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THE WELFARE STATE'S MAKING OF COSMOPOLITAN EUROPE

Individualization of social rights as
European integration

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ABSTRACT: This article seeks to analyze the extent of welfare state tendencies towards individualization of social citizenship rights from the perspective of Cosmopolitan Europe (Beck and Grande 2007, *Cosmopolitan Europe*). Empirical study of legislated reforms to national insurance benefit schemes in three European countries since 1980 suggests that individualization processes transform modern West European societies through the construction of self-sufficiency, the individualization of responsibility, and the personalization of social services. Although European welfare states vary with respect to the extent of individualization of social categories, late modernization processes appear to transform national solidarities into a cosmopolitan solidarity and hence affect all modern institutions of welfare states, including bureaucratic categories, legal rights, and meaning of work.

Key words: cosmopolitan Europe; individualization of social rights; welfare state modernization; solidarity; European integration

1. Introduction

Sociologists have widely observed that West European societies have become 'late modern' (Giddens 2006). Modern institutions, such as the sovereign nation-state, emancipation and instrumental rationality, it is observed, are being subject to fundamental social changes and are slowly being replaced by new institutions such as governance, lifestyle, and reflexivity (Roseneil 2009). In this modernization of modern society, the welfare state has been subject to structural transformations. Originally a modern institution of the sovereign nation-state, the welfare state has been renewed and adjusted to the conditions of a late modern, typically

globalizing, society. In modern society, the welfare state had been the embodiment of social citizenship rights (Dahrendorf 2008: 128). In the past decades, such legal entitlements to health care, education, and social security have been increasingly individualized. Not only have welfare arrangements been de-collectivized, but, more fundamentally, the individualization of social citizenship rights has been characterized by increased self-responsibility, individual choice, and activation (Taylor-Gooby 2008).

Among other global governance actors, the European Union has played a significant role in individualizing modern West European welfare states. Since the early 1990s, the European Commission has advocated an urgent need for modernizing the modern institutions of European welfare systems (Goetschy 1999). Being created decades ago under very different economic, political, social, and cultural conditions, European welfare states were struggling to adjust to late modern circumstances of globalizing societies, including migration, demographic ageing, or flexibilization of labour markets. Beck and Grande (2007) observe that the European Union has been the most important actor that has dealt with the social ambivalences – in particular, the tensions between national integration, European integration, and global integration – that are characteristic for late modernizing societies (Pichler 2009).

Social policy analysts have typically identified the EU's strategy of individualizing social citizenship rights as a neo-liberal attempt to rollback social security expenditures and push for world market-oriented reforms (cf., Rumford 2000; Frericks *et al.* 2009). Beck and Grande (2007: 156), however, stress that such identification is bound to a definition of today's society as a 'post-modern' one, not as a late modern one. A late modern society, they argue, does not include a neo-liberal but a cosmopolitan EU, which, in their view, acts to individualize national social categories and thereby shapes 'cosmopolitan Europe' – the Europe of the late modern world (Gravier 2009). Thus understood, EU governance institutions like the Open Method of Coordination (OMC) latently function to cope with the ambivalences of the late modern individualizing and globalizing societies (cf., Taylor-Gooby 2008). In such EU governance forms, the implementation of the EU's policy designs is left to the member states. That is to say, EU-driven cosmopolitan integration diffuses into national social policies (Morris 2009).

Since the onset of the OMC, the emphasis on individualization of labour market policies has been one of the ways to facilitate individualization of modern welfare states. Under guidelines 1 to 3 of the European Employment Strategy (EES), for instance, member states were obliged to commit themselves to raising the number of persons benefiting from active measures. At the same time, guideline 4 of the

EES encouraged member states to revise their national tax and benefit systems to provide incentives for inactive people to seek and take up work and to remove any obstacles for accepting work. The question raises what the policy outcomes of such modernization plans actually are. This article seeks to analyze the extent of the welfare state modernizations towards individualization of social citizenship rights from Beck and Grande's European perspective. We investigate to what extent the EU-driven modernization policies of cosmopolitan integration have led to individualization of social rights attached to insurance benefits and whether we can find disparity between different welfare models. To investigate this issue we conduct a detailed case study of benefit rules since 1980 in three EU member states, namely, Britain, the Netherlands, and Finland.

2. The individualization thesis

Individualization has always been a key sociological concept for studying structural transformations in West European societies. Tocqueville identified individualization as the gradual withdrawal from the public domain into the private sphere of the family, under the force of sovereign state building and centralization of administrative powers. Tönnies understood individualization as the emancipation from local community life into contractual or associational society, and hence as a structural change in the predominant type of social control (policy and police instead of folkways and tradition). Durkheim considered individualization as the transformation of solidarity ties. In his view, the individualized society was being characterized by abstract, impersonal, and large scale interdependencies that followed from a developed system of division of labour.

