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Article

Lisbon and social Europe: towards a European 'adult worker model' welfare system

Claire Annesley*, *University of Manchester, UK*

Summary The Lisbon Process, launched in 2000 and relaunched in 2005, revived the debate about the existence of a European social model. This article argues that the Lisbon agenda presents a coherent vision of a social model which can be characterized as a Europe-wide Adult Worker Model (AWM). This is a system which assumes paid employment for all adults in order to secure their economic independence. The article identifies evidence of a development in this direction in the European Employment Strategy guidelines from 1997 through to the 2005 integrated macro-economic and employment guidelines. It concludes that this reorientation of the European social model is a vision of a supported AWM welfare system more akin to Sweden than the United States. However, the soft governance method used for social policy makes it vulnerable to changing political constellations in member states.

Key words Adult Worker Model, European Employment Strategy, European social model, Lisbon

Introduction

The Lisbon Process, launched in 2000 and relaunched in 2005 to 'make Europe the most competitive and dynamic knowledge-driven economy by 2010', revived the debate in Europe about the existence and status of the European social model (ESM). For Pochet (2005: 40–1), Lisbon represents a fifth attempt to develop a social policy for the European Union (EU); each phase, he laments, is 'more a story of failure than great success' (2005: 39). More optimistically, Rhodes (2000: 3) suggests that 'if the political will is there' then 'Lisbon may one day be considered Europe's "Maastricht" for the welfare state'.

For some, the revival of the ESM at Lisbon embodies a renewed attempt to balance the EU's priority of economic integration with a coherent social agenda following the projects to complete the Single European Market (SEM) and Economic and Monetary Union (EMU) which represented over a decade of European

integration dominated by market building and economic integration at the expense of social goals. At the same time, Lisbon is presented as a strategy for modernizing the European economy to secure economic and productivity growth to enable the EU to compete internationally. This modernization drive is to be approached, in contrast to the neo-liberal economy of the United States, in a socially sustainable way (Jepsen and Serrano Pascual, 2005; Rodrigues, 2003).

Nevertheless, the Lisbon economic and social agenda has been criticized as being a neo-liberal turn for the EU. Such concerns were heightened by the appointment of the Barroso Commission in 2004, the critical review of progress on the Lisbon targets in the Kok report in 2004, and the merging of macro-economics and employment guidelines in 2005 (Zeitlin and Pochet, 2005). These claims are based on claims that social goals have become subordinate to economic goals, that the market plays an increasingly prominent role in the EU, that the EU

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promotes deregulated labour markets and the retrenchment of the welfare state.

For Scharpf (2002), it is the 'constitutional asymmetry' between the social and economic dimensions to Europe that means that 'the only options which remain freely available under European law are supply-side strategies involving lower tax burdens, further deregulation and flexibilization of employment conditions, increasing wage differentiation and welfare cutbacks to reduce reservation wages' (2002: 649). He argues that three of the four pillars adopted by the European Employment Strategy (EES), incorporated into the Lisbon process:

... refer to the type of supply-side policies which are favoured by neo-liberal economists Thus 'employability' is about improving the skills and increasing the work incentives of the unemployed; 'entrepreneurship' is about removing red tape and other barriers to entry affecting start-up businesses; and 'adaptability' is primarily about the deregulation of employment protection. (Scharpf, 2002: 654–5).

This 'constitutional asymmetry' arises because economic goals are set out in the *acquis*, while the social dimension to Europe encapsulated in Lisbon is governed by the soft law governance tool of the open method of coordination (OMC). It is because of this governance tool, whose only sanction is 'naming and shaming' bad performers, that most empirical studies remain sceptical of the capacity of this governance approach to engender substantial policy transformation. Indeed much of the literature on Lisbon and social Europe focuses on the effectiveness of OMC to bring about change or convergence of Europe's still very diverse and disparate welfare models (Casey and Gold, 2005; de la Porte and Pochet, 2002; de la Porte et al., 2001; Ferrera et al., 2002; Jacobsson, 2004; Mosher and Trubek, 2003; Sabel and Zeitlin 2006; Vandenbroucke, 2001).

