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Bachelor Thesis:

‘Downloading’ from the EU-Level?

How German Core Executives legitimized the 2003
Retrenchment Reform in terms of Older Workers

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List of Acronyms

ALGI	Arbeitslosengeld I	(Unemployment Benefit I)
ALGII	Arbeitslosengeld II	(Unemployment Benefit II)
BMAS	Bundesministerium für Arbeit und Soziales	(Ministry of Labour and Social Affairs)
CDU	Christlich Demokratische Union	(Christian Democratic Union)
CSU	Christlich Soziale Union	(Christian Social Union)
EEP	European Employment Policies	
EES	European Employment Strategy	
EGL	Employment Guidelines	
EU	European Union	
FDP	Freie Demokratische Partei	(Free Democratic Party)
OMC	Open Method of Co-ordination	
SPD	Sozialdemokratische Partei Deutschlands	(Social Democratic Party of Germany)

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1. Introduction

“While longer lives are a major achievement of European societies, the ageing of the population also poses significant challenges for their economies and welfare systems. The demographic transition is considered to be one of the most important challenges facing the EU.” (European Commission, 2012). Although demographic change has been considered a challenge in the distant future for a long time, the imminent retirement of the baby boom generation currently illustrates the urgent character of this topic. Lázló Andor, Commissioner for Employment, Social Affairs and Inclusion, therefore proposed that “it is high time to look at the solutions and develop a positive approach to tackling the challenges of ageing“(European Commission, 2012a). In this context the European Union (EU) launched the European Year of Active Ageing and Solidarity between the Generations 2012 (European Union, 2012b). According to the European Union “active ageing means growing old in good health and as a full member of society, feeling more fulfilled in our jobs, more independent in our daily lives and more involved as citizens” (European Union, 2012b). In the field of European employment policies (EEP) the concept of active ageing is not new and has already existed at the beginning of the last decade. In its 2003 Employment guidelines (EGL), the Council of the European Union claimed for promoting active ageing, which implied – on the one hand - the improvement of working conditions for older workers and – on the other hand - “eliminating incentives for early exit from the labour market, notably by reforming early retirement schemes and ensuring that it pays to remain active in the labour market” (Council of the European Union, 2003). Concerning the latter aspect, the German red-green government introduced a provision in context of the *Agenda 2010* that shortened the duration of receiving unemployment benefits for older workers from 32 to a maximum of 18 months in order to remove incentives for early retirement as part of the *Gesetz für Reformen am Arbeitsmarkt* (BR-Drs. 421/03, BT-Drs. 15/1509 & 15/1204). The new politics of the welfare state, which are mostly related to retrenchment policies, require rather blame avoidance strategies than credit claiming (Pierson, 1996). As the bill reduced the social benefits for a particular group of voters and was therefore controversially discussed among German politicians as well as in the German public (Nullmeier, 2009), it is logical to assume that policy makers of the red-green government had to find convincing arguments in order to legitimize this reform project. The purpose of the present study thus is to examine these

legitimization frames¹ applied by German key politicians in the political debate in 2003 and detect how German policy makers attempted to avoid the blame for this reform. It accordingly examines the problem of new politics of welfare state reform and the resulting political strategies. Based on previous research, I will presume the socio-economic challenges of demographic ageing as well as the commitments entered on the EU-level concerning employment policies as major arguments for legitimizing the bill.

1.1 Background and Central Problem

In terms of the present study, the proposal of the German red-green government, which aims to reduce the reception period of unemployment benefits for older workers, can be considered a response to post-industrialism pressures lasting on European welfare states (Taylor-Gooby, 2004). In context of the reform examined in this paper, demographic ageing and the hence higher life expectancy as a challenge for the social security systems (Taylor-Gooby, 2004) are particularly relevant. According to Fuchs, Söhnlein & Weber (2004), the shortage of skilled labour force as well as the pressure on social security systems belong to the main challenges for social policy making induced by demographic ageing. As the bill's purpose is to eliminate early retirement schemes and thereby keep older workers in the labour market (BR-Drs. 421/03, BT-Drs. 15/1509 & 15/1204), it can be regarded as a policy response to the socio-economic challenges of demographic ageing for the labour market and the social security systems. In particular rising costs for social security systems are considered one main reason provoking retrenchment policies, which breaks with the long tradition of welfare state expansion and instead shortens social benefits for particular groups as in the case of the present provision. Since the new politics of the welfare state "are marked by pressures to avoid blame for unpopular policies" (Pierson, 1996, p. 147), blame avoidance occurs as the central political strategy in cases where policy makers attempt to implement unpopular welfare state reforms. It could accordingly be assumed that German key policy maker referred to the socio-economic pressures European welfare states have to cope with in order to justify their reform proposal concerning older workers. At the backdrop of increasing Europeanization in the field of employment policies through the soft-governance

¹ Martin Rein and Donald Schön significantly influenced the academic debate in terms of frames and framing analysis. According to them "framing is a way of selecting, organizing, interpreting, and making sense of a complex reality to provide guideposts for knowing, persuading and acting." (Schön & Rein, 1994, p. 146).

mechanism of the Open Method of Co-ordination (OMC), a theoretical approach considering the OMC a ‘two-level game’ indicates a further possible blame avoidance strategy or legitimization ‘frame’. But contrary to a main academic strand in the field of EEP, which deals with the effectiveness of the OMC and its influence on the Member States (see e.g. Bulmer & Padgett, 2004, Borrás & Jacobsson, 2004, Heidenreich & Zeitlin, 2009), I will refer to a relatively new strand in terms of the OMC, which focuses on the nexus between national politicians and the EES, the central strategy in the field of employment policies (Büchs, 2008, Stiller & Van Gerven, 2009, Stiller & Van Gerven, 2012). These approaches consider the OMC a ‘two level game’ (Büchs, 2008) and assume that national policy makers both ‘upload’ policy ideas to the EU-level and ‘download’ them to the national policy arena. By ‘downloading’ ideas from the EU-level, they strategically use the EES as a legitimization ‘frame’ for disputed national reforms (Stiller & Van Gerven, 2012) and thereby blame the EU for implementing necessary but unpopular welfare policy changes (Büchs, 2008). The following paper shall concentrate on this latter aspect as a further blame avoidance strategy and hence examine the legitimization ‘frames’ in context of the aforementioned provision.

1.2 Research Question and Structure

The main research question arising from this purpose shall therefore be the following: *“How do German core executives legitimize the unpopular reduction of the maximum reception period of unemployment benefits for older workers?”* The research question hence has a descriptive nature and is intentionally formulated quite broadly, which enables me to complement the presumed legitimization frames during my empirical research.

In order to examine the research question, I will proceed as follows: In the subsequent chapter the theoretical approach shall be presented to formulate hypotheses which should guide the empirical study. I will especially concentrate on the strategic use of the OMC at the second level and how national politicians spread the blame for implementing unpopular welfare state reforms due to the focus of this paper on the national decision-making phase. Thereafter, I will introduce the methodological concepts applied for my research. Before addressing the empirical case, I will briefly elucidate the central European strategy concerning employment policies, the EES, as well as its mode of governance, the OMC. Since employment policy for older workers is from major interest of my research, I will also illustrate

the provisions provided in the EGLs in terms of older workers. Within Chapter 5 I will finally conduct my empirical study, whereby the political context, the *Agenda 2010* as well as the *Gesetz zu Reformen am Arbeitsmarkt* and its consequences for older workers shall be briefly explained at first. Afterwards the controversial character of the reform shall be pointed out by considering particularly newspaper coverage of the year 2003. Finally, I will present the empirical evidence detected in my research, which enables me to draw a final conclusion on the hypotheses and answer the research question.

2. Theoretical Considerations

After I already indicated the theoretical concepts within the introduction, I will now elaborate on my theoretical framework in detail. Although the purpose of my research is not – as aforementioned – detecting a causal relationship between EES guidelines and the German reform, I will shortly present the most significant strands in the academic discipline of European Studies in terms of the OMC and its influence on the national policy arena, as it is linked to the subsequent theoretical framework applied in this paper. The next subchapter then briefly presents the basic line of argument of Robert D. Putnam's (1988) 'two-level game' approach, which was originally applied in the field of International Relations and examined diplomatic negotiations. Thereafter, I will elucidate the application of this approach on the OMC and the assumptions it is based on. The focus shall finally lie on the second level, which provides an analytical framework for examining the legitimization of unpopular reforms and thus is from major interest for my research. It hence shall be explained in detail and linked to blame avoidance as the political strategy concerning unpopular welfare state policies.

2.1 The OMC and its Effectiveness – Review on Main Academic Strands

According to Büchs (2008), two opposing views exist in the literature examining the influence of the OMC. Scholars of the first strand have a rather sceptical view on the OMC and its impact on the national policy arena due to its non-bindingness and less sanctions (Büchs, 2008). In this context, Chalmers & Lodge (2003) argue for instance, that "tools of benchmarking and peer review are widely held to be insufficient to motivate intended policy change" (Chalmers & Lodge, 2003, p. 13). Advocates of a more optimistic point of view, however, object that 'soft law' is a good and effective alternative, particularly in the field of social policy, wherein the different policy approaches of the Member States differ extremely (Büchs, 2008). In

2001, only a few years after the OMC and the EES were established, De La Porte, Pochet & Groom (2001) published an article examining the new mode of governance and its influence. Therein they attributed a high likelihood of possible implications for the Member States to the OMC (De La Porte, Pochet, & Room, 2001). Jonathan Zeitlin (2005) moreover comes to the following conclusion: “Among the most widely attested findings of recent empirical work on the European Employment and Social Inclusion Strategy [...] is that these OMC processes have raised the political salience and ambitions of employment and social inclusion policies at the national as well as at the EU level” (Zeitlin, 2005, p. 450). Furthermore, López-Santana (2006) emphasises the framing-effect of the OMC particularly on the formulation of policies. Beside these two major strands concerning the possible influence of the OMC on national policy-making, the academic literature provides different approaches for examining this influence (Büchs, 2008). Since the aim of the present paper is not investigating the impact of the OMC, these approaches shall not be discussed extensively. Furthermore it would go beyond the scope of a bachelor-thesis to review the large amount of literature existing in terms of this topic, wherefore I will refer to a classification of Trubek & Trubek (2005). Generally, one can distinguish between at least six different ways how change can result from the OMC: shaming, diffusion through mimesis or discourse, deliberation, learning, and networks (Trubek & Trubek, 2005). These concepts, in turn, can be arranged in two broad categories: Shaming, diffusion through mimesis and discourse, and one version of network theory – on the one hand - regard the OMC from a top-down perspective, whereby ideas are developed at EU level and influence the national or sub-national level (Trubek & Trubek, 2005). On the other hand, deliberation, learning and another version of network theory “assume that the transmission of ideas and the vectors of influence for policy change may be as much bottom-up as top-down.” (Trubek & Trubek, 2005, p. 91). In this approach, change occurs through the exchange of ideas between different levels and the different Member States, which is why e.g. mutual learning programs are of major importance (Trubek & Trubek, 2005). To put it in other words, focusing on possible policy changes through the OMC, all these approaches are rather policy-centred. Although scholars who applied these approaches could detect empirical evidence that in some Member States policy change occurred through the EES, the academic debate about the degree of influence still continues (Trubek & Trubek, 2005).