Since the 1960s, sociologists have restyled the individualization concept with the aim of making sense of transforming gender relations. In this gendered perspective, individualization is considered, contra Tocqueville, as de-familialization (Knijn 2003: 57; Lewis and Bennett 2003: 43). Individualization is the change from the modern breadwinner model family into a post-modern family model in which men and women have emancipated from their families, to carry self-responsibility for earning their incomes individually (Knijn 2003: 63). De-familialization implies, for instance, that derived benefits are abolished, taxation and pensions are attributed to individuals (rather than to households), or that pension credits for part-time work are institutionalized in social insurance systems, etc. (Ostner 2003: 54).

In the past decade, individualization research has taken yet another direction. Beck and Beck-Gernsheim 2002: 18–19) maintain that modern collectivities, such as the nuclear family, gender, nation, citizenship, and class, have become ‘zombie categories’, in the sense that early modern institutions have changed and adapted to late modern circumstances (Atkinson 2007: 349–50). In this perspective, the welfare state, in particular education policy, has individualized social categories and furnished men and women with a capacity for self-organization, drive for individual performance, and meritocratic expectations of social mobility (Beck and Beck-Gernsheim 2002: 24). As men and women become socially mobile outside their classes, gender, nuclear family, or nation, it is hypothesized, they no longer live their lives as a social fate. Instead, they are now able to take charge of their own individual lives, with new opportunities to develop social relationships beyond place (Giddens 1999; Powell 2011). Social problems of disease, poverty, ignorance, and social insecurity are no longer gender or class issues, but these phenomena have now become matters of poor self-management (Atkinson 2007: 252–3; Roseneil 2009).

The individualization of social categories that Beck and Beck-Gernsheim witness can be considered as European cosmopolitanism (Smart and Shipman 2004; Grewal 2005; Morris 2009). Cosmopolitan Europe refers to a unique form of social integration in the global era, in which the EU, rather than the sovereign nation-state, becomes the great individualizer. The EU acts, as a ‘cosmopolitan sovereign’ (Beck and Grande 2007: 70), to emancipate its citizens from their nationhood, to have them move into European integration processes characterized by interwoven commercial relationships and direct investments (Habermas 2003: 97). Hence, individualization becomes cosmopolitanization in a European political community that finds itself in the global era. Individualization processes come to cut across the social categories attached to nationhood in the EU’s member states, and thereby individualization becomes European cosmopolitanization.

This, Beck and Grande suggest, sets the EU apart from other global governance actors like the World Bank, OECD, or the IMF – institutions that may push for reforms but, in contrast to the EU, do not act as cosmopolitan sovereigns. European social policy is an expression of a cosmopolitan sovereign that acts to individualize the social categories, in particular the category of the nation-state: ‘the individualization process of the nation-states can be transformed into a process of Europeanization of identities’ (Beck and Grande 2007: 88). Identification with the European project, that is, individualization of the national social categories, accordingly, becomes an expression of cosmopolitanization of social categories (Pichler 2009: 8). Kerschen

2005: 33) observes that the social category that is most deeply cosmopolitanized is social citizenship.

3. The individualization of social rights: an ideal type

This article aims at developing academic understanding of the EU-driven modernization of the collective category of social rights as a strategy to enhance cosmopolitan integration of late modern European societies. We interpret the concept of individualization in the light of thesis of Cosmopolitan Europe, where individualization is seen as individualization of social and national categories and their cosmopolitan biographies within the borders of European social policy and the European project. For analytical purposes, we construct an ideal type of Beck and Grande-inspired definition of late modern individualization. Three ideal typical features are relevant for our interpretation: (i) the constructions of self-sufficiency; (ii) enhanced individual responsibilities; and (iii) personalization of social service delivery.

The construction of self-sufficiency compels people to construct their own individual biographies, without predetermined welfare, family, gender, class, or national patterns (Frericks *et al.* 2007; Dixon 2009). People are left to their own devices, to live a life of their own, catering for themselves (Powell 2011), and accordingly, to provide for themselves, to become self-sufficient, through employment, as individuals (Daly and Scheiwe 2010). Without the certainty, stability, and predictability once offered by the social categories, social risks, including unemployment and work incapacity risks, are to a lesser extent collectively insurable. Risks are transferred to individuals, who now have to navigate their way through the options (education, insurance, pension schemes, etc.) available in the European welfare states for developing their own risk biographies, with their own learned capacity for decision-making, risk management, and lifestyle construction (Giddens 2006). Hence, the construction of self-sufficiency does not necessarily imply less government efforts. On the contrary, it implies transformed government efforts, namely, social policy efforts organized to make individuals more self-sufficient.

