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No Voice, No Choice: Learning from a Danish case study of Active Labour Market Policy using Sen’s Capability Approach

Abstract
Active Labour Market Policies (ALMPs) are the subject of ongoing interest, including Greer’s cogent contribution in WES (2016) framing ALMPs as re-commodification of labour. But it has also been argued in WES that Sen’s Capability Approach (CA) offers potential for reconsideration of ALMPs from a more progressive viewpoint - so is this the case and to what extent is, or can, the CA be a helpful research and analytical tool with which to study ALMP? This question is addressed by reflexive examination of a study of ALMP which utilised the CA and key themes of capabilities promotion, voice and choice. The CA influenced all aspects of the research design, methods and analysis. It is argued that the CA is a helpful methodology in bringing a new perspective to studying ALMP. An additional issue is raised around the actual trajectory of Danish ALMP and possible alternatives to current approaches.

Keywords
activation, capabilities, unemployed, wellbeing, labour market, Denmark, social policy
Introduction

Writing in this journal, Greer (2016) provides a compelling critique of active labour market policies (ALMPs). ALMPs can be defined as policies aimed to help get unemployed people back to work. Such policies include job placement services, benefit administration, and labour market programmes such as training (OECD, 2015). ALMPs reflect the shift in labour market paradigms since the 1990s from the passive-safety net model that used to characterize European welfare-states to an ‘activate all’ paradigm (e.g. see Bonoli and Natali 2012). The core argument made by Greer (2016) is that ALMPs tend to alter the institutional regulation of the labour market by re-commodifying labour. Furthermore, because of administrative failure and employer discrimination, ALMPs may worsen precarity without achieving the stated goal of increasing labour market participation. Greer’s conclusion is that whatever the effectiveness of ALMPs in terms of increasing labour market participation, the likely outcome will be intensified labour market discipline. Thus, even if progressive goals and discourses are evident, the key – and inherent - result of ALMPs is negative.

Within much of the literature on activation policies, however, there appears to be a contrary implicit assumption, and sometimes an explicit claim, that ALMP is a policy approach that can be developed in positive ways. To take just one example, employer engagement in ALMPs is a theme around which there is growing interest (Van Berkel et al., 2017). In contrast to Greer’s (2016) critical view of employers’ position in relation to ALMPs, it is argued that “among scholars and practitioners, there is a growing recognition of the important role of employers in the success of active labour market policies in Europe” (Bredgaard, 2018: 11). This builds on McCollum’s (2012) explicit contention that greater employer participation in ALMPs can enable a ‘win-win-win’ situation in which jobseekers are matched to and given appropriate
training for existing vacancies, employers get employees that are work-ready and supported in work, and service providers get their clients into jobs. Greer’s (2016) call for more research into resistance against ALMPs by claimants and workers goes unheeded and recent contributions to debate continue on largely well-trodden themes such as ‘what works’ (Adam et al., 2017), whether ALMPs are successful in reaching disadvantaged groups (Bonoli and Liechti, 2018), comparisons of different approaches to ALMP (Froyland et al., 2018) and the impact of ALMP on unemployed people (Fervers, 2019).

It is notable that while Greer (2016) is explicit in identifying the re-commodification effect of ALMPs by drawing on Marxism, comparative institutionalism, German language sociology and English language social policy analysis, much of the literature is light on theoretical underpinning – as noted, a well-established theme in the literature is ‘what works’, which in practice accepts ALMP logics although presented as value (and theory) free. One challenge to current approaches to ALMPs has, however, been made from a theoretical perspective, based on Amartya Sen’s Capabilities Approach (CA) including in a previous article in WES (reference excluded to ensure anonymity).

The core tenets of the CA are well-known, with Sen seeking to replace utility with capabilities as the object of value. Sen characterises human wellbeing in terms of what people are or do; for example, being healthy, reading or writing, or taking part in the life of the community - he describes this as ‘functionings’. However, Sen considers freedom to be one of the most basic aspects of human life. Therefore, wellbeing should be assessed not so much by what people are or what people do, as by what they are free to be or do; for example, being able to be healthy, being able to read and write, and being able to participate in the life of the
community. Sen calls such abilities ‘capabilities’ and the CA thus provides a very different approach to the utility of classical economics.