Yet the Lisbon strategy was an EU agenda adopted when social democratic governments dominated the European Council. As Rhodes (2005: 291) argues, 'the Commission, by operating in full entrepreneurial mode, managed to fashion a coalition of social-democratic governments around the re-launching of employment policy as an active policy domain'. In a similar vein, Manow et al. (2004: 33) argue that the Centre-Left majority at the end of the 1990s 'offered

a historically unique opportunity to balance Europe's economic path to integration'. However, they qualify this achievement by arguing that 'while it is true that social democrats have put employment and social policy back on the agenda, they have chosen soft law to promote it. As such, the OMC remains vulnerable to changing political majorities' (2004: 33). Indeed, hopes of progress on the social dimension to the Lisbon strategy under the British Presidency in 2005 were dashed by the election of the Christian democrat Angela Merkel in Germany and the conservative Law and Justice Party in Poland (Barbier et al., 2006b: 81).

This article argues that the Lisbon agenda has a strong social democratic underpinning. It outlines the characteristics of the European social model encapsulated by Lisbon and characterizes this as an example of the Adult Worker Model (AWM) social system, one in which all adults – male and female, old and young, abled and less-abled – are required to take formal employment to secure economic independence. The article then demonstrates how this differs both from the traditional activation approach adopted by social democrats and from the neo-liberal economic model. Such a distinction is important as we need to be precise about understanding both the transformation which is underway and its impact on core and non-core workers.

By adopting a process tracing method, the article then looks at the development of the substance of the European Employment Strategy (EES) from its origins in 1997 to the Lisbon strategy, and on to the integrated economic and employment guidelines in 2005, to outline how this has developed towards an EU-wide AWM. This is done by grouping the overarching objectives and concrete guidelines in the EES according to four policy guises (Annesley, 2005). These are measures which encourage adults into employment, make work pay, promote the reconciliation of work and family life and seek to tackle discrimination in the workplace. In doing so, a picture develops of an emerging Europe-wide AWM social model and, indeed, one which is supported–social democratic, rather than unsupported–neo-liberal. In other words, the article argues that the content of the Lisbon social model is not a neo-liberal agenda. However, this exercise also provides some evidence of how the changing political composition in member states can alter the content of the Lisbon agenda which is clearly not yet set in stone.

From activation to the AWM welfare model

During the 1990s and early 2000s the dominant social democratic response to European unemployment, drawing on the Scandinavian experience, was to promote activation policies and the 'active welfare state' (see for example Vandenbroucke, 2002; 2003). This approach requires a reorientation of existing social security systems which do not encourage people to take employment, so that more emphasis is placed on training and education, and to ensure that there is more targeted welfare tailored at specific groups.

The launch of the Lisbon agenda demonstrated for some the adoption at EU level of the social democratic priority for activation. As Wincott (2003: 542) argues, 'if the "Lisbon" agenda marks an important change, it is related to "activating" the relationship between social policy and employment'. While the activation approach is not inherently new in many European countries, Lisbon 'consolidated and hence may come to symbolize this approach' (Wincott 2003: 542). In a similar way, Begg and Berghman (2002: 184) note that there is in Lisbon a renewed emphasis on (re)integrating welfare claimants into the labour market in an attempt to contain or reduce social expenditure levels. This is done through activation policies and through efforts to maximize the employability of the active population.

These rather general claims on the centrality of the activation approach only really scratch the surface of the Lisbon European social model. In a sense the ESM has always been 'active' and has envisaged a model of social citizenship based on labour market activity. Most attempts to forge social policy in the EU are measures directed at the citizen worker, those citizens who are economically active. As a consequence of sustained periods of rising unemployment, the EU developed a commitment in the Amsterdam Treaty (1997) to reduce unemployment.