The construction of enhanced individualization of social rights determine that collective responsibilities for social welfare become, to a larger extent than before, individual responsibilities (Ter Meulen and Jotterand 2008: 191). As social risks become less insurable and more dependent upon unpredictable individual lifestyle choices, the European welfare states can no longer bear collective responsibility for the fate of their legal subjects. Individuals are increasingly made self-responsible for the risk biographies that they themselves have to construct, through their

own choices. As risk taker or risk manager, the individual becomes ‘the deserving self’ (Gilles 2005: 850), who has is self-responsible for his or her own fate. This implies the acceptance of the persistence of unemployment, poverty, gender inequality, and marginalization as a self-irresponsibility (Ferge 1997: 22). As one implication, social policies become re-oriented towards social inclusion, through the policy attempt to modify irresponsible lifestyles and distribute rewards for healthy lifestyles.

The delivery of social services also becomes specifically tailor-made or personalized for individuals (Borghgi and Van Berkel 2007). As a result of individualized risk biographies, differentiated lifestyles, unpredictable life courses, discontinuities in working life and erosion of the nuclear family as economic unit in post-modern or late modern society, welfare service providers become confronted with a heterogeneous clientele. In such a context, the provision of standardized, uniform, collective and bureaucratically delivered welfare services, which had once been designed according to the social categories, become ineffective (Van Berkel and Valkenburg 2007; Yeatman *et al.* 2008). In order to respond to a clientele whose choices are no longer controllable according to the social-bureaucratic categories, social service delivery agencies increasingly treat their clients as individual customers. The individualized clientele is to be supported in the construction of the specific risk biographies and in the carrying of the self-responsibilities within different life courses (Borghgi and Van Berkel 2007: 422).

We believe that the question to what extent the EU-driven modernization policies have led to individualization of social rights for purposes of cosmopolitan integration can be answered in terms of three features. The more risk is made more self-sufficient, responsibilities individualized, and service delivery personalized, the more individualization of social rights occurs. The question whether we can observe disparities in individualization patterns between different European welfare states in the EU can be answered through an international comparison of the (changes in) insurance benefit rules.

4. Case study design

We analyze the individualization of social rights in the context of reforms to social insurance systems in the EU. To address heterogeneity of social security schemes and EU countries, we chose the most different system design. Based on Esping-Andersen’s (1990) categorization of European welfare states into ‘liberal’, ‘conservative’, and ‘social democratic’ regimes, we selected the British, the Dutch and Finnish insurance systems. The British case is selected as an example of a liberal welfare state in which

social security is institutionally wedded to the market; the Netherlands is taken as a conservative example of loyalty to status-distinct social insurances; and Finland is considered as a social-democratic instance of striving to build a state that benefits both the traditional working class clientele and the new white-collar strata (cf., Esping-Andersen 1990: 32).¹

We collected data on (changes in) publicly regulated insurance programmes for working age people, who, due to disability or unemployment cannot earn their livelihood by working (Van Gerven 2008). The time span is 1980–2009, the ‘era of permanent austerity’ (Pierson 2001), when pressures to recalibrate welfare provision have been high. Data consist of primary sources such as National Social Security Acts and other legislative measures. Selected secondary sources (governmental reports, academic publications) were consulted to alleviate the practical problems encountered when analyzing complex legal texts.

To translate the three ideal typical features of the individualization of social rights (constructions of self-sufficiency and enhanced individual responsibilities and personalization of social service delivery) into concrete features of the social security programmes, we distinguish between three aspects of benefit structure: (i) categorical rules of access, (ii) eligibility and entitlement conditions related to benefit claim; and (iii) behavioural conditions related to benefit receipt.

We expect to find the construction of self-sufficiency of social risks patterns in their connection to the categorical rules of access. The ‘first’ level of condition for the receipt of any social security benefit is membership of a given socially defined category of support; being unemployed, incapacitated from work. We assume that the categories of membership are weakened and individuals are primarily accountable to access or non-admission to the scheme.

To identify patterns of enhanced individualized responsibility, rules defining claimants’ access to benefits are inspected. These include the entitlement conditions determining the individual value of the benefit in monetary and temporal terms. We assume that as collective rights crumble, they give room for imposed choices of individuals.