2.2 The OMC as a ‘Two-Level Game’

According to Büchs (2008) one cannot answer the question of the OMC’s influence with a simple ‘yes’ or ‘no, though. Although the OMC has an impact on national social policy making and thus can make a difference, its influence is still less than promoted by the EU or hoped for by optimistic scholars. Accordingly the answer lies rather somewhere in the middle (Büchs, 2008). Moreover – as Büchs argues – examining the influence of the OMC on the national policy arena is not enough. She claims for a combination of both top-down and bottom-up approaches to achieve a comprehensive picture of the OMC’s complex functioning (Büchs, 2008). Since the OMC is a ‘middle way’ governance approach, implying that the EU gets involved in social policy making on the one hand, but the Member States can still – at least formally - act autonomously, the OMC shall be considered a complex ‘two-level game’ (Büchs, 2008). Stiller & Van Gerven (2009,2012) promote the idea of considering policy making in the area of European social policies a ‘two-level game’ as well. According to them, it is in line with a current consensus among scholars in the field of European Integration (see e.g. Börzel, 2002), whereby the relationship between the EU and its Member States is no longer regarded as a one-way street. The ‘two-level game’ approach thus appears to be an appropriate concept, connecting both bottom-up orientated intergovernmentalist approaches (see e.g. Moravcsik, 1991; Moravcsik, 1998) with concepts on supranationalism (see e.g. Weiler, 1981), which is rather top-down orientated (Stiller & Van Gerven, 2009). Moreover, this concept provides a theoretical framework for examining the politics and the strategies of political actors concerning the OMC (Büchs, 2008) and hence is an addition to the aforementioned policy-centred approaches. As the ‘two-level game’ approach originates from Putnam (1988), I will first give a brief overview on Putnam’s basic assumptions, before elucidating how it is applied and adjusted to the OMC.

2.2.1 Origins of the ‘Two-Level Game’ (Putnam, 1988)

Putnam originally employed the concept of a ‘two-level game’ in the field of International Relations (Büchs, 2008). Although different approaches which assumed a relation between domestic factors and international affairs already existed at that time, Putnam suggested “to seek theories that integrate both spheres, accounting for the areas of entanglement between them” (Putnam, 1988, p. 433). The core assumption of this concept is that in context of international negotiations domestic

political leaders appear as ‘players’ at two ‘game boards’ or - to put it differently - at ‘two levels’: first, they negotiate at an international level with their foreign counterparts and try to achieve the best outcomes for their country (Putnam, 1988). Secondly, at the national level, they have to cope with powerful domestic political actors such as interest groups or opposition parties (Putnam, 1988). Clever key players accordingly can make strategically use of this game, since – according to Putnam – an outcome on one level could facilitate obtaining otherwise unattainable objectives on the other level and hence the intended policy change may occur on this level as well (Putnam, 1988). As this concept was developed in context of international negotiations and applied by the academic discipline of International Relations, the ‘two-level game’ has to be adjusted to the special character of the OMC, which will be elucidated extensively in the following part.

2.2.2 Application of the ‘Two-Level Game’ on the OMC

In her 2008 published article, Büchs applied the ‘two-level game’ to the OMC, whereby her research interest differs from the one of Putnam. Instead of detecting when international agreements can be successfully adopted, Büchs is interested in two aspects: “why member state governments agree to certain OMC objectives and how they subsequently ‘use’ them in national policy-making.” (Büchs, 2008, p. 10). Additionally, applying the ‘two-level game’ approach on the OMC allows for examining the stage preceding the national policy cycle on the EU-level as well as decision making stage at the national level (Stiller & Van Gerven, 2009, Stiller & Van Gerven 2012). To put it differently, the basic assumptions of Stiller & Van Gerven are that 1) *national core executives ‘upload’ policy ideas held at the domestic level to the EU level* and therefore influence the EES agenda. Furthermore, they 2) *‘download’ policy ideas from the EU level to the national policy arena and make strategic use of them in order to justify national reforms* (Stiller & Van Gerven, 2012) Also Büchs refers to a strategy of ‘invited dutifulness’, whereby national governments “influence the OMC agenda in such a way that it provides an additional justification for previously planned but unpopular policy reforms at home” (Büchs, 2008, p. 14). Due to the restricted scope of a bachelor thesis on the one hand and the focus of this paper on the national decision making stage on the other, I will concentrate on the latter aspect, that is to say ‘downloading’ ideas from the EU-level.

2.2.3 Downloading Ideas in order to justify Unpopular Reforms

In the following part I will now outline the concrete theoretical framework my subsequent empirical research shall be build on. I will therefore discuss the aforementioned assumption concerning ‘downloading’ ideas from the EU-level in order to legitimize national reforms in detail and will link it with further theoretical research on blame avoidance strategies in cases of unpopular welfare state reforms. According to Stiller & Van Gerven (2012), ‘downloading’ occurs in case a process of policy change is preceded by usage of the EES, implicating either direct or indirect reference to the EES for legitimizing national reforms. They base their hypothesis on previous research - for instance the work of Stiller (2006) - indicating that actors referred explicitly to the EU for justifying national reform plans towards the opposition. Stiller examined pension reform processes in Italy and Germany and how key politicians in both countries legitimized it by referring to EU-guidelines (Stiller, 2006). Her study can be seen within a general debate on the role of framing and discourse and Europeanization mechanisms and draws on the work of – *inter alia* - Radaelli (2000), Knill & Lehmkuhl (1999) as well as Schmidt (2002). As she concentrates on the legitimizing function of discourse and framing, she presumes an exploitation of arguments about the EU/EMU to justify unpopular cuts in social provision and point to the European level in order to spread the blame (Stiller, 2006). Accordingly, national policy makers may apply the strategy of blame avoidance (Weaver, 1986) in order to legitimize the necessity of unpopular reforms. A reform is considered unpopular in cases of policy changes “that do not favour the median voter, which is the voter holding the median policy position” (Vis, 2008, p. 1). Pierson (1996) adds that government officials do not solely have to withstand the scrutiny of voters, but also of influential interest groups. In terms of welfare state reforms, particularly retrenchment policies are regarded as unpopular, as they implicate losses on groups of voters (Pierson, 1996). The politics of unpopular reforms in general, and in case of welfare state reform, the politics of retrenchment, are thus characterized by blame avoiding strategies rather than credit claiming (Pierson, 1996). Since voters are more likely to remember reforms affecting them negatively, policy makers try to spread the blame for implementing unpopular reforms in order to increase their possibilities of getting re-elected (Vis & van Kersbergen, 2007). In context of policy making within the multi-level governance system of the EU, the ‘Finding a Scapegoat’ strategy particularly occurs, implying

that national policy maker shift the responsibility of retrenchment or cost-containment reforms to the EU-level. “If reforms can be presented as legally required or economically imperative because of the single market or moves toward monetary union, national governments may be freed from some blame for welfare-state-cutbacks.” (Pierson, 1996, p. 178) The underlying assumption in these approaches accordingly is that national policy makers are likely to avoid blame in cases of unpopular welfare state reforms. The EES/OMC is one example enabling policy makers to cite a further legitimization ‘frame’ for unpopular reforms and hence attempt to blame another level. Since the aforementioned provision was controversially discussed even in the ranks of members of parliament of the governing parties (Süddeutsche Zeitung, 2003, 2003a), it may be assumed that national policy makers referred to the EU-level for legitimizing the shortening of unemployment benefits for older workers. In addition to the theoretical assumptions, there are also some previous empirical studies existing, which proved that national policy maker made reference to the EU-level when legitimizing their reforms (Stiller, 2006; Stiller & Van Gerven, 2009, 2012). Other cases, however, could not detect evidence for EU-reference in cases of unpopular reforms. Stiller (2006), for instance, found out that in the case of the 2001 German pension reform, policy maker rather referred to socio-economic pressures in order to justify the reform. In this case, German key politicians explained the necessity of the reform by making reference to demographic pressures, where the contributions for the younger generation had to be stabilized in order to obtain more employment and growth and secure the competitiveness of the German economy (Stiller, 2006). This would in turn reflect the blame avoidance strategy of ‘Redefining the Issue’. “We may assume that no government will ever present reform policies of popular social programmes as explicitly aiming at reducing the level of protection from the market, that is, as explicitly recommodifying.” (Vis & van Kersbergen, 2007, p. 166) Following the strategy of ‘Redefining the Issue’ it is assumed that in cases of retrenchment reforms governments present the policy as a necessary efficiency instrument (ibid.). The empirical evidence concerning blame avoidance strategies and legitimization ‘frames’ therefore is very ambiguous. While there are cases existing that could clearly identify a reference to EU-level (‘Finding a Scapegoat’ strategy), other cases revealed strategies that are rather related to the ‘Redefining the Issue’ strategy. Thus further research appears necessary to add another part to this puzzle. In order to structure my empirical analysis, I furthermore formulated two hypotheses related to

the research question and based on the aforementioned theoretical approaches and previous empirical findings. The first hypothesis is linked to the assumption that national policy makers strategically use the OMC in order to justify reforms at the national level and hence the blame avoidance strategy of ‘Finding a Scapegoat’. Therefore, the hypothesis H1 is:

H1: “German core executives make reference to the EES and use the EES and EU social policy as a justification for legitimizing the shorter period for receiving unemployment benefits for older workers”.