Yet a key element of the traditional ESM is that the EU has opted for a 'higher productivity strategy by giving only the most productive workers access to the labour market' (Begg and Berghman, 2002: 182). The flip side of this productivist strategy is that 'the member states of the EU also decided to guarantee minimum living conditions to those not capable of being productively inserted into the labour market because they do not yet, or no longer, have the capacity

to work' (Begg and Berghman, 2002: 182). The effect of this, Begg and Berghman argue, is that 'only workers with above minimal productivity levels get access to paid work' (2002: 182). Indeed, the traditional ESM concentrated on promoting the welfare of a core set of citizens: the full-time, lifelong, male employees. This approach had significant implications for three groups of adults: women, older people and citizens with disabilities.

With respect to women, most European models of welfare capitalism developed in the postwar era as Male Breadwinner (MBW) welfare states. This referred to a social system which assumed full-time, lifelong employment of a male wage earner with a female being responsible for caring for children and other dependants. In the MBW welfare state, women accrued social rights via their spouse and, in the absence of a male breadwinner, for example in the event of his death, the state was willing to step in. Jane Lewis (1992) characterized Western welfare states according to the degree to which the welfare state is prepared to support a woman independent of a male breadwinner, characterizing countries as weak, strong or MBW states. Sweden counted as an example of a weak MBW, France as moderate and the UK as strong. As such, most of the original member states of the EU counted as strong MBW states.

The strategy of reserving employment for core workers also affected older people. During periods of economic downturn and rising unemployment, some welfare states – notably corporatist regimes such as Germany and France – opted for lucrative early retirement policies to encourage 'older' workers to exit the labour market. The idea was that this would free up jobs for younger (and cheaper) workers. In practice, many jobs became obsolete.

Workers with disabilities were also given incentives to leave the labour market through generous incapacity benefits. This strategy was widely used, for example in the Netherlands where almost 1m people in a total working population of 7m qualify for the generous disability scheme, the Disability Insurance Act or WAO. Similarly, in the UK in the 1980s, the jobless were encouraged to take incapacity benefit rather than unemployment benefit in order to massage unemployment figures.

The novelty of the Lisbon approach to social policy, then, is not so much the fact that the EU strongly favours labour market activation policies: developing measures to return the unemployed to the

labour market. Rather, what is new in Lisbon concerns *who* is being activated in the new model of social Europe. Lisbon places an emphasis not only on activating the unemployed in an attempt to reconnect them with the labour market and reduce overall levels of unemployment, but also on activating the economically inactive. More specifically, the activation expectation of Lisbon is that citizens deemed in the old social model to be legitimately inactive – such as women, older citizens and those with disabilities – are now expected to take paid employment.

Thus, rather than being an EU version of the active welfare state, the Lisbon version of the FSM in actual fact closely resembles what Jane Lewis (2001) refers to as the AWM welfare state, defined as a social system in which *all* adults are expected to take paid employment in order to secure economic independence. The distinction between the active welfare state and the AWM is significant because there are widespread implications for the whole social system in activating non-core workers. A major reorganization of the FSM is required to make the AWM work. Indeed, the Lisbon social model additionally entails a range of flanking policies envisaged to encourage and facilitate this activation of this now broad and inclusive range of adults.

The shift in the direction of the AWM welfare state affects all three groups identified above as being legitimately excused from the labour market in traditional European welfare states because they are not considered sufficiently productive. Lewis's analysis takes a specifically gendered approach, focusing on the impact of the emergence of the AWM on women. It is not the case that women have been absent from the labour market because they are unproductive. Given women's high educational attainment, their absence from the labour market represents a wide productivity gap. Rather, women are absent from the labour market because of the difficulties associated with combining working and family life. Bringing women into the labour market therefore requires welfare states to alter the gendered assumptions which underpinned old MBW welfare policy regimes. It is necessary to challenge the gendered assumptions of the labour market to encourage women to take employment and to support their transition from unpaid to paid work, both financially and with care services. Extending Lewis's gendered approach, we can identify how the development to the AWM impacts on other adults,

namely older people and disabled citizens, and that new policy responses are required to unpick the assumptions embedded in MBW welfare traditions.