Relating this to ALMP, Bonvin (2011) can be used as an exemplar of how the CA contrasts with mainstream thinking about ‘what works’. Bonvin (ibid.) argues that a CA view of ALMP is not concerned with whether one particular programme or another has a higher rate of job outcomes for participants. Rather, the CA suggests very different starting points requiring that participants in ALMPs must have access to: sufficient and unconditional cash resources; non-discriminatory individual programmes to increase the likelihood of finding a valuable job; and non-discriminatory opportunities available through labour market participation in terms of quality and quantity of jobs. Such an approach requires ALMP to be about capabilities promotion and, critically, participants in ALMPs should have voice in expressing their preferences and freedom of choice in pursuing the job – or other option - they have reason to value. An additional theme emphasised by Bonvin is whether public servants have the opportunity to innovate and create tailor-made solutions for unemployed people, suggesting space for ‘bottom up’ rather than ‘top down’ policy development and thereby a further differentiation between the CA and other approaches (this point which will returned to in the research findings).

The CA also provides a different approach to human capital theory. While human capital theory can be seen as implicit in many approaches to ALMP (Damgaard and Torfing, 2010), the CA perspective is not the same. Sen states explicitly that human capital and the CA are distinct:
The use of the concept of 'human capital', which concentrates on only one part of
the picture (an important part), relayed to broadening the account of 'productive
resources', is certainly an enriching move. But it does need supplementation. This
is because human beings are not merely means of production, but also the end of
the exercise (Sen, 1999, pp. 295-6).

In the light of the above, the (broad) issue raised is whether the CA does offer potential for
reconsideration of ALMPs but the interest here is not a generic theoretical level but to what
extent is, or can, the CA be a helpful analytical tool to study ALMP? The article is based on
reflexive examination of a study which sought to utilise the CA in examining ALMP in Denmark
(a setting of particular interest as will be discussed below). The article begins by highlighting
some key points regarding ALMPs and reinforcing key CA themes of capabilities promotion,
voice and choice. Then, the Danish study and its utilisation of the CA are discussed. This is
followed by presentation of findings from the research. The article concludes by considering
implications of the research, in terms of the CA as an analytical tool with which to study ALMP.
An additional issue is raised around the actual trajectory of Danish ALMP and possible
alternatives to current approaches.

**ALMP and the CA**

There is an extensive literature on ALMP (Greer, 2016, provides a helpful overview as do Otto
et al., 2018b, and Bonvin et al., 2017) but for the purposes of this article, three points need
to be emphasised. First, the setting for the research discussed in this article - Denmark - is in
itself important. This is because Danish ALMPs have been viewed by the European
Commission as the model to be imitated by other European Union member states
(Etherington and Ingold, 2012). The roots of Danish ALMPs can be traced back to the 1970s and initiatives in sectors with an over-supply of unskilled workers (Torfing, 1999) but it was in the early 1990s that major development took place. This was based primarily on a human capital approach (Damgaard and Torfing, 2010), but sitting within development of the country’s ‘flexicurity’ model (Heyes, 2011). This involves strategically combined high protection when a worker becomes unemployed with a high degree of flexibility in the labour market that allows employers to dismiss employees with relative ease. Danish expenditure on activation measures is the largest in all OECD countries in proportion to the size of the labour force (OECD, 2015). It is approximately 1.7 per cent of GDP.