The second hypothesis, instead, refers to the socio-economic pressure of demographic change, which was already revealed as a legitimization frame in terms of German pension reform (Stiller, 2006) and reflects the strategy of ‘Redefining the Issue’. Hypothesis H2 thus is:

H2: “German core executives make reference to the socio-economic circumstances in context of demographic ageing as a justification for legitimizing the unpopular bill.”

Both hypotheses are not mutually exclusive, but can also be complementary. With respect to the aforementioned research question, I assume that ‘reference to EU-level’ as well as ‘reference to socio-economic circumstances’ are possible ‘frames’ cited by German core executives in order to legitimize the reform.

3. Methodological Considerations

In order to make my empirical study intersubjectively replicable, I will now present the methodological approach applied in my research, which encompasses the general research design as well as the method of data collection and data analysis.

3.1 Research Design

In terms of the basic research design, I will conduct a *case study*. Since a variety of definitions exists within the methodological discussion about case studies (Gerring & McDermott, 2007), I apply the definition of Blatter, Janning & Wagemann (2007), who orientate their definition by a differentiation between case-centred and variable-centred designs and thereby combine different approaches. According to them, case studies should encompass two strategies of analysis: (a) a process analysis within

single cases and (b) a comparison of factors and processes with theoretical concepts in one or a few cases (Blatter, Janning, & Wagemann, 2007). As my research project aims to analyse the national decision making process regarding the shortening of unemployment benefits for older workers and compare the findings with the aforementioned theoretical assumptions (strategic use of EES and blame avoidance), a case study appears to be the appropriate research design. Furthermore, with regard to the descriptive nature of my research question, Blatter, Janning & Wagemann (2007) attribute a particular strength to case studies in case of descriptive analysis due to the in depth interpretation and description of social and political structures and processes. Although the in depth analysis presents one major advantage of case studies compared to variable-centred designs, it simultaneously leads to a disadvantage of this type of research design. Compared to quantitative designs, case studies are not designed to examine a great breadth of cases (Gerring J. , 2004). Even though “single-unit studies can credibly claim to provide evidence for causal propositions of broad reach-e.g., by choosing cases that are especially representative of the phenomenon under study or by choosing ‘crucial’ cases” (Gerring J. , 2004, p. 347), the case examined in the following study cannot be considered a representative or crucial case and therefore does not provide broad-reaching evidence. This has to be considered – of course – when drawing conclusions from the results of my analysis.

3.2 Research Strategy – Structured Content Analysis

Concerning my general research strategy, I will apply the concept of structured content analysis, which is considered the most central technique of content analysis and aims to select certain structures from the text (Mayring, 2010). As the purpose of this study is to test the hypotheses formulated above and answer the research question, the deductive approach when defining categories (Mayring, 2000) seems appropriate for examining the present case. This research technique moreover provides a method for collecting data as well as for analysing data. The general process flow of structured content analysis is divided into eight steps (Figure 1):

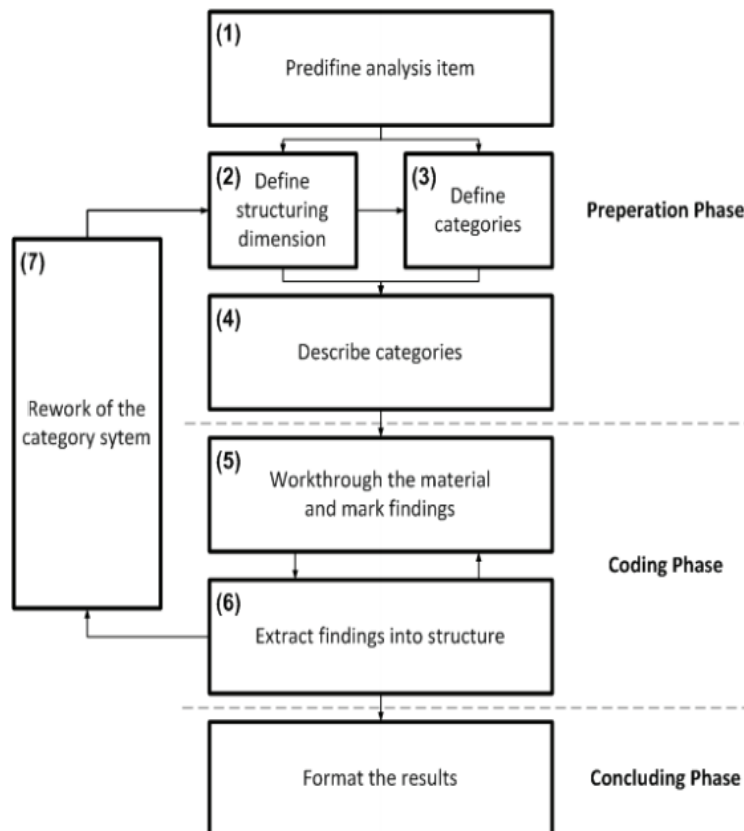


Figure 1: Process Flow of Structured Content Analysis according to Mayring (Kohlegger, Maier, & Thalmann, 2009)

While I will execute the first four steps or the preparation phase within this methodological chapter, the coding phase will be substance of my empirical case study (Chapter 5.4) and – as the name implies – the results will be formatted within the concluding phase or the final conclusion.

3.2.1 Step 1: Predefine Analysis Item

Accordingly, I will now firstly predefine the analysis item. Thus, the relevant actors as well as the relevant documents have to be determined. Concerning the actors the concept of ‘core executives’ shall help to limit the type of actor which is relevant for my research. According to Rhodes (1995), ‘core executive’ encompasses “all those organizations and procedures which coordinate central government policies, and act as final arbiters of conflict between different parts of the government machine.” (Rhodes R. A., 1995, p. 12). He furthermore adds that core executives “pull together and integrate government policies” (Rhodes R. A., 2007, p. 1247). The key question arising from this concept is therefore ‘Who does what?’ (Rhodes R. A., 1995).

Concerning the shorter maximum unemployment insurance benefit receipt for older workers, previous research has identified Wolfgang Clement, the then Minister of Economics and Labour Affairs, as the central actor, since he was in charge for the activating labour market policies of the red-green government (Schmidt, 2007; Stiller & Van Gerven 2009, 2012). It is argued that Clement was considered a strong modernizer within the Social Democratic Party of Germany (SPD) and hence was the right personnel for tackling the extensive labour market reforms (Stiller & Van Gerven, 2009). As Parliamentary State Secretaries are directly subordinated to cabinet ministers (Helms, 2005), they can be regarded as a part of the core executive in the narrow sense as well. In particular, Parliamentary State Secretaries present statements of the ministry in front of both German houses, the *Bundestag* and the *Bundesrat*, and in front of the German federal cabinet, the *Bundeskabinett*, in case the minister is absent (Helms, 2005). When examining the legitimization frames of German core executives, it thus obviously necessary to include the then Parliamentary State Secretary Gerd Andres - who was responsible for the provision (BT-PIPr. 15/39) - to the narrow concept of the core executive. The *Agenda 2010* process is moreover frequently associated with Gerhard Schröder, as the then social democratic Chancellor impersonated the new way of social democratic labour market policies in Europe next to the British Labour Prime Minister Tony Blair (Hegelich, Knollmann, & Kuhlmann, 2011). His government statement on the 14th March is considered the central speech concerning the *Agenda 2010*. It therefore seems reasonable to include Schröder into the narrower definition of the core executive as well. Although other central actors within the core executive concerning the present provision may have been existed, it would exceed the scope of a bachelor thesis to consider further actors, which is why I will concentrate on the most central ones of the core executive occurring in the parliamentary debate in this case: Clement and Andres as key policy maker who are responsible for the matter of labour market policies, and Schröder as the key initiator of the *Agenda 2010*, who pulled the strings of this reform process. In addition to actors, it seems moreover plausible to restrict the type of documents which shall be examined, since analysing all documents wherein core executives make statements related to the examined provision would go beyond the scope of a bachelor-thesis. I will accordingly restrict my research to documents which are addressed to the two legislative institutions of the Federal Republic of Germany, the *Bundestag* and the *Bundesrat*, since implementing the bill

required passing both houses.² It was therefore highly significant for German core executives to legitimize the necessity of the reform in front of both houses in order to obtain the majority for the bill. As parliamentary sessions can moreover be followed by the electorate and are subject of media coverage, it may be assumed that German core executives choose very convincing arguments in terms of unpopular welfare state reforms. Although it may be possible that the line of argument differs with regard to different audiences, the broad scope of parliamentary sessions encourages the assumption that parliamentary protocols represent the general legitimizing arguments of German core executives. Thus I furthermore decided to exclude the Permanent State Secretaries from the core executive, who are not present in the parliamentary debate. The data shall be based mainly on plenary protocols of the parliamentary sessions, whereby the year 2003 was determined as the relevant time period, as I concentrate on the decision-making phase and the *Bundestag* as well as the *Bundesrat* discussed the bill in this year according to the Documentation- and Information system for Parliamentary processes. The government's bill of the *Gesetz zu Reformen am Arbeitsmarkt* (BR-Drs. 421/03, BT-Drs. 15/1509 & 15/1204) – as it is addressed to both houses – shall serve as an additional data source to obtain a more profound image. From these documents I will then determine the relevant text passages, namely those where either Clement or Andres or Schröder refer to the planned shorter reception period of unemployment benefits for older workers. Therefore, the data collection is divided into two sub-steps. First, I will browse through all plenary protocols of 2003 of both houses and select those parts where one of the aforementioned core executives (Clement, Andres or Schröder) makes a statement. Second, searching for key words concerning the shortening of unemployment benefits for older workers enables me to detect the parts of the statements, which are related to this topic. I determined the terms *Arbeitslosengeld* (unemployment benefit), *Bezugsdauer* (duration of receipt) and *ältere Arbeitnehmer* (older workers) as central words that may indicate a statement with reference to the shortening of the duration period of unemployment benefits for older workers. In terms of the additional data source – the bill of the *Gesetz zu Reformen am Arbeitsmarkt* – no individual core executive exists and hence the first step is

² Within the law-making process of the Federal Republic of Germany there exist laws that require – in addition to the agreement of the *Bundestag* – that the *Bundesrat* as the representation of the German states agrees as well, since otherwise the bill cannot be implemented (Schubert & Klein, 2011).

redundant. The second step, however, applies to the bill as well. This approach finally reveals the paragraphs that are relevant for my research.