A range of policies accompany the normative shift towards to AWM welfare state. The kind of AWM that emerges depends on the combination of policies developed as well as the emphasis these policies take. Indeed in her work on the gendered dimensions to the AWM, Lewis (2001) argues that the emerging welfare system can be either a 'supported' or an 'unsupported' AWM. The difference lies in the nature of the activation to encourage adults into employment, the quality of employment and the degree of financial support and provision of service offered to facilitate the transition of adults from economic inactivity to paid work.

For example, an unsupported AWM, such as the United States (Lewis, 2001), will seek to move welfare claimants into employment through workfare policies which emphasize welfare sanctions, have strict limits to the entitlement to welfare and offer only few positive financial incentives in the form of a low-level minimum wage or means-tested Earned Income Tax Credits. Crucially, little support is offered by the welfare state to improve claimants' ability to reconcile work and family responsibilities. Child-care provision tends to be market-based or through private arrangements. For instance, the federal law Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), passed in 1996, seeks to reduce welfare dependency by making work or employment-related activities a condition for welfare entitlement (Waldfoegel et al., 2001). Harsh sanctions are imposed on those who do not comply with the work requirements and welfare entitlement is limited to five years. Before PRWORA, there were a number of exemptions from work and training activities, but now nearly all recipients must engage in such activities within two years of receiving assistance. Lone parents have become one of the largest client groups of the new US workfare programmes; they are now only exempt from work requirements if they have a disabling health problem or care for a family member with a health problem, have a new-born less than three months of age, are a teen parent attending school or are over the age of 65 (Waldfoegel et al., 2001: 9).

In contrast, a supported AWM, such as Sweden, uses active labour market policies to encourage adults to take employment. Benefit levels are high but so are wages and the labour market is well

regulated. Education and training are offered as alternatives to taking paid employment. Support for reconciling work and caring responsibilities is offered in the form of generous parental leave and full-time child care for children below school age. In Sweden, for example, there is a high provision of child care by municipalities which are funded by local and national government and parental contributions, calculated according to income levels. This is available to working parents, students and the unemployed. Around 43 percent of 1-year-olds, 77 percent of 2-year-olds and 82 percent of 3-year-olds attend full-time child care; only 2 percent of Swedish women are 'homemakers' (Sweden, 2006).

In addition, parental insurance is offered to all working parents. Entitlement is linked to employment and benefits are related to pay. Parents are entitled to 13 months' benefit worth 80 percent of the previous salary plus a further three months' benefit at a fixed daily rate. Parents are entitled to between one and two months' parental leave. In an attempt to increase the number of men taking parental leave, the Swedish system of 'Daddy Months' offers parental leave which is reserved exclusively for the father. A first month was introduced on 1 January 1995; and a second on 1 January 2002 (Bergman and Hobson, 2002).

The key point is that policies to promote the AWM can lead to supported or unsupported social models. An assessment of the blueprint of the Lisbon social model suggests that this promotes the ideal of a supported AWM welfare system. Evidence from countries such as Germany and the UK, which are undergoing the shift from the strong MBW to AWM welfare states, suggests they too are moving to become supported AWM welfare states (Annesley, 2003b; 2005).

Lisbon: promoting a supported European AWM social system?

The key stepping stone in the development of a European AWM is the European Employment Strategy (EES), developed in 1997 and reviewed in 2002. Then, following the review of the Lisbon Strategy in 2005, the EES guidelines were combined with the Broad Economic Policy Guidelines and these Integrated Guidelines for Jobs and Growth (2005–08) were published in 2005 (Commission of the European Communities, 2005b). By reviewing some of the key social guidelines and targets outlined

in these documents and which correspond to the four policy frameworks outlined above, a picture builds up on an emerging EU-wide AWM. Moreover, in line with the political forces that shaped the Lisbon agenda, it is an AWM that is on the whole supported—social democratic in orientation, rather than unsupported—neo-liberal. That said, by tracing the development of the EES agenda over the years, it is possible to see where progress is halted or where more liberal aspects creep in as political compositions change.

