



Institutional Affinities and Extending Working Life

The Effectiveness of Activation Policies in The Netherlands, Germany and Italy

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Abstract

After pervading Western Europe for more than twenty years, early retirement trends reversed in the mid-1990's when activation policies re-converted existing incentives to extend working life (EWL). This study investigates the institutional conditions explaining the cross-national variation of activation policies' outcomes in the Netherlands, Germany, and Italy between the mid-1990's and 2009.

Revoking existing benefits for diffused and uncertain advantages, these policies faced harsh opposition from the coalitions (labour and capital organizations) interested in keeping the costs of early exit externalized for their members (older workers and their employers). In this study the central research question is: to what extent has the effectiveness of activation policies been affected by the organizational articulation of the externalization coalitions?

The articulation of these coalitions is framed according to the affinities coupling protection, production and partnership institutions. From an actor-centered perspective, the EWL re-conversion is depicted as a sequential game. Under irresistible environmental pressure, the state first interact with social partners to retrench welfare incentives and then to encourage HRM strategies to retain older workers. The higher is the organizational articulation of labour and capital, the more interactions tend to be framed in social governance modes that, discouraging opportunistic actions, convey the EWL reconversion from the strategy of the state into the companies' HRM. In these cooperative modes social partners are thus expected to not hinder but to support the adoption of retrenchment and retaining policies. Being the articulation the highest in the Netherlands, lower in Germany and the lowest in Italy, the effectiveness of activation policies is expected to follow the same pattern.

This hypothesis is tested using Event History Analysis on data drawn from the third wave of the SHARE in a two-stage research design estimating the effectiveness of retrenchment and retaining policies. The main findings show that social partners mediated the EWL re-conversion, promoting the effectiveness of activation in the Netherlands and hindering it among their members more in Italy than in Germany.



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Bio

Silvia Rossetti obtained a bachelor's degree in 2005 from the University of Milan and a master's degree in 2007 (M.Sc., cum laude) in International Comparative Social Policy Analysis from the Faculty of Sociology of the Catholic University of Leuven (IMPALLA program at CEPS-INSTEAD, Luxembourg). In 2008 she obtained a master's degree (M.A., cum laude) in Labour Studies from the University of Milan, Faculty of Political Science.

She has published various papers at international conferences and workshops, and was involved in the Flexicurity Research Program, for which she stayed at the University of Tilburg (The Netherlands) for two months in 2009. In 2010 she stayed for one month at the Amsterdam Institute for Advanced Labour Studies (AIAS) of the University of Amsterdam (The Netherlands) to investigate the DUCADAM dataset (Dutch Collective Labour Agreements Database).

Since August 2013 she is a visiting scholar at the Department of Sociology of Public Governance, Institute for Innovation and Governance Studies of the University of Twente, Enschede (The Netherlands).