3.2.2 Step 2, 3 & 4: Define and Describe Structuring Dimensions and Categories

After extracting the relevant information from the examined documents, the relevant text passages are “put into another structure determined by several structuring dimensions (2) and its underlying category system (3).” (Kohlegger, Maier, & Thalmann, 2009, p. 53). The structuring dimensions thereby have to be deduced from the research question – or in my case – the hypotheses (Mayring, 2010). Consequently, I can define two structuring dimensions deriving from the hypotheses: Concerning the first hypothesis H1, I argue that cores executives refer to the EES to overcome national opposition for their reform intention. Accordingly, I can determine ‘EES-Reference’ as the first structuring dimension. In order to define the implicated categories of ‘EES-Reference’ (step 3), I once again resort to the work of Stiller & Van Gerven (2012). According to them, evidence for reference to the EES-level can be detected when core executives refer either directly to the EES or indirectly by circumscribing the EES (Stiller & Van Gerven, 2012). The hence categories underlying the EES structuring dimension are: ‘Direct EES-Reference’ and ‘Indirect EES-Reference’. Whilst direct reference is relatively clear and occurs any time the EES is explicitly named, indirect reference may be a bit vague. Thus, I assume that circumscribing the EES implies statements that are related to goals of the EES (Chapter 3). A possible example would therefore be one of the core executives stating that implementing the reform is necessary in order to meet the common goals in the EU (Step 4). Considering the second hypotheses H2, it is presumed that core executives make references to the socio-economic circumstances in context of demographic ageing. The second structuring dimension hence is ‘Socio-Economic-Reference’. With respect to the underlying categories, I already mentioned that the shortage of skilled labour force and the pressure on social security systems are cited as the main challenges of demographic change for social policy making (Fuchs, Söhnlein, & Weber, 2004). I can therefore define ‘Skills Shortage’ and ‘Pressure on Social Security Systems’ as the categories underlying the second structuring dimension. In this context, reference to ‘Skills Shortage’ occurs whenever core executives refer to the decreasing labour force due to demographic ageing and shortage of skilled workforce as a consequence. ‘Pressure on Social Security

Systems' moreover includes all statements related to the difficulties of financing social security insurances due to the demographic development (Step 4). The results from these preparatory considerations are illustrated in the table below, which shall serve as an analysis matrix for my empirical study.

„Legitimization-Frame“						
„Core Executive“			EES-Reference		Socio-Economic-Reference	
			Direct EES-Reference	Indirect EES-Reference	Skills Shortage	Pressure on Social Security
	Wolfgang Clement	Bundestag				
		Bundesrat				
	Gerd Andres	Bundestag				
		Bundesrat				
	Gerhard Schröder	Bundestag				
		Bundesrat				

Table 1: Matrix of Analysis

4. European Employment Policy – The EES

In order to assess whether German core executives refer to the EES it seems reasonable to illustrate briefly its genesis as well as the core pillars it is built on. Within a first subchapter I will therefore give a short overview on the ‘milestones’ in the history of the EES, whereby I will concentrate on the time period until 2003 as the year the political debate in terms of the *Gesetz zu Reformen am Arbeitsmarkt* took place. While giving a brief chronological overview, I will furthermore outline the gist of the EES. As governance within the EES is characterized by a new mode of Governance – videlicet the OMC – I will also elucidate its main characteristics and

peculiarities. Finally, I will concentrate on EES provisions concerning particularly older workers, since the national provision at the centre of this paper deals with the shortening of unemployment benefits for this group of workers. In this context, the Council decisions on guidelines for employment policies of the Member States, from 1998 (after the EES was launched) to 2003 (when the German provision was discussed) shall be considered.

4.1 The EES – Overview on Genesis, Main Content, and Mode of Governance

To understand the emergence of the EES one should have a short glance at the socio-economic circumstances of European welfare states at that time. According to Mosher & Trubek (2003) “the EES emerged from a crisis that came to head in the mid-1990s.” (Mosher & Trubek, 2003, p. 64). In addition to dramatically high unemployment rates, European countries experienced “adverse demographic conditions, transformations of household structures, and external threats, such as globalization [...]” (López-Santana, 2006, p. 481). In this context Member States had to address these economic and social pressures to remain competitive in this era, which is why a strategy for coordinating the reform and modernization of existing social policies and institutions had to be developed (López-Santana, 2006). At the backdrop of these circumstances, the then Commission President Jacques Delors presented a White Paper on a medium-term strategy for growth, competitiveness and employment (Blank & Schulze Buschoff, 2011) and initiated the ‘Essen Process’ in 1993 (European Union, 2005). Whilst the objectives of the “Essen Process” were regarded as a temporary solution, the idea of a European Employment Strategy was formalized and institutionalized at the Amsterdam Summit 1997 (Blank & Schulze Buschoff, 2011). The result – the Amsterdam Treaty – included a chapter on employment for the first time (ibid.), finally initiating a change in European employment policy. Accordingly Article 145 of the Treaty of the Functioning of the European Union (TFEU) emphasises the development of a coordinated strategy for employment (Ribhegge, 2011). The overall objective of the EES was reducing unemployment at EU-level within the next five years (European Union, 2005). In detail, the EES was based on four different pillars in order to ‘guide’ reforms in Member States: the *employability pillar*, the *entrepreneurship pillar*, the *adaptability pillar*, and finally the *equal opportunities pillar* (Blank & Schulze Buschoff, 2011). In terms of the present paper, the *employability pillar* is of major interest, since it concentrates on employment of older workers. This pillar mainly focuses on

implementing “preventive and employability strategies” (Blank & Schulze Buschoff, 2011, p. 13), which implicated active labour market policies such as training or lifelong learning in order to prevent unemployment. With the Lisbon Special European Council in 2000, the EES experienced its first ‘upgrade’ (Blank & Schulze Buschoff, 2011). Thereby, the heads of the Member States launched the Lisbon Strategy, which ambitious overall goal was “to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” (Council of the European Union, 2000). The EES played a key role for achieving this goal (European Union, 2005), wherefore the mode of Governance of the EES, the OMC, was formalized and should be used in other areas as well (Blank & Schulze Buschoff, 2011; Mosher & Trubek, 2003). At the core of this OMC lies an iterative procedure (Scharpf, 2002), consisting of four institutional key features (Blank & Schulze Buschoff, 2011). The procedure starts with an annual *Joint Employment Report (JER)* to the Council, which then formulates *Employment Guidelines (EGL)* based contentwise on the four pillars of the EES and following a Commission’s proposal (Scharpf, 2002; Blank & Schulze Buschoff, 2011). The Member States, in turn, create *National Action Plans (NAPs)* every year, wherein the implementation of these Guidelines is described. The Commission and a permanent committee of senior civil servants evaluate these NAPs afterwards, influencing the next iteration of EGLs and NAPs (Scharpf, 2002). Additionally, the process can also lead to *Council recommendations* that are specifically addressed to an individual Member State (Scharpf, 2002). Although the procedure illustrated at this place is specific for the EES, the essential characteristics are the same in other policy areas (Scharpf, 2002). In comparison with EU ‘hard law’ it “is based rather on cooperation, reciprocal learning and the voluntary participation of the Member States and not on binding legal norms, minimum standards and economic pressures [...]” (Heidenreich & Bischoff, 2008, p. 499). Borrás & Jacobsson (2004) make a further distinction with regard to already existing modes of ‘soft law’ in the EU and also in the Organisation for Economic Cooperation and Development (OECD). The core principles of the OMC following thereof are “voluntarism, subsidiarity, flexibility, participation, policy integration, and multi-level integration.” (Borrás & Jacobsson, 2004, p. 189) (for further information see also Jacobsson, 2001; Jacobsson & Schmid, 2003; Scott & Trubek, 2003). In Lisbon the EU set ‘hard targets’ in the field of employment policy for the first time, such as an overall Employment rate of 70% and a female

Employment rate of 60%. Those targets were supplemented at the Stockholm Summit in 2001 by introducing a 50% Employment target for older workers (Blank & Schulze Buschoff, 2011).

