to activate the unemployed and enhance their skills. In a tone very similar to the Danish one, New Labour argued that by bringing more people into the labour market and raising the level of skills throughout the population, the productive potential of the British economy will be enhanced and its capacity to sustain economic growth increased (Department for Education and Employment 1998: 2). According, the Young People Strategy and Individual Learning Accounts were adopted in 1997/98 with the aim of raising the number of young people having an education and to ensure lifelong learning for adult people. Moreover, the Skills Task Force (1997) and Skills Councils (2000) were introduced with the participation of the social partners (CBI and TUC) in order to identify and implement new measures for the upgrading of workforce skills (Department for Education and Employment 1998; Department for Education and Employment 2000). These interventions resonate strongly with a recurrent recommendation found in the Joint Employment Reports, namely that Britain should reinforce its efforts to encourage and develop work-based training to address increasing workforce skills gaps and low levels of basic skills (Council European Union 1999: part II, p. 87). While the EES clearly did not make the British government discover a “lack” of skills in the British labour force, it has persistently reproduced this problematization, it has urged the British government to embark on further measures to raise the educational level, and requested that the adequacy of these measures be evaluated (DWP 2002: 12).

New Labour’s employment policies then both presented continuities and breaks with the Conservative policies. It is remarkable that both the elements that remained unchanged and the novelties introduced by New Labour were in line with the guidelines and recommendations made by the EES introduced the following year. Thus, the bracketing out of Keynesian
inspired regulations of employment demand, activation, making work pay and education were all parts and parcel of British employment policies before the EES was established. This is not very surprising in as much as the British employment policies performed very well (above EU average) on nearly all employment and unemployment indicators engrained in the predominant regime of truth. As noted by the Commission in the first 1998 Joint Employment Report: “The UK employment performance profile has been quite stable, and looks particularly favourable from a comparative point of view in terms of the employment rate, and of the participation of older persons in employment, where it stands among the three best performers.” (CEC 1999: 114). If facts could speak for themselves, would they not say that the British employment policy approach is a success and something that other countries should learn from?

At least the particular regime of truth about employment with its associated indicators of success and failure may help us understand how New Labour managed with little or no national disputes manages to regard the recurrent recommendations from the Commission that the social partners (employers’ association and trade unions) should play a more prominent role in the formation of British employment policies as unnecessary. Increasing attention to the disparities between male and female salary levels is perhaps the only issue that the EES successfully have added to the British employment policies. Despite several suggestions of change, the EES seems to have reinforced the British work-first approach rather than change it by depicting it as largely successful.

5. Conclusion

We have tried to show that truth in the sense of very concrete ways of knowing and calculating the true nature of the employment problem is a fundamental element of the EES’ ambition of governing member state employment policies. Thus, truths need neither be conceived as something lofty or abstract, nor as something disclosing an essence (of for example employment). We have analyzed truth in terms of its production and in particular in terms of the space of governing interventions that it creates. In this conception, truth, or rather regimes of truth, are informed by particular problematizations of wealth, welfare, work and employment. This conception has been used to illuminate on how truths about employment are produced through specific procedures, more or less sophisticated calculative devices, and forms of graphic representation such as tables, graphs and figures.