From a theoretical point of view, while Danish ALMP may primarily be based on a human capital approach there does appear to be at least some potential resonance with the CA. For example, the starting points for the development of Danish ALMP are in line with the traditional identity of Scandinavian welfare states based on extensive collective responsibility for social wellbeing, universal welfare coverage, equality of opportunities and a history of social dialogue (Esping-Andersen, 1990). More specifically, rather than seeking rapid incorporation into the labour market, the focus of Danish ALMP has traditionally been on maintaining the person’s previous living standards while they look for a new job based on their knowledge, skills and attitudes accompanied, if necessary, by a training or education program. Further discussion of the Danish case can be found in Danneris and Cawell (2019), Ingold and Etherington (2013) and Torfing (1999) but the point to emphasise for the purposes of this article is that if there is a more positive frame for development of ALMPs than re-commodification, Denmark on the face it may point a way forward.
This leads into a second point, which is that ALMPs are not simply homogenous. Applying generalisations across ALMPs must be treated with some caution given there are differences in approaches to ALMP. In particular, a core tension within consideration of ALMPs is between train-first and work-first approaches. As Kowalewska (2017) argues, most typologies distinguish between a Nordic-style ‘train-first’ approach focused on developing jobseekers’ employability and an Anglo-Saxon ‘work-first’ approach that instead emphasises quick job (re-)entry. Linking this to the Danish case, the discussion above locates Denmark within the Nordic train-first approach. However, it must be noted that over the last decade some research has suggested elements of a work-first model are being introduced (Damgaard and Torfing, 2010; Ingold and Etherington, 2013).

The third point to emphasise is that consideration of whether ALMPs are ‘successful’ primarily focuses on statistical targets adopted from private sector practices such as performance indicators - this is a critical point in opening up the question of the CA as a potentially helpful analytical tool offering a different perspective. The use of statistical targets is very much in line with normative instruments of New Public Management (NPM). In contrast, the CA sees this a very narrow view of ‘success’. To emphasise the difference between the CA and ‘what works’, Salais (2012) notes that the development of human capabilities does not feature in NPM analyses. Furthermore, unemployed people may be forced into marginal, insecure jobs (Bonvin, 2011;). The CA, as discussed above, suggests a very different approach with core themes of capabilities, voice and choice. It is these points that informed the research, as will now be discussed.
The research: the CA as a methodological and evaluative tool

To begin with the research methodology, adoption of the CA informed all aspects of the study. That meant a rejection of NPM approaches and what were referred to above as well-trodden themes such as seeking to identify ‘what works’. Rather, the CA meant exploring ALMPs not even from train-first or work-first perspectives but instead with a clear focus on how a person’s capabilities are promoted and themes of voice and choice.

Other studies have used the CA in examining ALMPs (e.g. Edgell and Graham, 2017; Atzmüller, 2009) and the research discussed in this article used the same qualitative methods as in those examples. More recent development in the CA literature is an emphasis on participatory involvement (i.e. the inclusion of the beneficiaries of public programmes in research projects, which in this case would be unemployed people - see contributions in Otto et al., 2017). But this study of Danish ALMPs followed the example of Atzmüller and others and involved documentary analysis and in particular, in-depth interviews with public officials.

The starting point was identifying relevant documents using internet searches, focusing on Danish national, regional and local government websites and databases. Search terms included ‘ALMP’, ‘active labour market policy’, ‘activation’, ‘employability’ and so on. A standard approach to ALMP analysis would be to analyse documents for statistical information, benchmarks and other NPM measures. Using the CA meant something very different, instead seeking to identify evidence of concern with capabilities promotion, voice and choice. A series of questions were used as a frame for the examination of documentary evidence. These included: do official reports include concern with the capabilities of unemployed people? If so, how are such capabilities interpreted and promoted? Is a theme
of voice evident in documents? What mention is there of choices that unemployed people have?

While a range of documents were identified, primarily reports on ALMP at different government levels, content was found to be about administrative, technical and performance issues. While helpful in providing a more detailed understanding of the operation of Danish ALMP, evidence relevant to an interest in the CA was not apparent. Words like ‘voice’ and ‘choice’ simply did not appear and nor did themes around promotion of capabilities. It was clear that emphasis needed to on interviews with public officials.¹

Officials are key actors as they represent the last step in policy implementation. They deal daily with ALMP clients and their knowledge is grounded in front-line experience. Fifteen in-depth interviews were conducted and interviewees were selected on a purposive basis to ensure balance (e.g. in terms of gender) but preference was given to longer standing officials so as to enable examination of change over time. This meant interviewees were in the main in their 40s or 50s. As well as front-line staff, three interviews were conducted with more senior managers concerned with policy and strategy so as to also gain this perspective. The research was conducted in seven employment offices in the region around Odense which is the third largest city in Denmark. The region is typical of the Danish labour market situation and contains disadvantaged as well as more middle-class neighbourhoods. The former were particularly focused on in the research given their relevance to ALMP.