4.2 The EES and Older Workers

As aforementioned, with the Stockholm summit a quantitative goal concerning the Employment rate of older workers was introduced. The EU accordingly adopted a strategy of ‘active ageing’, which implied a combination of both better labour market integration of older workers and increased participation in lifelong learning (Eichhorst, 2011). “This has become a core pillar of both the Lisbon Strategy and the European Employment Strategy in order to enhance social integration, economic growth and productivity as well as to counter the consequences of demographic ageing.” (Eichhorst, 2011, p. 107) Since the provision examined in this paper aims to eliminate early retirement schemes and thus facilitates a longer participation of older workers in working life (BR-Drs. 421/03, BT-Drs. 15/1509 & 15/1204), I will shortly track the strategy of ‘active ageing’ within the EGLs (as a key institutional feature of the EES) from 2001 to 2003. Whereas the particular group of older workers was not explicitly mentioned in the first guidelines for the year 1998, ‘active ageing’ was already included within the employability pillar of the 1999s EGLs. The focus at this time was in particular set on positive measures such as lifelong learning and flexible working arrangements, “so those older workers are also able to participate actively in working life.” (Council of the European Union, 1999, p. 5). In 2000, the guidelines remained unchanged with respect to older workers. The 2001 EGLs, nevertheless, provided a second strand of strategies in addition to the aforementioned positive measures. Longer participation of older workers in the labour force accordingly should no longer be exclusively achieved by promoting education and flexible working arrangements, but also by “reviewing tax and benefit systems in order to reduce disincentives and make it more attractive for older workers to continue participating in the labour market.” (Council of the European Union, 2001, p. 22). After the heads of the EU agreed on raising the Employment rate of older workers to 50% at the Stockholm summit in March 2001, this quantitative target was adopted in the 2002 guidelines. Next to the new quantitative goal, the Council amended a qualitative goal to the guidelines in terms of older workers. Accordingly, the quality of work should be promoted as it is an important factor for maintaining older workers in the labour force (Council of the European

Union, 2002). In terms of the second approach – namely reducing disincentives for older workers to participate longer in working life – the 2003 EGLs specified this strategy. Hence, the goal was to eliminate incentives for early exit from the labour market, which should be done mainly by reforming early retirement schemes and ensuring that it pays to remain in working life (Council of the European Union, 2003). Summing up, one can state that older workers already played a role during the early stages of the EES. Yet, the goals and the strategies for achieving them were constantly specified.

5. Case-Study: The Shortening of Unemployment Benefits for Older Workers in Context of the German Agenda 2010

The following chapter shall now examine the case of a particular reform in context of the German *Agenda 2010*, which aimed to shorten the unemployment benefits for older workers, and shall moreover address the question how German core executives attempted to justify this reform provision. In order to comprehend the general political circumstances, I will first briefly present the reform package of the so-called *Agenda 2010*, whereby I will especially concentrate on changes in the unemployment benefit system due to the focus of this paper. Thereafter, the legal bill that provided the aforementioned change in the unemployment benefit system for older workers (*Gesetz zu Reformen am Arbeitsmarkt*) and its consequences for older employees shall be considered. As mentioned in the foregoing theoretical chapter, particularly unpopular welfare state reforms require good legitimization frames or blame avoidance strategies. The subsequent subchapter shall accordingly illustrate the controversial political debate concerning the reform project. Finally, the results of my in-depth document analysis shall be presented for detecting whether the empirical hypotheses postulated above can be either verified or falsified.

5.1 The Political Context: The German Agenda 2010 and Changes in the German Welfare State

“Der Umbau des Sozialstaates und seine Erneuerung sind unabweisbar geworden. Dabei geht es nicht darum, ihm den Todesstoß zu geben, sondern ausschließlich darum, die Substanz des Sozialstaates zu erhalten. Deshalb brauchen wir durchgreifende Veränderungen.“ (BT-PlPr. 15/32, p. 2481)

The quote of the then German Chancellor Gerhard Schröder reflects the comprehensive scope of the reform package introduced within his governmental

statement on the 14th of March 2003, indicating a reorganisation of the entire German welfare state through radical reforms. It can be considered the German counterpart to the realignment of the British Labour Party at the end of the 1990s, also known as ‘New Labour’ or ‘the Third Way’ (Hegelich, Knollmann, & Kuhlmann, 2011). As one of the intellectual fathers, particularly the British sociologist Anthony Giddens promoted the new idea of welfare state policy, adopted by European social democratic parties like the British Labour Party or the German SPD (Dingeldey, 2006). The concept of the ‘Social Investment State’ introduced in this context represents an addition to the neoliberal path promoted by the British Prime Minister Margaret Thatcher and the traditional Keynesian welfare state ideas of social democrats. Although the government in the ‘Social Investment State’ provides – in contrast to the neoliberal welfare model – comprehensive social benefits, receiving those benefits on the other hand is linked to certain conditions (Dingeldey, 2006). The slogan ‘No Rights without Responsibility’ (or in the German context *‘Fördern und Fordern’*) put the core principle of this new type of welfare state succinctly. I will elucidate this principle a bit more detailed in context of the German unemployment benefit system as this chapter goes along. The term *Agenda 2010* therefore represents not only a comprehensive reform package, but a path-breaking change of German social democratic policy as well (Hegelich, Knollmann, & Kuhlmann, 2011). Nevertheless, one can still not clearly determine which policy fields and policies actually count among the entire agenda package (Nullmeier, 2009). Whilst an information flyer published by the government’s public relations office (*Bundespresseamt*) cites eight policy fields, namely economy, training, education, tax system, education and research, labour market, health care, pension and family support, the former social democratic Chancellor Schröder retrospectively determines the following seven central policy areas: labour market, dismissal protection, collective bargaining law, training, health care reform, modernization of the crafts code (*Handwerksordnung*), training, and tax- and investment policies (Nullmeier, 2009). With regard to concrete policies, Hegelich et al. (2011) identify the *Riester-Rente* (2001) in the field of pensions and the *Hartz-reforms* (2002-2005) in the area of labour market as core policies of the *Agenda 2010* process³. Both, the *Riester-Rente* as well as the *Hartz-reforms* reveal the peculiar character of the

³ Although the *Riester-Rente* and the *Hartz-reforms* are characterized as core policies of the *Agenda 2010*, the entire agenda package encompasses further reforms such as the modernization of the statutory health insurance (*gesetzliche Krankenversicherung*) and the raise of the minimum retirement age to 67 (*‘Rente mit 67’*) (Hegelich, Knollmann, & Kuhlmann, 2011).

Agenda 2010, since German policy makers already had agreed on the *Riester* reform when Schröder introduced the *Agenda 2010* program in 2003, and the *Hartz* process had already started as well (Hegelich, Knollmann, & Kuhlmann, 2011). Schröder's *Agenda* speech is thus considered an *ex post* governmental statement as it explains reforms that – at least partly – have already been implemented (Nullmeier, 2009).

Since the focus of the present paper lies on unemployment benefits, the *Hartz*-reforms as “the most ambitious German reform project in social insurance policy since World War II” (Kemmerling & Bruttel, 2005, p. 1) shall be addressed. According to Kemmerling & Bruttel (2005), ‘*Hartz*’ has become a synonymous for German labour market policy in the last decade and particularly the *Hartz IV* law was a matter controversially discussed in German public and among German politicians. Due to high unemployment rates at this time the *Hartz*-reforms can be considered the central approach of the red-green government to cope with this socio-economic pressure (Hegelich, Knollmann, & Kuhlmann, 2011). The ‘window of opportunity’⁴, however, was opened by the placement scandal (*Vermittlungsskandal*)⁵ of the inefficient German Public Employment Service (PES) (Schmid, 2007) (Kemmerling & Bruttel, 2005). The *Hartz-Reforms* therefore did not solely induce a change in the policy-dimension, but also in the politics- and polity dimension, reflected by the transition from the inefficient and bureaucratic Federal Institute for Employment (*Bundesanstalt für Arbeit*) to the modern, service-orientated Federal Agency for Employment (*Bundesagentur für Arbeit*) (Hegelich, Knollmann, & Kuhlmann, 2011). For the present paper, nonetheless, the policy changes in terms of the unemployment benefit system are from major interest, as my purpose is to reveal the legitimizing strategies for implementing a reform concerning the unemployment benefit system. The polity (e.g. restructuring of the *Bundesanstalt für Arbeit*) as well as the politics reforms (e.g. less participation of social partners) can hence be neglected in terms of my research. My intention in explaining the reform of the unemployment benefit system a bit more detailed is furthermore to underline the retrenchment character of those reforms, since blame avoidance strategies most likely occur when welfare state spending is retrenched (Pierson, 1996). As aforementioned, the most path-breaking and controversial reform of this package was

⁴ ‘windows of opportunity’ are defined “as fleeting opportunities for advocates of proposals to push their pet solutions, or to put attention to their special problems” (Kingdon, 1995, p. 165)

⁵ During the *Vermittlungsskandal* in 2002, the German Federal Court of Auditors (*Bundesrechnungshof*) revealed serious mistakes within the placements statistics of the *Bundesanstalt für Arbeit*, whereby e.g. only one third of all placements complied with the actual legal definition (BPB, 2011)

the 4th Law on Modern Services on the Labour Market (*viertes Gesetz für moderne Dienstleistungen am Arbeitsmarkt*), generally known as *Hartz IV* named after the head of the government-appointed Commission on the Modernization of Labour Market Services, Peter Hartz (Stiller, 2010). It implied a paradigm shift in the Bismarckian-conservative welfare state and social security system by merging the social assistance with the unemployment assistance (Stiller, 2007). The former three-pillar unemployment benefit system thus became a two-pillar system, consisting of the contribution based unemployment benefit I (*Arbeitslosengeld I, ALG I*) and the taxed based unemployment benefit II (*Arbeitslosengeld II, ALG II*) (Kemmerling & Bruttel, 2005). The latter one was adjusted to the level of the former social assistance (Dingeldey, 2010). After *ALG I* is expired, jobseekers therefore immediately move to the means tested *ALG II*, which is no longer dependent on the former income. “This departure from the former income is the actual break from previous practice, because workers who earned good salaries before becoming unemployed will now face a drastic decline in their benefits in comparison with the former unemployment assistance, which was linked to former income and paid for an unlimited period.” (Kemmerling & Bruttel, 2005, p. 6). The principle of ‘*Fördern und Fordern*’ furthermore requires that receiving means-tested unemployment benefits is linked to certain criteria like active job seeking, participation in qualification and training programs or accepting a job in the low-wage labour market (*Ein-Euro Jobs*) (Schmid, 2007). It becomes apparent that jobseekers probably try to avoid moving from the *ALG I* pillar to the *ALG II* pillar and hence the duration of how long one receives *ALG I* becomes very important. It is therefore no surprise that the shortening of the duration of reception of *ALG I* for older workers was controversially discussed (Nullmeier, 2009). This legal provision is frequently attributed to the *Hartz IV* law, but was actually regulated within a separate law, namely the law on labour market reforms (*Gesetz zu Reformen am Arbeitsmarkt*) (Hegelich, Knollmann, & Kuhlmann, 2011). The law came into force at the beginning of 2004, whereby the shorter duration period for receiving *ALG I* for older workers phased-in 2006 (Eichhorst, 2011). As this paper examines how German core executives legitimize the shortening of unemployment benefits or *ALG I* for older workers, the subsequent part shall analyse the main changes for older workers caused by the *Gesetz zur Reformen am Arbeitsmarkt*.