At a more general level it is interesting to note that although both Denmark and Great Britain stand outside the European Monetary Union they both ascribe to employment policies that are perfectly compatible with the view the with the EMU’s criteria for strict non-inflation monetary policy. Thus, Danish and British employment policies problematize employment not in terms of (inadequate) labour demand calling for active (Keynesian inspired) fiscal policies but in terms of employability and entrepreneurship calling for a coordinated mix of social, educational, industrial and taxation policies providing a facilitating institutional environment for job-seekers and job-creators. What seems to emerge is a problematization of employment that is drawing neither on Keynesian inspired preoccupations over aggregate labour demand, nor only on Friedman-inspired monetarist concerns over monetary stability.
The EES seems instead to draw heavily on two other more recent economic theories, namely structuralist and institutional theory. Firstly, while a convincing demonstration of the ways in which these theories may have inspired the EES demands another article, we would nonetheless indicate certain possible affiliations. Whereas monetarist theory sees society’s “natural” unemployment rate as unchangeable and believes that any attempt to lower below that rate will lead to inflation, rising interest rates and ultimately economic recession, the structuralist theory argues that the natural or structural unemployment rate actually moves over time depending on changes in sectoral demands, factor supplies and technology, taxation rates, subsidies and tariffs (Phelps 1994: vii). Consequently, the structuralist theory opens a space for political interventions addressing these “factors”. The OECD Jobs Study, which pointed out “structural unemployment” as the key problem in the EU and proposed a number of measures aiming to improve labour market flexibility (OECD 1994), is perhaps one of the best examples on this line of thinking. The latter evidently has had a very important impact on Danish employment policies in the mid-1990s (Torfing 2004: 154-160).

Secondly, during the 1980s, several prominent economists began to argue that the institutional framework of a society such as a well-functioning legal apparatus, a transparent and efficient governing system, and bonds of inter-subjective trust are fundamental to a society’s economic performance (North 1990). This line of thought seems at least to have had strong influence on the New Labour’s welfare/workfare policies (Bevir 2005: 29-53). But also the EES’ attempts of making member states to improve the incentives for the unemployed to seek jobs, to develop an intellectual infrastructure securing the development of a competent workforce, and create a facilitating environment for entrepreneurs to create new workplaces seem to be strongly informed by institutional economics.

Regardless of the exact nature of the EES’ epistemological indebtedness, we have tried to illustrate the practical role played by concrete regimes of truth in the EES’ attempt to turn member states into performance societies. But how do the regimes of truths, problematizations and governing technologies articulated through the EES resonate with the government of employment in the national settings? A prominent scholar in the field recently concluded that the discursive regulatory mechanisms of the EES is contributing to the production of a European polity (Jacobsson 2004: 367). We disagree with this conclusion. Our analyses of Danish, British and German employment policies suggest that the EES does contribute to making employment an issue of common European concern. Moreover, national attempts to govern unemployment tend to share the ways in which they problematize employment and measure its nature. This does not, however, amount to creating a joint polity. Nor does it amount to creating a consensus on the ways in which the employment and social welfare policies should be designed. The many conflicts over how to handle problems of employment as seen in Germany (and to some extent DK and UK) illustrate that social security as a rationality of government is still quite strong and clearly clashes with the advanced liberal rationalities seeking to augment the competitive faculties of workers, companies and nations. At least this testifies to the fact that not everyone accepts the vision of performance societies and that other imagenaries may disturb the current hegemony of advanced liberalism.

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References


Notes

1 Four different aspects have been used to highlight the meaning of governmentality studies (Walters and Haahr 2005) a) a particular form of critical and reflexive political analysis which focuses on mentalities of government; b) an historicized investigation of changing forms of power; c) a thematization of the relationality of power and the identity of the governed; d) a concern with the technologies of power.

2 In a similar vain (Yeatman 1998) speaks of a ‘new contractualism’, just as (Cruikshank 1999) talks of ‘technologies of citizenship’.

3 The quantitative targets were defined in 2003 but remain related to the European Employment Guidelines.
4 The diamond-figures were replaced by other figures and graphs in the following joint employment reports. However, the statistical techniques and figures underlying remained the same. Consequently, the regime of truth did not change either.

5 The British government has acknowledged the problem and has launched several inquiries into the problem (DWP 2002: 6-7). However, so far this has resulted in rather limited political interventions.

7 The so-called Structuralist theory of the unemployment rate equilibrium has been developed and proposed in various versions with increasing strength by Edmund Phelps and a number of other acknowledged economists since the late 1960s (Phelps 1990: 94-107).