1. Each welfare state regimes are suggested to embed one of the classical redistributive principles: need, reciprocity, and universalism. This supports our decision of selecting one country for representing each regime/principle as we intend to apply the most different system approach. However, we do acknowledge that the ideal types do not always fit in the real word, For instance, whereas the UK and the Netherlands both have a compulsory unemployment insurance system (and social assistance system supplement the insurance scheme) for the unemployed, Finland has three schemes: a voluntary unemployment benefit, organized through trade unions, and compulsory basic insurance and means-tested benefit systems. The principles, however, related to dominant logic underlying the national social protection, do exist.

To reconstruct personalization of social service delivery patterns, changes in behavioural conditions related to benefit receipt are examined. These rules govern the legitimacy of benefit receipt – basically the question of continuity of the benefit payment – and often involve a certain behaviour or action (such as participation in training or taking up a subsidized job) on the part of benefit recipients. We expect that social rights are transformed to account for a heterogeneous clientele who are, at the same, coerced to ‘play the game’ as well as supported by tailor-made and personalized services.

5. Individualization in practice

The finding of reforms to unemployment and disability insurance programmes in Britain, the Netherlands and Finland between 1980 and 2009 are organized according to the three ideal typical features of the individualization of the collective category of social rights.

5.1. The construction of self-sufficiency

To investigate the theory-driven claim of the construction of self-sufficiency process, the rules that create a boundary around the potential pool of beneficiaries and resolve the question of eligibility in the first place, are analyzed.

Although most social insurance systems have awarded ‘individualized’ benefits since their introduction, the social category of ‘worker’ has eroded as an eligibility determinant as of the 1980s onwards. This has been suggested by many to do with economic and political restraints the welfare states meet in the era of permanent austerity (Pierson 2001). Arguably, many of the ‘retrenchment reforms’ of 1970s and 1980s, necessitated by the economic downturn and the two consecutive oil shocks in the 1970s, primarily aimed at cutting the social spending. The Maastricht Treaty, signed in February 1992, necessitated another wave of social expenditure budget restrictions. The convergence criteria inherent in the Treaty sets criteria for inflation rates and government finances that (in)directly lead to a stringent budget orthodoxy in the EU (Bohrer 2000).

Indeed, the individualization of a social category manifests a particular pattern of access restriction. Up to the 1980s, benefit rights were primarily predetermined by the status of wage worker (i.e., unemployment benefits were paid to involuntary dismissed workers passing a generic work or contribution record), but thereafter access has been increasingly linked to tighter contribution and/or work record

requirements at the entry of the scheme. In Britain, only claimants with completed contribution record could access unemployment insurance benefits and the contribution record requirement was tightened in 1988. In the Netherlands, work record requirements were tightened twice from 30 days in 1981 to 26 weeks in 1986. These reforms hampered especially the entry of young and people with short work.

Furthermore, since the mid-1980s, workers claiming unemployment benefits need to demonstrate – as a condition at the entry to the scheme – their efforts to take up employment and manage their own social risk of unemployment by being demonstrably active in work search. Such reform was implemented in Finland (1984), the Netherlands (1986), and Britain (1989), respectively. Claimants from here on were expected to navigate their way through the options (training, education, insurance) to find temporary financial compensation in between jobs. A good illustration of this is the British Jobseeker's Act (1995), which brought about that claimants had to sign a personal Jobseeker's Agreement, a contract between claimant and the Employment Office indicating steps to be taken towards finding employment. The Dutch reform of 1986 similarly gave birth to stricter obligations for claimants to be available, seek employment and accept a training or job offer. In Finland, conditions of seeking employment and accepting suitable jobs originate from the initial law on unemployment insurance (Työttömyyskassalaki 1934). Nevertheless, benefit administrators could enforce (or not) these rules. From the introduction of new Labour Market Subsidy benefit in 1993, aiming primarily at the (re)integration of young, school-leavers, and long-term unemployed, access to all unemployment provision was made conditional to claimants being available, seeking actively work and acceptance of (any) employment of training as of the entry to the scheme.

Disability benefit reforms are also characterized by similar developments. For instance, the Social Security (Incapacity for Work) Act of 1994 in Britain and the TBA of 1993 in the Netherlands gave rise to more stringent and less generous insurance systems and constituted landmarks for increased medical inspection. Together with a wider concept of suitable work, which generally encompassed any form of accepted work, more stringent medical tests the disability schemes have made a disability to greater extent a matter of individual liability linked to individual properties of claimants (i.e., level of claimants' incapability) rather than of collective responsibility. Correspondingly, the Finnish benefit scheme has made a distinction between temporary and permanent disability (by employing medical tests) as of 1995. As consequence, the disabled tends to be split into two groups: those 'genuinely' disabled with full disability and few prospects to returning