5.2 Early Retirement Before and After the *Gesetz zu Reformen am Arbeitsmarkt*

Besides changes in dismissal protection (*Kündigungsschutz*), collective bargaining law (*Tarifrecht*) and the working time act (*Arbeitszeitgesetz*), the *Gesetz zu Reformen am Arbeitsmarkt* furthermore restricted the time for receiving *ALG I* for older workers to a maximum of 18 month (BMAS, n.d.). In detail – according to the original wording of the law - §127 II of Volume III of the German social security code was changed, from which results that workers from the age of 55, who contributed at least 36 month to the social security system, receive *ALG I* no longer than 18 months. Hitherto, older workers were eligible to a maximum reception of 32 months (Hegelich, Knollmann, & Kuhlmann, 2011) and the amendment can thus be considered a radical change. Eichhorst (2011) classifies the reform as one of the major reforms affecting older workers after the German reunification. It is moreover a further step away from early retirement schemes introduced since the 1970s (Eichhorst, 2011). For almost two decades, a broad ‘social consensus’ on early retirement existed in Germany, and was promoted by all key social groups (Naegele, 2002). “Early retirement was not only ‘silently’ accepted, but in many cases was even actively promoted and financially ‘sweetened’.” (Naegele, 2002, p. 211). The reason for policy makers to support early retirement was a common belief that early retirement is a tool for combating youth unemployment (Naegele, 2002). However, the paradigm-shift from ‘active labour market policies’ to ‘activating labour market policies’ illustrated above, involved a paradigm-shift in early retirement schemes as well (Brussig & Wojtkowski, 2007). At the backdrop of demographic change and the ageing of society, early retirement did not appear an attractive option anymore (Bäcker et al., 2009). Reducing the maximum duration for *ALG I* to 18 months, enacted by the *Gesetz zu Reformen am Arbeitsmarkt*, was one important policy encouraging this paradigm-shift (Brussig & Wojtkowski, 2007). On the other hand, the provision implied losses for a particular group of voters (older workers) and can thus be considered a case of retrenchment, wherefore it is likely that policy maker try to avoid the blame (Pierson, 1996). It is furthermore in line with the Council Employment Guidelines in 2003 – illustrated in Chapter 2 – which suggest eliminating incentives for early exit from the labour market. In this context, the reduction of the period for receiving insurance based unemployment benefits was explicitly appreciated by the EU in the ‘Implementation and Progress Report 2006’ on the German ‘National Reform Program’ (European Commission, 2006).

Compared to the general employment rate, the employment rate of older workers was still relatively low post-millennial (Figure 2). Reducing the maximum period for receiving *ALG I* was therefore assessed as an appropriate contribution for obtaining the Stockholm target of 50% employment rate of older workers (European Commission, 2006).

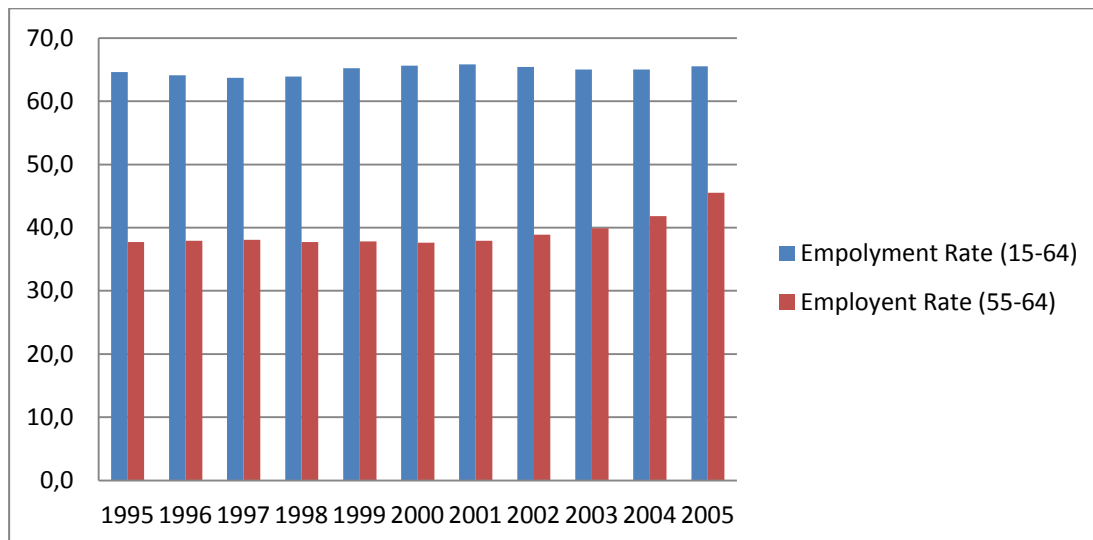


Figure 2: Employment Rate of Total Labour Force compared to Employment Rate of Older Workers from 1995-2005 in Germany (Eurostat, 2012).

As aforementioned, the paradigm-shift in German early retirement schemes started in the mid-1990s. Thus, the *Gesetz zu Reformen am Arbeitsmarkt* was preceded by a number of other reforms initiated by the pension reform in 1992, wherein *inter alia* a stepwise raise of the retirement age was enacted (Bäcker et al., 2009). German politicians as wells as the German electorate were accordingly already familiar with the new path in early retirement. Yet, as I will point out in the subsequent subchapter, shortening the maximum duration of unemployment benefits for older workers was a matter of controversial public debate.

5.3 The Public Debate on Reducing the Maximum Duration of *ALG I* for Older Workers

As Nullmeier (2009) already indicated in his analysis on the political communication of the *Agenda 2010*, the shorter reception period of insurance-based unemployment benefits induced a controversial political debate between different political camps. In the subsequent part I will outline that this debate was not restricted to an inter-party conflict, but challenged intra-party consensus as well. Furthermore, the general public regarding the reform provision is from interest, as politicians try to spread the blame in terms of unpopular reforms to maximize their prospects for re-election as well (Weaver, 1986). I will thus also show that relevant interest groups as well as the

electorate in general are sceptical towards the shortening of unemployment benefits. I will illustrate the debate on the basis of the 2003 newspaper coverage of the two nationwide daily newspapers, the *Süddeutsche Zeitung* and the *Frankfurter Allgemeine Zeitung*⁶ and on a study of Heinemann, Bischoff & Hennighausen (2009) on individual labour market preferences. Beginning with the inter- and intra-party discussion, the opposition's response to the *Gesetz zu Reformen am Arbeitsmarkt* and the reduction of the reception period of *ALG I* was highly varying. Whilst social policy maker of the Christian Democratic Union (CDU), like the labour market policy spokesman of the *Bundestag*-faction Karl-Josef Laumann, strongly criticized the reform and considered it 'unsocial', the chairman of the sister party Christian Social Union (CSU), Edmund Stoiber, generally welcomed the government's reform proposal (*Süddeutsche Zeitung*, 2003b). The (Free Democratic Party) FDP even called for reducing the period for receiving *ALG I* to a maximum of twelve months for every worker (*Frankfurter Allgemeine Zeitung*, 2003). With regard to the red-green coalition, the positions between different factions of both parties differed extremely as well. On their special party conference concerning the *Agenda 2010*, members of the largest Green Party on the state level in North Rhine-Westphalia and three members of the *Bundestag*-faction presented a proposal that *inter alia* rejected the reform of the unemployment insurance in terms of older workers. The party leadership, on national as well as on state level, however, advocated this idea (*Süddeutsche Zeitung*, 2003a). The most controversial intra-party conflict occurred within the SPD, as particularly left-wing party members withheld their approval (*Süddeutsche Zeitung*, 2003). Moreover, several state level parties of the SPD expressed their disapproval regarding the shorter reception period of *ALG I* for older workers and thus passed amendments in this respect (*Frankfurter Allgemeine Zeitung*, 2003a). In addition, the youth wing of the party – the *Jusos* – opposed the proposal as well (*Süddeutsche Zeitung*, 2003c). The Social Democratic party leadership therefore specially convoked intra-party working groups, wherein Wolfgang Clement as the responsible minister tried to convince the critics (*Süddeutsche Zeitung*, 2003). The shortening of the reception period of *ALG I* for older workers was also one provision of the entire *Agenda 2010*, which was critically considered by German labour unions (*Süddeutsche Zeitung*, 2003d). On the contrary, the leader of the German employers association (*Bundesvereinigung Deutscher*

⁶ The *Süddeutsche Zeitung* and the *Frankfurter Allgemeine Zeitung* are the German daily subscription newspapers with the widest-circulation (Kopper, 2006).

Arbeitgeberverbände), Dieter Hundt, demanded the red-green government to shorten unemployment benefits for older workers (Frankfurter Allgemeine Zeitung, 2003b). In case of the examined reform one can thus not clearly distinguish between classical cleavages, as the positions vary particularly within the major parties SPD and CDU/CSU, and also – for instance - between the SPD-led government and the labour unions. With regard to the opinion of the electorate in general, the newspaper coverage from 2003 does not reveal any information. Yet, a study of Heinemann, Bischoff & Hennighausen (2009) based on the representative General German Social Survey (*ALLBUS*) found out that the majority of all respondents reject liberal labour market reforms like cutting unemployment benefits (Heinemann, Bisschoff, & Hennighausen, 2009). It hence becomes apparent that implementing the planned reform required convincing legitimization arguments in order to convince sceptical lawmakers on the one hand and to convince the German electorate for ensuring the re-election prospects of the red-green government on the other. The following subchapter shall therefore finally analyse how core executives (Clement, his Parliamentary State Secretary Gerd Andres and the then chancellor Gerhard Schröder), justify the necessity of the reform. Thereby, I want to detect the relevant empirical evidence for either verifying or falsifying my hypotheses and thus answer my research question.