As Wincott (2003) argues, the centre-piece of Lisbon is its activating agenda encapsulated by the EES. The EES now sets targets to increase, by 2010, the participation of adults overall to 70 percent, the participation of women to 60 percent and of older workers to 50 percent. A further target is to raise by five years the average age at which adults stop working. But in effect the aim to activate all adults developed gradually, most significantly at and since Lisbon.

The original EES concentrated on the activation of the unemployed, and was specifically concerned with the issues of youth and long-term unemployment and unemployed women. Targets were set to ensure that young people were offered a new start in the form of training, retraining or work practice within six months of registering as unemployed. A similar goal was set of 12 months with respect to unemployed adults. For women, the importance of reducing the gender gap in employment is identified in the original guidelines as well as of addressing the gender imbalance in certain occupational sectors.

With Lisbon came the broader goal in line with the concept of the AWM, of activating all adults, including inactive women, older workers and people with disabilities. For women, active labour market policies and training opportunities are emphasized. This also entails 'eliminating gender gaps in employment, unemployment and pay' and an additional guideline is to 'ensure inclusive labour markets for job-seekers and disadvantaged people through: active and preventative labour market measures including early identification of needs, job search assistance, guidance and training' (Commission of the European Communities, 2005b: 28). For older people, the objective of 'active ageing' was to be met by seeking to change employers' attitudes to older workers, improving the quality of jobs for more experienced employees and offering retraining. The Integrated Guidelines for Jobs and Growth of 2005 additionally

emphasize a guideline of promoting 'a lifecycle approach to work' which seeks to 'support participation in employment and longer working lives, including appropriate incentives to work and discourage early retirement', also offering 'support for working conditions conducive to active ageing' (Commission of the European Communities, 2005b: 27).

The approach to increasing employment rates emphasizes both active and preventative measures; that is, ones which promote work and training. The guidelines prioritize the early identification of needs as well as improving the capacity of public employment services to match jobs to the jobless. Recommendations are made about the need to review benefit and training systems to make them more employment-friendly. Activation measures are, however, applicable to those 'willing and able' to take a job; significantly no reference is made to compulsion.

In summary, the 'encouraging adults into employment' dimension to the EES moved from an approach to merely activate the unemployed – specifically the young and long-term jobless – to, by Lisbon, one promoting full employment. This entails increasing economic activity rates overall and getting all adults – including those conventionally excluded from the labour market – into employment. Throughout, the emphasis of the activation policies has been on preventative measures, better job matching and training measures rather than disciplinary approaches.

The Lisbon strategy appears to be conscious of the fact that adults will not take employment if they are not supported by the broader social system. Non-core workers such as women and people with disabilities will not be able to take formal employment unless flanking measures are developed to undo the social system of the MBW model and facilitate their economic activity. In Lisbon, flanking the activation policies, are further approaches aimed at creating financial incentives for adults to move into employment and at assisting working adults with the reconciliation of working and family responsibilities. Lastly, and crucially, additional measures are taken to tackle discrimination of non-core workers in the labour market. The development of such approaches in Lisbon is outlined below.

Policies to 'make work pay' in national AWM welfare systems are developed in response to concerns about unemployment poverty traps wherein claimants, or the economically inactive, are in a

financially more or equally lucrative position as workers. Financial incentives to take employment can be developed by improving the reward for paid employment through legislation for a minimum wage or tax credit system whereby some in-work benefits are still paid to poorly paid workers (Annesley, 2003b). Incentives can also be created by the tax system. Reducing the tax burden on low-paid jobs will increase the take-home pay for such workers. In tax regimes such as Germany's, with family tax codes there is a disincentive for second earners to take employment; by creating individual tax codes, such a disincentive to work is removed (Dingeldey, 2001). Alternatively, work can be made to pay in a punitive way by reducing the value or period of, or entitlement to, benefits.