to work, and those 'rehabilitative' people with partial disability. The latter group of claimants face today access conditions very similar to those of (able-bodied) unemployed: access to partial disability provision is provided with a clear intention of combining the (temporary) financial transfer with return to the labour market. The Dutch reform of disability benefit (WIA act of 2006) and the new British Employment and Support Allowance (ESA) Act of 2008 illustrate this clearly. Through more rigorous tests, (full) benefits are targeted to those with severe health problems and poor chances to return to employment. Claimants medically declared as (partially) able to work, must make a claim to another unemployment benefit-type provision that aims at prompt return to employment, preferably, in the service of their current employer. Although to somewhat lesser extent, the Finnish disability scheme makes a similar distinction.

In sum, the expectation of the construction of self-sufficiency is confirmed. Solidarity or collective responsibility is gradually being replaced as the principle underpinning State action by a growing emphasis on individual responsibility. Through individualization, people are enforced to construct their own individual biographies, irrespective to their status, families, employers, and the surrounding world. As a consequence, rather than targeting benefits for specified categories such as involuntarily dismissed employees, social insurance systems target benefits to single (or a more limited group of) claimants. Access is determined on case-to-case basis through various individual tests (i.e., medical examination, actively seeking work tests). As argued earlier, self-sufficiency does not imply less government efforts. On the contrary, it implies transformed government efforts, namely, social policy efforts organized to make individuals more self-sufficient, and hence, more emancipated from national arrangements. The degree of self-sufficiency of social risk is, however, not constant across the populations and/or countries. In these three countries, it is first and foremost the young (under 25) and labour market entrance whose access to insurance benefits has been hampered. The category of older workers remains to be relatively well protected since they pass the more extended work record/contribution requirement. Nevertheless, they too, need to demonstrate their individual willingness to find work. Following the welfare regime theory (Esping-Andersen 1990), countries vary with regard to the logic of redistribution. In the Netherlands and Britain, insured workers are covered by benefit schemes, whereas in Finland access to (basic) public unemployment insurance (requiring a weaker link to labour market) has a wider scope of eligibility. Self-sufficiency is constructed in Finland, but to a lesser extent than perhaps in the two other member states analyzed in this study.

5.2. Construction of enhanced individual responsibilities and choices

The expectation here is that the traditional collective responsibilities for workers make increasingly space for individual responsibilities and claimants' choices for their own lifestyle constructions and risk biographies. To identify patterns of individualized responsibilities constructions, entitlement conditions related claimant's current situation or their actions in the past are analyzed.

The late modern curtailment of social citizenship rights coincides with the Europe-wide retrenchment politics. Yet, the EU model of social policy is arguably not only a response to the problem of funding the social security systems but also to modernization and new production requirements (Crespo and Serrano Pascual 2002). If social citizenship was previously interpreted in legal terms as a set of rights and duties, the concept has now been modernized into a converging contractual concept of active citizenship (for the convergence of activation policies, see Van Vliet 2010) that is less based on the demand for collective rights rather than on choices of an individual between different life styles. In the words of European Council, we need 'a society more adapted to the personal choices of women and men' (EC 2000: 12). Along these lines, the Open Method of Coordination (OMC) tends to organize a discourse in which self-responsibility becomes a key concept in social policy reforms. Guidelines approved in 2005, for instance, contain statements on individual responsibilities by promoting ideas that exclusion problems can be solved by modifying people's motives and attitudes (towards work). To create more and better jobs, the Commission promotes policies that encourage workers to remain active and dissuade them from leaving work. Furthermore, to achieve the goal of a knowledge-based society and to make Europe 'worlds' most competitive economic area', great expectation has been laid to European citizens to commit themselves in life-long learning and improvement of their employability. Although OMC can also be considered as EU-driven collective effort to improve selected social policies and social rights, the paradigm embedded in the EU social model clearly encourages the individualized responsibilities, supported by the active multi-level governance structures.

Individual lifestyle constructions and risk biographies seem to play a prominent role in determining benefit rights. Although social insurance rights have always been related to individual (work, contribution) record, today the past actions of claimant weighs more heavily on their eligibility determination than ever before. Access to benefits has been linked to a longer history on the labour market. In the Netherlands, the work record requirement has been increased six-fold between 1980 and 2010 (from 30

days to at least 26 weeks of the last 36 weeks). In Britain, where eligibility depends on paid National Insurance contributions paid from the wage income, this requirement has been extended – in 1988 for the unemployment benefits and in 1999 for incapacity benefit – to cover a more longer payment period. In Finland, with least changes, past work record condition has been extended by 4 months (from 6 months to 10 months of employment record during the last decade).