A semi-structured interview guide was used. As with the documentary analysis, a CA approach meant the interview guide was not based on asking about NPM statistical measures and the
like but whether in everyday work there is promotion of people’s capabilities and in interactions with unemployed people what role is there for individual voice and choice?

Interviews lasted around an hour and were recorded and fully transcribed. Participants were sent their transcript and invited to offer additional comments and feedback.

The analysis of interview data was done employing a framework approach (Ritchie and Spencer, 1994). Key words from the semi-structured interview guide were used to construct preliminary codes. Further codes were also developed from key elements raised by interviewees (e.g. voice, choice). Subsequently, after a reflective process of data categorization, different themes emerged from which key findings were identified.

**Results**

Interviews with officials did find some examples of practices potentially indicative of CA elements. Beginning with the broad theme of interest in a person’s capabilities, there was certainly evidence of public officials seeing unemployed people as active agents not simply as policy objects or passive recipients of social policy. This public official explained how attitudes to unemployed people had changed.

> We are now more positive minded when we start a conversation with an unemployed person. We don’t think in the same ways as before: ‘Oh, you are unemployed so you are probably lazy or stupid’. They are not giving the unemployed that impression. We are not stigmatizing the unemployed. In the same way, that we have done it earlier, we have improved in not doing that.

(Public Official 15).
The research also found a personalized approach was taken over what can be relatively long periods of time e.g. two or even three years, thereby again suggesting a possible interest in developing a person’s capabilities.

Regarding voice the same official provided relevant evidence, expressed in terms of account being taken of a person’s wishes.

In my opinion and I also think that I speak for my colleagues, generally I think there has been a rapid development, but mostly a positive development, because they actually take the citizen’s demands, the citizen expectations, in a more serious way now than before.

An example was also found of an initiative which promote the voice and opinions of unemployed people. This related to the commissioning of new educational courses, which were subsidized by the state and were done in agreement with trade unions, private companies and schools (Higher Level Official 7).

Mention was made above of an additional theme in the CA being whether public servants have the opportunity to innovate and create tailor-made solutions for unemployed people, suggesting space for ‘bottom up’ rather than ‘top down’ policy development and some evidence was found relevant to this. Interviewees explained that they did have some discretion in offering personalized services to the unemployed rather than having to work in an entirely prescribed manner. For example, there was freedom to decide which financial
subsidies to provide for an unemployed person to attend education or training courses, without having to seek approval from a more senior manager. There was also scope for local job centres to develop their own initiatives, with nine (out of 94 across Denmark) including in the research area, given independence to adopt and follow some of their own rules for a four-year period, as an experiment. This points to at least some local autonomy rather than an entirely top-down approach.

However, elements of possible resonance with the CA were found in the research to be exceptions to a far stronger theme, referred to above – that of a growing work-first approach. With regard to voice, this was only possible for unemployed people once they agreed to participate positively in activation measures. There was no scope for resistance or questioning of the ALMP, nor expression of participants’ voice in the design and implementation of Danish ALMPs. Similarly, with choice, unemployed people were able to express preferences regarding training and learning but again only within prescribed limits. Officials had to be persuaded that any course was related to labour market activity and the unemployed person would move into employment. If that was not the case, the local job centres would not pay for it. Moreover, courses were only funded if on the official list the government sends to local job centres. There was some resonance with a human capital approach but it is certainly not about the promotion of an individual’s capabilities in the sense that Sen intends.