5.4 German Core Executives and the Legitimization of the Provision – Analysis of the Documents addressed to the *Bundestag* and *Bundesrat* in 2003

As pointed out within the methodological part, step 5 and 6 of the process flow of structured content analysis shall be conducted within the subsequent analysis. By doing so, I revealed the findings presented in the following subchapter. Furthermore, the qualitative character of the applied methodology allows for extending the category system in case further legitimization frames can be detected (Step 7). First, I worked through the material and marked my findings (Step 5). By searching for the aforementioned key words '*Arbeitslosengeld*', '*Bezugsdauer*' and '*ältere Arbeitnehmer*' I detected relevant text passages in seven statements of the responsible core executives Clement, Andres and Schröder (BT-PIPr. 15/32, 15/39, 15/53, 15/60, 15/64 & 15/67; BR-PIPr. 790) , whereby Clement, as the head of the Ministry in charge, had a share of five statements and Andres only once commented on the necessity of the reform within a response to a written question of the MP Gesine Löttsch (BT-PIPr. 15/39). Also Schröder solely referred once to the

shortening of unemployment benefits for older workers, namely in his government statement on the 14th of March (BT-PIPr. 15/32). Furthermore I have to remark that all core executives mainly cited the goals of the reform within their statements, albeit these goals were sometimes directly linked to the justification of the necessity of the government's proposal. Therefore I distinguished in a further step between those statements containing justification arguments and those, in which core executives solely mentioned the goals of the reform. As a result, two passages had to be removed (BT-PIPr. 15/60 & 15/67), since Clement did not state reasons for the necessity of the reform within these statements. The resulting relevant passages are summarized in the table attached to this paper, which correspond with the analysis scheme presented in the methodological part. As step 6 of Mayrings' structured content analysis requires extracting the findings of the previous step into the structuring dimensions, I will now summarize the results under the structuring dimensions deducing from my two hypotheses and the resulting categories.

5.4.1 H1: The 'EES-Frame'

With respect to the structuring dimension of my first hypothesis H1, I assumed that German core executives either refer directly or indirectly (by circumscribing the EES) to the EES, which is based on further research of Stiller & Van Gerven (2009, 2012). As direct reference implied that core executives had to explicitly mention the EES, my research revealed no evidence for direct EES reference. Yet, within his speech in front of the *Bundestag* on the 26th June 2003 (BT-PIPr. 15/53), Minister Clement referred to the obligations on EU-level to raise the general retirement age until 2010 and thereby indirectly used EES-targets in order to justify the necessity of the planned reform.¹ *"This can only be achieved by eliminating the trend of early exit from the labour market."*⁷ (Translated by the author). This statement furthermore clarifies how Clement links the necessity of the reform to its goals. In case Germany wants to comply with the guidelines on the EU-level (necessity), it has to eliminate early retirement schemes, which I already mentioned as one of the central goals of the reform. This statement, however, remains the only one in the five analysed documents wherein Clement, Andres, or Schröder made reference to the EES in order to legitimize shortening the reception period of *ALG I* for older

⁷ "Dies ist nur zu erreichen, wenn wir den Trend zum vorzeitigen Ausscheiden durchbrechen." (BT-PIPr. 15/53 p.4357).

workers. Additionally, the bill on the *Gesetz zu Reformen am Arbeitsmarkt* (BR-Drs. 421/03 & 15/1509) did not provide evidence for EES-reference either.

5.4.2 H2: The ‘Socio-Economic Frame’

In context of the second structuring dimension I built the two categories ‘Skills Shortage’ and ‘Pressure on Social Security Systems’, as both are stated as main challenges of demographic ageing for social policy making (Fuchs, Söhnlein, & Weber, 2004). Starting with ‘Skills Shortage’ as the first category, I could detect one text passage in which the shortage of skilled labour force as a consequence of demographic ageing was cited and used as a justification for the urgency of the reform (BT-PIPr. 15/64). According to Clement, due to declining numbers of young people graduating from school, the demand for skilled workers increases. The expertise and the knowledge of older workers thus become extremely important, which is why early exit from the labour market must not be promoted in the future (BT-PIPr. 15/64). Once again, the strong link between goal of the reform on the one hand and necessity of the reform on the other is illustrated. The shortage of skilled labour force makes preventing early retirement as the goal of the reform essential. Regarding the second category ‘Pressure on Social Security Systems’, I could detect several text passages within the parliamentary protocols. In both aforementioned speeches (BT-PIPr. 15/53 & 15/64) as well as in his speech in front of the *Bundesrat* (BR-PIPr. 790), Clement justifies the reform by referring to the pressure demographic ageing brings on the social security systems. As the life expectancy has extremely increased since the introduction of the social security systems, the social security systems have to be reformed in order to cope with the new demographic situation (BT-PIPr. 15/53). Early retirement (which shall be eliminated by the reform) is thus not manageable for the social security system (BR-PIPr. 790) as it causes high costs for the public social insurances (BT-PIPr. 15/64). In addition to the pressure on social security systems, Clement justifies the reform proposal by citing the pressure on the economy in general as well (BR-PIPr. 790). *“It is individually not reasonable and furthermore it is simply not manageable for the economy and for the social security systems.”*⁸ (Translated by the author) In his response to the written question of Gesine Löttsch (BT-PIPr. 15/39), Parliamentary State Secretary Andres furthermore also explains the necessity of the reform with respect to the pressure on

⁸ „Das ist individuell nicht vernünftig, und es ist für die Volkswirtschaft und die sozialen Sicherungssysteme schlicht und ergreifend nicht verkraftbar.“ (BR-PIPr. 790).

social security systems. He particularly argues that employees and employers, who are mainly responsible for financing the public social insurances, must have the guarantee that politicians use all possibilities in order to reduce the social security contributions (BT-PIPr. 15/39). Finally, in his government statement on the *Agenda 2010*, Schröder also justifies the necessity of the reform by referring to the reduction of social security contributions in order to modernise the social security system. “*We will shorten the unemployment benefit for under-55 year old worker to 12 months and for workers older than 55 to 18 months, since it is necessary for keep the non wage labour costs under control.*”⁹ (Translated by the author) Additionally, reducing the reception period for older workers is necessary at the backdrop of changing job placement situations and it intends setting incentives for older unemployed persons to find a job (BT-PIPr. 15/32). Schröder obviously refers to the new activating slogan in terms of labour market policies ‘*Fordern and Fördern*’, which demands an active role of unemployed persons when looking for a new job. Reducing the reception period of unemployment benefits is thus required to eliminate disincentives for actively participating in finding a new job, particularly for older workers. Within another part of his speech, Schröder elucidates that the German system of job placement is not really efficient and especially older workers are not placed into vacant jobs. Considering the government’s bill as a further data source, I could trace ‘Skills shortage’ and ‘Pressure on Social Security Systems’ as reasons for the necessity of the reform as well. Therein it is argued that demographic change induces a skills shortage on the labour market. Furthermore, early retirement schemes induce the burden on contributors to the social security system, which is why the maximum duration of insurance-based unemployment benefit has to be reduced (BR-Drs. 421/03, BT-Drs. 15/1509 & 15/1204). The socio-economic legitimization frame accordingly occurs in every relevant document. In context of the ‘Pressure on social security systems’ category, Clement and Andres justify the planned reform with reference to a further argument, which was not included in my hypotheses. Both, Clement and Andres illustrate a paradox concerning the claims of German employers: On the one hand, they call for reducing the non-wage labour costs, which consist *inter alia* of social security contributions, and on the other hand they dismiss older workers and thereby promote early retirement. As eliminating

⁹ „Wir werden das Arbeitslosengeld für die unter 55-Jährigen auf zwölf und für die über 55-Jährigen auf 18 Monate begrenzen, weil dies notwendig ist, um die Lohnnebenkosten im Griff zu behalten.“ (BT-PIPr. 15/32, p. 2489).

early retirement schemes in turn reduces the pressure on social security systems and thus also decreases non-wage labour costs, Clement and Andres consider the German employers' attitude contradictory. Accordingly, the reform is necessary for resolving this dissent (BT-PIPr. 15/39 & BR-PIPr. 790). One may assume that Clement and Andres tried to address the traditional electorate of the SPD, which are workers. However, as it is directly linked to the 'Pressure on Social Security Systems' category, it can actually be summarized under this category, wherefore a revision of the category system is not required. In the foregoing chapter I presented the results of the analysis of relevant documents, containing text passages in which German core executives tried to legitimize the reduction of the duration for receiving *ALG I* for older workers in front of the *Bundestag* and the *Bundesrat*. Summarizing the empirical evidence under the structuring dimensions I formulated above, finally enables me to assess the empirical validity of my hypotheses and furthermore to answer my research question, which I will do in the following concluding chapter.