The level of insurance entitlement has been more closely attached to claimants' biographies and choices. Although unemployment insurances hypothetically pay relatively generous benefits for those eligible to it, the real value of the benefit in many cases depends on claimants' personal characteristics.² For instance, in the Netherlands and in Britain, unemployment insurance payment duration and level depend on claimant's work or contribution record, or age. This makes the Dutch programme more favourable for the unemployed with a long work record; the longer a person's work record is (or often the older he or she is), the longer his or her benefit entitlement duration will be.³ Since the Jobseekers' Act of 1995, the young (18–24) in Britain, regardless of that they pay the same contributions than their older peers, receive lower benefit payments than people over 25. In Finland, duration of unemployment insurance is in principle the same regardless claimants' past work history provided that they pass eligibility requirements.⁴ Arguably, access to unemployment insurance benefit has become more a question of personal liability than that of collective solidarity. With respect to disability insurances, similar observations can be made. The level of payment, due to more stringent medical tests discussed earlier, has been increasingly linked to claimants' remaining work capabilities (and willingness to use). It is thus primarily, the partially disabled, whose rights have been eroded.

To conclude, that (individualized) insurance benefits have become more conditional (also known as individualized according to our conceptualization) does fit along the expectation of individualization as feature of

2. National statistics indicate that the Dutch have the most generous unemployment insurance benefits (75/70 percent of the previous wage), followed by Finnish (flat-rate \times 45 percent of previous wage), and the British (flat-rate benefit).

3. With work record of 6 months one receives a benefit for 6 months; with 40 years this is 3 years and 2 months.

4. Furthermore, benefit payment duration has been reduced considerably in the Netherlands and Britain. In Britain the maximum is now 6 months, in the Netherlands the duration of benefit payment varies from 3 months to 3 years and 2 months. Recipients (with a short work history) in these two systems must thus claim means-tested assistance much sooner than their counterparts in Finland where unemployment insurance benefit is paid to all beneficiaries for 500 days.

European cosmopolitanism. Claimants are progressively made risk managers, who carry the self-responsibility for their own livelihood. The tighter link between workers own actions (work, contribution record) and characteristics (age, degree of disability, etc.) *and* the benefit entitlements received is considered here as an indication of individualization of social rights through enhanced individual responsibilities. Yet, again, variation can be found. Individualization of responsibilities was most evident in Britain and the Netherlands, where claimants' own work record and age increasingly determine the level and duration of the payment. In Finland, where nation-wide basic security arrangements are still available, constraints of individual responsibility requirements are softened by the universal and egalitarian elements of universal provision. With the prominent exemption of young who witness the harshest cuts. Applying to all countries examined, conditions linked to claimant's individual situation benefited principally claimants with a solid work biography, in many cases, older workers with a long work record and workers with tenure contracts.

5.3. Personalization of social service delivery

For the purpose of examining personalization of social service delivery patterns, changes in behavioural conditions related to benefit receipt are analyzed. These rules govern the legitimacy of benefit receipt, in the sense that the question of continuity of the benefit payment and often involve a certain behaviour or action (such as participation in training or taking up a subsidized job) on the part of benefit recipients.

The three welfare states differ surprisingly little when it comes to the main changes in the organization of service provision (related to social security benefits). Benefit recipients are encouraged by benefit administrators to find their way back to gainful employment (by providing them career guidance, (re)training, rehabilitation services, and subsidized work experiences). They are also obliged (and enforced) to participate in attempts to bring the inactive back to work. These reforms fit well with the encouragement of the European Union's social agenda – since the Amsterdam Treaty – to individualize (and thereby, as Beck and Grande stress, Europeanize) the welfare states of its members and individualize the formerly 'passive' income-replacement policies and transform as many of them into active and preventive policies bringing in-active people back to work.

All three countries proceeded on the 'path of activation' as advocated in the EES Guideline 1 (see also Serrano Pascual and Magnusson 2007). In Britain, the new Deal Programme (ND), introduced by the Labour in

1997, is a good illustration of such new contract between the state and the citizens to activate the benefit recipients. The Jobseekers' Agreement gave the Employment Office staff the right to use Jobseekers' Directions to oblige claimants to improve their chances on job market. Staff could, for instance, require claimants to apply for a particular job, undertake (re)training or increase motivation, or improve their appearance (clothing, hair style, or behaviour) (see also Wright 2003). In 1997, the ND programme was launched. In the 'Work Focused Interviews' (WFI), claimants and their personal advisers drew up an Action Plan indicating the realistic goals and how to reach them. After this, claimants must take up training, subsidized work, or voluntary work. Doing nothing was not a formal option, and hence, sanctions were tightened. ND initially applied only to the young and long-term unemployed, but its scope has been extended in the 2000s to cover most claimants (and their partners) on social security.