In the context of the EES, less reference is made to policies to make work pay on account of the fact that such approaches have financial and redistributive implications over which member states have sovereignty. However, some developments can be identified. Initial concerns are about the need to reduce poverty traps in order to prevent the development of a working poor in Europe. The EES also acknowledges the need to promote gender equality in pay, to close gender pay gaps and assess the gendered impact of tax and benefits, all of which will encourage women into employment. Moreover, the need to reduce the disincentives for older workers to work is raised as a priority. To begin with, the approach is to 'make work pay through incentives to enhance work attractiveness' rather than through the reduction of benefit levels.

As the EES developed, the guidelines identified the impact of the tax and benefits system in making work pay. Reference is made to the disincentive effect of benefit levels and to the need for member states to consider reducing the tax on low-paid employment. The emphasis in the Integrated Guidelines for Jobs and Growth is slightly stronger: as well as stressing the importance of 'ensuring that work pays', there is a recommendation for a 'continuous review of tax and benefit systems, including the management and conditionality of benefits and reduction of high marginal effective tax rates, with a view to making work pay and to ensuring adequate levels of social protection' (Commission of the European Communities, 2005b: 28). At the same time, a guideline specifies the need to 'ensure employment-friendly wage and other labour cost

developments', meaning that 'wage developments should be in line with productivity growth over the economic cycle' and 'efforts to reduce non-wage labour costs and to review the tax wedge may also be needed to facilitate job creation, especially for low-wage employment' (2005b: 29). Such formulations are vague but may well amount to curtailments to existing social programmes.

With relation to making work pay, the EES recognizes the important AWM goal of creating financial incentives for workers – particularly women who experience a gender pay gap and older employees who are considered less productive – to enter the labour market. As the EES has developed more and has become integrated with economic goals, emphasis appears to have been placed on the conditions of benefit and the incentive structure in the taxation system.

AWM policies to promote reconciliation of work and family life, which recognize that work for some non-core employees is only possible with the support of a broader social system, have featured more prominently in the EES than have policies to make work pay. This, in part, reflects the EU's long-standing commitment to promoting gender equality and gender mainstreaming. It also reflects the policy traditions of the Nordic states – notably Sweden – which led the EES process. Even in 1998 the EES was advocating policies for career breaks, parental leave and part-time work. It highlighted the need for an adequate provision of good quality child care and care for other dependants and for raising levels of access to care services to facilitate a return to the labour market. The 2002 guidelines made additional reference to flexible work arrangements and – significantly – to the need to encourage men to play a more prominent role in domestic responsibilities. The 2003 revision of the EES incorporated the Barcelona Targets on child care, namely that, by 2010, child care will be provided for 90 percent of children between three and the mandatory school age and for 33 percent of children under the age of three. The Integrated Guidelines for Jobs and Growth specify guidelines to promote a 'better reconciliation of work and private life, including the provision of accessible and affordable childcare facilities and care for other dependants' (Commission of the European Communities, 2005b: 27).

In sum, reconciliation aims feature strongly in the EES. The emphasis is mostly on supporting women/mothers wishing to re-enter the labour market. For a brief moment men are included in the

reconciliation agenda, though this disappears by the time of the integrated guidelines. Crucially, the targets set on child care at Barcelona require the member states to report on their progress in this regard.

Finally, policies and measures to tackle labour market discrimination are required to support the AWM welfare goal of encouraging all adults into employment. Such measures are targeted towards non-core adults such as women, older workers and disabled citizens seeking access to the labour market. The EES is consistent in its recognition of the need for these types of flanking measures.

The original EES had as one of its four overarching aims the need to strengthen policies for equal opportunities. This was required both to reduce the gender gap in employment and to promote the integration of disabled people into working life. By 2002, this had been extended to seeking to combat discrimination and promote inclusion through the labour market. Also, the need to develop measures to meet the needs of disabled, ethnic and migrant workers seeking access to the labour market was identified; the recommendation was to develop consultation with gender equality bodies. By 2003, combating inequality was no longer an overarching goal of the EES; promoting the integration of, and combating the discrimination against, people at disadvantage in the labour market features as a guideline. The emphasis here is on identifying those with low labour market participation rates and developing 'appropriate policy responses'.