In contrast to the view of Public Official 15, above, the overall evidence from interviews pointed to a shift in Danish ALMPs from a train-first approach to a work-first one, and with little real interest in unemployed people’s capabilities. For example, officials talked about changes in policy determined by central government, and their cumulative impacts. This was
summarised in terms of the primary role officials now have is to offer unemployed people any available job and participants in ALMPs are expected to accept these offers. As one interviewee explained, the personal circumstances of an unemployed person was not a priority, rather: ‘Today, if you can work two hours a week, you have to work’ (Public Official 1). Similarly, another interviewee explained: ‘So just work as soon as possible. Just get out and get a job. It doesn’t matter if you are highly educated, you can work as a cashier anywhere so just get out and get a job’ (Public Official 12). The fundamental work-first driver was summarised by this interviewee as follows.

We don’t care what you want; we don’t care what your wishes are. We only look at your skills and how we can use them to put them where they are needed. Some unemployed may say ‘I need time to think what I really want’. We say: ‘do that when you have a job. We don’t care about it. We don’t pay you for doing this.’ (Higher Level Official 7).

Any sense of resonance with the CA was particularly confounded by the basic starting point that if an unemployed person refused to participate in ALMPs, they lost their benefits. According to Public Official 2, if an unemployed person refused a job offer, ‘this means that they do not want to become available’ and financial penalties would be imposed. The expectation was clear - if they did not want to lose benefits they had to participate in activation measures. In addition, the research found that there is a notion among the majority of public officials that it is the unemployed people themselves who are (solely) responsible for their own situation. As an illustration, a key step for the unemployed to become available for potential employers was the construction of a CV on the public employment web page,
‘job.net’. Public officials argued that if the unemployed person did not make the effort to correctly upload their CV, any continuing unemployment was self-inflicted. Also, if a person did not speak fluent English or Danish it was the individual’s responsibility to arrange an interpreter. All in all, concern with capabilities, voice and choice was notable mainly for its absence.

Discussion and conclusion

This article began with the question of whether the CA can be a helpful research and analytical tool with which to study ALMP. In utilising the CA in the study of ALMP in Denmark, it has been seen that the CA does impact significantly on methodology and analysis. Adoption of the CA informed all aspect of the study, rejecting NPM approaches and well-trodden themes of ‘what works’, along with train-first and work-first perspectives. Rather, the CA means exploring ALMPs with a clear focus on how a person’s capabilities are promoted and themes of voice and choice. It has been noted that a new consideration in the CA literature is emphasising the importance of participatory research which would add a further dimension to studies, but even so the research drawn on here demonstrates how the CA offers an opportunity for researchers to extend evaluation of ALMP by using the CA’s core concepts and allowing for comparison of ‘versions’ of ALMP and contradictions within models.

More broadly, however, the finding is not of Danish ALMPs embracing the CA but of a shift from a train-first to a harsher work-first model. This is not to contradict previous accounts of the Danish case, including the flexicurity model, but to reinforce more recent findings of the shift that has taken place. This is characterized by not prioritizing the voice and wishes of ALMP participants. Even if a continued train-first approach had been found to be in pace, it
would still present difficulties in relation to the CA. Mandatory participation and the acceptance of any job offer as a condition for continued receipt of unemployment benefits is completely antithetical to CA principles.

So what might be an alternative approach? To cite just one possible example, greater voice and choice could be guided by local initiatives like the resistance of French ‘insertion’ schemes to adopt workfare-derived principles by street-level officers (Schulte et al., 2017). However, the research presented here found nothing to dispel Greer’s re-commodification of labour argument and ultimately, what is identified in this Danish study are – from a CA perspective - failings in ALMPs. By way of a final reflection, re-imagining ALMPs from a CA perspective would require a whole new set of starting points. While rigorous policy analysis through a CA lens can be a way of challenging current orthodoxies, the very idea of a CA-based ALMP is perhaps something of a contradiction in terms. Such an ALMP would reject compulsion and its aim would be neither train-first nor work-first, but promoting a person’s capabilities, voice and choice. This could lead to more socially balanced and innovative activities, models and programmes, but would be so far removed from current ALMPs as to suggest an entirely different model altogether.

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Note

1. Interviewees were also asked about possible additional documentary sources with responses confirming the research finding as discussed.

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