Similarly, in the Netherlands, a fresh start (consisting of counselling, training, and job offers) was provided to all jobseekers after 6 months of unemployment as of 2001 onwards. In line with the European Employment Strategy guidelines, the Dutch jobseekers are encouraged by the Employment Offices to map out their options on the labour market and make an active attempt to re-enter to work. The Gatekeepers Act, introduced in 2007, raised the stakes by involving recipients' attempts to find work already after 3 months. Insufficient attempts result under this law in suspension of benefit entitlement. Finland, similar to Britain and the Netherlands, has complied with EES guideline of comprehensive approach to unemployed, and jobseekers are guaranteed to have access to guidance and counselling after the first 6 months of unemployment. The Finnish Public Employment Services have been given better instruments to enforce labour market participation. Through the Society Guarantee Act, Employment Offices were obliged to offer intensified employment opportunities after 500 days of unemployment, but at the same time they can use harder sanctions if claimants did not participate in the making of (and execution of) a personal plan.

Countries analyzed have embarked the reform of the Public Employment Services to personalize their service delivery. Following the vision of the European Council (EES Guideline 4 providing incentives for inactive people to seek and take up work and to remove any obstacles for accepting work), all three countries have transformed their benefit administration and employment services into centralized into one-stop-shops. In these reforms, wage work is increasingly considered as the means to get out of undesired circumstances of poverty and social exclusion. This modernization of the meaning of wage work implies for the benefit administrators that they have had to re-programme their mind-set from replacing the lost

income to helping beneficiaries back to wage work (see Van der Meer and Roes 2009 for difficulties in this in the Netherlands, and Wiggan 2007 for the UK).

In 1997, the British Labour administration introduced its intentions to reform the public employment and social security agencies. The deliberate aim of reform was to remove the administrative division between the Employment Services (ES) and Benefit Administration (BA) agencies. After the ONE pilot scheme, that brought the ES, BA, and some part of the local government together, the final unification of agencies into a single point of entry for claimants took under the Jobcentre Plus in April 2001. To achieve an active 'work first' approach, greater emphasis was given to customer services and linking social citizenship rights with self-responsibilities. The Jobcentre Plus, nation-widely adopted in 2006, provided a single work-focused gateway' to the system of income-replacement benefits and employment services (for both inactive and unemployed) claimants of working age.

In the Netherlands, a one-stop-shop was provided by the 2002 SUWI Act that culminated the turbulent changes in Employment Services and Benefit Administration the previous decades (see more Van Gestel *et al.* 2009). Also, the delivery of benefit and assistance of insurance benefit claimants back to work were brought under one roof. In Finland, similar changes have taken place as of 1996 onwards. As of 2004, employment services, social and health services (provided by municipalities) and the local office of benefit administration (public Social Insurance Institutions) were united in the Labour Force Service centres (acronym LAFOS). Although the reform follows the Dutch system by shifting more administrative responsibilities to the municipalities, this is less fundamental change in the Finnish context as municipalities already bare the large share of the local responsibilities for welfare provision.⁵

In sum, increased activation together with enhanced (and modernized) social service structures give rise to personalization of social service delivery. Individuals are supported by the tailor-made and personalized services, as they are, simultaneously, coerced to play the game. However, countries differ with respect to degree of conditionality (use of sticks or carrots) and the instruments (activation programs, sort of guidance, the sanctions, etc.) set by the national administration. Whereas the activation of the Dutch and British systems put emphasis on claimants' obligations backed up by sanctions (sticks), the Finnish system appears yet to use a

5. Unlike in the Netherlands and Finland, the reforms in the UK have done little to pass greater responsibility to municipalities. The UK remains to hold her centralized approach to social security delivery with the exception that the private and third sector are increasingly involved in the delivery of active labour market programmes.

somewhat softer instruments (carrots such as financial stimuli, i.e., supplements to benefits, softening the income-limits) and less constrains (generally only for the young and the long-term unemployed after 500 days on benefit) to activate the benefit recipients. Also the instruments at work differ across countries. Counselling the British context seldom goes beyond formal appointment between Benefit Office and the benefit claimant to map out the needed steps to re-enter labour market. The Dutch claimants are more strictly monitored in their quest to finding suitable employment and they go more easily through a more extensive path of counselling, training or re-training. In Finland, tailor-made solutions are generally harnessed to cater the needs of those with greatest distance from 'regular' labour markets and the so-called re-employable claimants go only through standardized intake discussion.