The Integrated Guidelines for Jobs and Growth recognize that 'equal opportunities, combating discrimination and gender mainstreaming are essential for progress' in achieving full employment (Commission of the European Communities, 2005b: 27). It is acknowledged that 'combating discrimination, promoting access to employment for disabled people and integrating migrants and immigrants are particularly essential' (Commission of the European Communities, 2005b: 28).

As well as measures to make work pay and help promote reconciliation of family and working life, the EES recognizes the need for policies to be developed to tackle discrimination against non-core adult workers in the labour market. Some concerns have been raised that the equality dimension has been downgraded since 'strengthening the policies for equal opportunities' lost its status as an overarching goal in the original guidelines. Yet, such aims still feature in the guidelines.

Conclusion

Overall, Lisbon emphasizes a fundamental transformation of the ESM from activating the unemployed to the AWM goal of promoting employment for all adults. More significantly, in line with the supported version of the AWM, the shift encapsulated in Lisbon recognizes the need to fundamentally reconfigure the old social model wherein paid employment was the preserve of a core workforce. A supported AWM acknowledges that it is not sufficient simply to encourage adults into employment; if women, older workers and people with disabilities are expected to be economically active then major alterations to the system of social policies is required. To do this in a socially sustainable way, encouraging productive non-core adults into employment requires the development of a range of flanking policies which aim to make work pay, assist with reconciling work and family life, and tackle discrimination at the workplace. There is clear evidence of such policies via the EES in order to promote a supported rather than unsupported AWM in Lisbon social Europe. In other words, the Lisbon social model is not neo-liberal.

A neo-liberal approach to the AWM reorientation of welfare might resemble the unsupported version of the AWM that has been operationalized in the United States. This system employs such techniques as: limiting welfare entitlement or introducing strict work requirements to qualify for welfare to encourage adults into employment; cutting benefit levels to increase the incentive to take paid employment; expecting workers with caring responsibilities to rely on the market or private arrangements to assist with the reconciliation of work and family life. Anti-discrimination measures might be introduced since these have no economic cost associated with them. However, a neo-liberal or unsupported AWM would most likely regard employment issues as ones of individual responsibility and would reject the fact that markets are institutions which can discriminate.

As this article has shown, the Lisbon vision of the ESM is better conceived as a supported AWM in which all adults are expected to work in order to secure their economic independence, but the welfare state is recalibrated to offer supportive rather than punitive incentives to enter paid employment. The policy recommendations focus on retraining, early identification of needs and job match approaches.

Flanking measures to make work pay and assist in the reconciliation of work and family life recognize the structural barriers which exist to certain groups who are not employed and economically active, and seek to overcome these. For instance, the EES identifies the disincentive effect which the gender pay gap in Europe might pose to women considering taking employment. In terms of reconciliation policies, the need for the state to coordinate, if not directly provide, an adequate provision of good quality child care is highlighted. Brief reference was also made to the importance of addressing the uneven division of labour in households, though this later disappeared from the EES documents. Underpinning all this is a strong commitment to the need to tackle labour market discrimination against women, older workers, disabled citizens and other groups such as migrants. This adds up to a vision of a supported AWM welfare state for the European Union.

That said, the Lisbon vision for a social Europe is clearly a blueprint rather than a model. As Manow et al. (2004) argue, the critical mass of social democratic governments in Europe during the 1990s succeeded in putting social Europe back on to the agenda; but because they opted for, or were required to, choose the soft governance tool of OMC rather than legislation, the substance of social democratic preference has not been locked in so that it could effectively commit their successors. Indeed, the review of the EES presented in this article offers some indications that over time, as political constellations change, so might the substance of Lisbon social Europe.

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