6. Conclusion

At the beginning of this paper I raised the question *how German core executives legitimize the necessity of reducing the reception period of insurance based unemployment benefits for older workers*. Based on previous empirical research and theoretical considerations dealing with the strategic use of EES ideas and strategies of blame avoidance in terms of unpopular welfare state reforms, I presumed two 'legitimization frames', which are reflected within my two research hypotheses. What are the central conclusions I can draw from the empirical examination in Chapter 5.4? Which is the major 'legitimization frame' or can both frames be considered equally? Are there possible other frames existing that were not regarded within my hypotheses? And what are the theoretical implications arising from the results of my research? As aforementioned, both hypotheses refer to previous empirical work from e.g. Stiller (2006), Stiller & Van Gerven (2009, 2012). They furthermore illustrate two central strategies for policy makers to cope with the challenges of new welfare state politics induced by new social risks: 'Redefining the Issue' and 'Finding a Scapegoat'. Although the analysis of documents addressed to both the *Bundestag* and the *Bundesrat* revealed empirical evidence for both arguments, the empirical validity of the hypotheses cannot simply be confirmed without considering the quantity of the two 'legitimization frames'. Whereas the 'EES-frame' solely occurred once as an indirect reference, the 'Socio-Economic

frame' was cited in every single speech of the core executives Clement, Andres and Schröder, and additionally within the government's bill as well. This mismatch obviously clarifies the different significances between referring to the EES and drawing on socio-economic circumstances. The socio-economic argument thus unequivocally dominates the line of argument of German core executives when justifying the necessity of reducing the reception period of *ALG I* benefits for older workers. In terms of the hypotheses I can therefore conclude that in this case the pressures of demographic ageing can be determined as the actual 'legitimization frame', whilst EES-reference serves – at the most – as a side-argument, particularly as the EES reference was solely indirectly. With regard to the two categories of the 'Socio-Economic' structuring dimensions – 'skills shortage' and 'pressure on social security systems' – I can moreover identify 'pressure on social security systems' as the dominant argument within the whole socio-economic frame. Whilst the shortage of skilled labour force was only stated once by Clement and once within the government's bill, 'Pressure on Social Security Systems' occurred in every analysed document. Also the additional argument related to the contradictory attitude of German employers is directly linked to social security systems, since it regards the paradox between claiming for lower non-wage labour costs on the one hand and promoting early retirement on the other. Furthermore, Schröder argues that the reform is also necessary in context of improving the job placement system and setting incentives or eliminating disincentives for older workers to actively find a job, which is related to socio-economic pressures as well. With respect to the theoretical framework I introduced within Chapter 2, I can state that – in contrast to the theoretical assumption of Büchs (2007) and Stiller & Van Gerven (2009, 2012) – German core executives did not mainly strategically use EES-arguments in order to justify the reform. Instead, socio-economic pressures were blamed for the necessity of unpopular retrenchment reforms. Nevertheless, my empirical research confirmed that the new politics of the welfare state are characterized by blame avoidance strategies, as German key policy maker were endeavoured to find convincing arguments for reducing the reception period of *ALG I* for older workers. Referring to socio-economic circumstances and thereby justifying the necessity of the reform is accordingly in line with the 'Redefining the Issue' strategy. As Vis and Van Kersbergen (2007) elucidated, policy makers will present harsh retrenchment reforms always as necessary efficiency measures. Accordingly, in context of the present paper, core executives mainly portrayed the reform as a necessary instrument

for maintaining the efficiency of the social security system. The ‘Finding a Scapegoat’ strategy by blaming the EU-level was in turn not the central strategy applied by German key policy makers in that case. Concerning my research question, I can therefore finally state that German core executives mainly legitimized the shortening of the duration period of unemployment benefits for older workers by drawing on the socio-economic challenges of demographic ageing and in particular on the pressure of social security systems induced by the increasing unbalance between older and younger workers. However, as already indicated within the methodological part, these results cannot simply be generalized to other cases due to the applied research design. In general, case studies are not designed for examining a greater breadth of cases, albeit choosing ‘crucial’ cases may provide evidence of broad reach (Gerring J. , 2004). But – as aforementioned – the present case cannot be considered a ‘crucial’ case, the results of my research do not have a generalizable character and thus do not necessarily apply to other cases as well. Additionally, I restricted my data collection and data analysis to a certain type of documents on the one hand and to certain actors on the other hand. Therefore, it may be possible that German core executives cited different frames in front of a different audience or other politicians of the red-green coalition use different arguments when legitimizing the necessity of the reform. Yet, the present study focused on core executives due to their central position in terms of introducing reforms. Moreover, examining a broader quantity of documents or actors would go beyond the scope of a bachelor-thesis. Nonetheless, the results presented in this study can be regarded as another piece in the mosaic which examines the political strategies of core executives in context of new social risks and new welfare state politics. In order to obtain a more comprehensive picture, further case studies regarding different Member States and also different welfare state reforms are still required, which could be the topic of future assignments and research in the field of European social policy.

In terms of the reform examined in this paper, the controversial discussion did not end after the *Gesetz zu Reformen am Arbeitsmarkt* was implemented. In 2005, the red-green government was not re-elected and a grand coalition consisting of Christian Democrats and Social Democrats entered government. Thereby, the reception period of insurance based unemployment benefits for older workers occurred on the agenda again and was controversially discussed among politicians (Nullmeier, 2009). In the end, the provision was revised again in 2008 whereby workers from the age of 58 receive *ALG I* for 24 months now (*Süddeutsche Zeitung*,

2008). But still, the reception period of unemployment benefits for older worker is not finally terminated as demonstrated by a recent push forward of the German Liberal Democrats. Their former secretary general, Christian Lindner, called for reducing the maximum receipt of unemployment benefits for older workers again, which in turn caused resentment among Christian Democrats as the coalition partner of the FDP (Süddeutsche Zeitung, 2011). Thus, the controversial character of this retrenchment provision is once again emphasised and it seems likely that it appears on the agenda again in the future.

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Appendices

Appendix 1: Legitimization Frames of German Core Executives

„Core Executive“		„Legitimization-Frame“			
		EU-Reference		Socio-Economic-Reference	
		Direct EES-Reference	Indirect EES-Reference	Skill Shortage	Pressure on Social Security System
	Bundestag		<p>53. Session, 26th June 2003</p> <p>„Aber wir haben uns innerhalb der Europäischen Union verpflichtet, die tatsächliche Dauer der Erwerbstätigkeit bis zum Jahr 2010 deutlich zu erhöhen, und zwar um bis zu etwa fünf Jahre. Dies ist nur zu erreichen, wenn wir den Trend zum vorzeitigen Ausscheiden durchbrechen.“</p>	<p>64. Session, 26th September 2003</p> <p>„Praktiken, die die Erwerbslosigkeit und Ausgliederung von älteren Menschen verfestigen, dürfen keine Zukunft mehr haben, erst recht nicht, wenn wir wissen, dass etwa ab dem Jahre 2006 der Nachwuchs von Fachkräften, von Fachleuten auf allen Feldern reduziert werden wird, weil wir mit einer deutlich abnehmenden Zahl von Schulabgängerinnen und -abgängern zu rechnen haben. Wir brauchen dann nicht zuletzt die Älteren mit ihrer Erfahrung, mit ihrer Expertise und ihrem Können und wollen darauf nicht verzichten. Wir müssen die Voraussetzungen dafür schaffen, damit möglichst viele Menschen im Arbeitsprozess bleiben, auch wenn sie schon etwas älter sind“</p>	<p>53. Session, 26th June 2003</p> <p>„Aber dieser Prozess muss nun einen Abschluss finden. Er überfordert die Kräfte der öffentlichen Kassen, der Kassen der Beitragszahler.“</p> <p>„Dies ist auch vor dem Hintergrund der ständig steigen-den Lebenserwartung, die wir – gottlob! – in Deutschland haben, richtig und vernünftig. [...]Aber sie bedeutet natürlich eine gravierende Veränderung gegenüber den Fakten, die wir zum Zeitpunkt der Entstehung unserer sozialen Sicherungssysteme hatten. Vor 30, 40 Jahren, als die sozialen Sicherungssysteme aufgebaut wurden, hatten die Arbeitnehmerinnen und Arbeitnehmer eine Lebenserwartung, die nur vier Monate über die damalige</p>
	Wolfgang Clement				

						<p>Pensionsgrenze hinausging. Heute liegt die Lebenserwartung der Menschen im Durchschnitt etwa 20 Jahre über der Pensionsgrenze. Wenn man sich dies vor Augen führt, weiß man, dass eine Reform der sozialen Sicherungssysteme angegangen werden muss.“</p> <p><i>64. Session, 26th September 2003</i></p> <p>„Wir dürfen uns an diesem Punkt nichts vormachen und machen das auch nicht: Die lange Bezugsdauer von Arbeitslosengeld in Deutschland für 57-Jährige und Ältere hat dazu geführt, dass viele Unternehmen ihre älteren Arbeitnehmerinnen und Arbeitnehmer in den Vorruhestand geschickt haben und schicken. Das geschieht auf Kosten der Sozialkassen und der Beitragszahler. Das geschieht in einer Zeit, in der wir von den Unternehmen gleichzeitig aufgefordert werden, die so genannten Lohnnebenkosten zu senken. Diesen Widerspruch müssen wir auflösen.“</p>
	Bundesrat					<p><i>Session 790, 11th of July 2003</i></p> <p>Es ist in Anbetracht der kollektiven Lebenserwartung nicht angängig, dass wir die Menschen mit 50 oder 52 Jahren in den Ruhestand schicken und sie damit aus dem Arbeitsleben ausscheiden. Das ist individuell nicht</p>

						vernünftig, und es ist für die Volkswirtschaft und die sozialen Sicherungssysteme schlicht und ergreifend nicht verkraftbar
	Gerd Andres	Bundestag				<p><i>39.Session, 9th April 2003</i></p> <p>“Die beschäftigten Arbeitnehmer und ihre Arbeitgeber, die mi ihren Beiträgen ganz überwiegend die Mittel für die sozialen Sicherungssysteme aufbringen, haben Anspruch darauf, dass alle Möglichkeiten genutzt werden, die zu einem erheblichen Teil durch die Sozialversicherungsbeiträge bestimmte Höhe der Lohnnebenkosten zu senken.“</p>
		Bundesrat				
	Gerhard Schröder	Bundestag				<p><i>32. Session, 14th March 2003</i></p> <p>“ Die Menschen in den Betrieben und Büros erwarten, dass wir die Belastung durch Steuern und Abgaben sen-ken. Ich betone noch einmal: Mit den Stufen 2004 und 2005 werden wir das tun. Durch unsere Maßnahmen zur Erneuerung der sozialen Sicherungssysteme senken wir die Lohnnebenkosten. Das ist gewiss nicht immer ein-fach und die Maßnahme, die wir zusätzlich durchführen müssen, ist es erst recht</p>

						nicht. Wir werden das Arbeitslosengeld für die unter 55-Jährigen auf zwölf und für die über 55-Jährigen auf 18 Monate begrenzen, weil dies notwendig ist, um die Lohnnebenkosten im Griff zu behalten. Es ist auch deswegen notwendig, um vor dem Hintergrund einer veränderten Vermittlungssituation Arbeitsanreize zu geben.
		Bundesrat				

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