6. Conclusion

We strived to develop and empirically specify the cosmopolitan European perspective of individualization of collective categories in the context of national social insurance benefit schemes. Findings of reforms to two insurance benefit schemes in three selected EU member states confirm the expectations of EU-driven individualization of social benefit rights. Series of reforms throughout the last three decades have led to the constructions of self-sufficiency and enhanced individual responsibilities and personalization of social service delivery. By individualizing the conditions related to access (availability of single claimants to take up work) and by testing the specific work search activities or work capabilities of single claimants, the 'new generation' insurance protection went beyond the modern collective risk perception of including the group of involuntary dismissed workers or work incapacitated workers. The transfer of the responsibilities of the late modern welfare state to the individual level have transformed social citizens into risk takers and risk managers, who are self-responsible for their fate on the late modern labour markets. Personalization of social services, through increased activation conditions together with enhanced social service structures, give rise to tailor-made services, but also, at the same time, to increased control by the gatekeepers.

We did, however, find obvious disparities between different models of redistribution with respect to the extent of the late modern cosmopolitan integration and the corresponding phasing out of the modern type of collective solidarity (see also Pichler 2009: 18). Despite its individualization patterns, the Finnish welfare state, in line with its tradition of universalism, tends to be somewhat more modern (and less late modern) collectivistic in terms of its wider, universal base of social protection and

its tendency to use less coercive instruments of activation. The British welfare state appears to have been most radical in the individualization of social rights. The blurring of the categorical boundary between stigmatizing means-tested social assistance receipt and that of contribution-based insurance receipt, through considerable cuts in insurance benefit entitlements and more coerced responsibilities, brings it within our analysis in greatest distance from the modern collective solidarity constructions of the welfare arrangements for the sick and unemployed.

Although many of the individualization of social rights reforms originate from national responses to the economic crises of the 1970s and have taken place prior to the Growth and Stability Pact of 1992, our study shows that the EU, and European social policies, have played a significant role in stimulating individualization of social rights. The soft forms of EU governance, EES, and OMC, have contributed to general knowledge of individualization patterns and seem to function as catalysts for current European integration reforms (Weishaupt 2010). The overall change in social insurance protection is a phenomenon to be analyzed in the context of the institutionalization of European cosmopolitan integration. The structural transformations observed resemble the main component of European cosmopolitanism: social rights of the welfare states are individualized into human capital under social conditions of global capitalism. Individuals, workers, and citizens, become less linked to national communities, to form their own individual entity in a late modern European world where borders and collective categories are becoming less obvious.

7. Discussion

The European perspective hypothesizes that the individualization of nations, welfare states, gender, class, citizenship, and social rights can be transformed into a process of Europeanization of identities. We conclude that this Europeanization through individualization of collective categories is actually taking place. Our analysis shows that individualization, as understood in the cosmopolitan European perspective, is a process that modernizes the welfare states of the EU members, in the sense that the EU takes a clear stand in promoting the individualization of social rights for purposes of cosmopolitan integration. Many scholars have typified this phenomenon as ideology-loaded and have considered what they somewhat nostalgically typify as the EU-driven 'erosion' of collective solidarity as a neo-liberal discourse (Rumford 2000; Frericks *et al.* 2009). One important implication of the European perspective is that the individualization of social rights is to be understood as a late modernization process, not as an

ideological construct in post-modern society. A late modernization process is so omnipotent that it transforms modern solidarities into a cosmopolitan solidarity, and hence affects all modern institutions of the welfare state, including bureaucratic categories, legal rights, nationalism, and the meaning of work.

The European perspective of individualization of collective categories, in our view, is fruitful for furthering understanding of European integration in a globalizing world (see also Clift 2007 for Europeanization of social models). The key insight that Beck and Grande's perspective delivers is that modern (collective) identities in European societies are subject to transformation in the global capitalist era. These modern identities, had, to quite some extent, been organized in the European welfare states through the institutionalization of social citizenship rights. In late modern society they are subject to individualization into cosmopolitan European ones. And this late modern European identity is one that is fitting for the European citizen who has to live in the global capitalist era. The European perspective, however, also has its limitations. As Lydia Morris (2009): 620) observes, the perspective tends to exaggerate the erosion of national institutions. Although the EU plays a significant role in shaping the conditions of social policies in its member states, allocation and administration of social rights nevertheless remain largely nationally determined. Cosmopolitan Europe may be emergent. Such an identity may be or become a necessity for the European nations in the global capitalist era. But today, despite the individualization of social rights that we have witnessed, modern social categories are still the most important legitimating political force, whatever its consequences may be.

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