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## Guest editorial

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### **New perspectives on employability and labour market policy: reflecting on key issues**

#### **Introduction**

This editorial introduces a theme issue on “New Perspectives on Employability and Labour Market Policy”. The papers that follow were developed by participants in a cross-national research network established with the support of the Regional Studies Association, which aimed to share knowledge on both the individual and spatial dimensions of employability and labour market exclusion, and related policy responses. The papers were selected to take in research on barriers to work and job-search strategies among different groups, the role of employers in providing opportunities for job seekers, how the geography of labour markets shapes the experience of unemployment, and local and regional governance arrangements that provide the context for policy responses.

As European economies face a potentially prolonged period of high unemployment, these contributions could not be timelier. This introduction considers current debates around how ‘employability’ is understood and conceptualised, and what this means for the discussion and evaluation of labour market policy. We then briefly preview the seven papers of this theme issue, before finally identifying some common analytical trends across these ‘new perspectives’.

#### **The concept of employability and labour market policy**

The concept of employability has been around for more than a century, but was relatively obscure in the academic and policy literature until just over a decade ago (McQuaid and Lindsay, 2005). Yet since the late 1990s employability has emerged as one of the key political pillars of (and remains central to debates on) social and labour market policies in the UK and many other EU states. Employability was for some time (and less explicitly remains) *the key concept* in the European Employment Strategy (CEC, 1999). It is also central to strategies advocated by supranational bodies ranging from the OECD (1998) to the G8 (2005) and the United Nations (2001).

So there is little doubt that the concept of employability has been important to how national and supranational policy makers understand and seek to address unemployment and labour market exclusion. Indeed, even newer concepts that have increasingly appeared in debates on addressing unemployment—from ‘activation’ to ‘flexicurity’—remain rooted in the concept of employability. But how employability is defined, understood, and operationalised remains contested territory. In the UK, for example, employability has often been defined narrowly by policy makers, with reference to improving individuals’ motivation and “confidence in working” (DWP, 2006, page 43). Such an approach in the UK and other EU states has informed what may be termed ‘work-first’ employability programmes, which are relatively cheap, short term, and focus on improving motivation, job-search effort, psychosocial competencies, and some (mainly generic) skills (Daguerre, 2007). Work-first programmes also tend to be characterised by stronger compulsion than is typically found in ‘human-capital’-oriented interventions, which conversely prioritise long-term vocational skills development (Lindsay et al, 2007; Sol and Hoogtanders, 2005).

More generally, Serrano Pascual (2000) argues that there are three main ways that employability has traditionally been deployed in the labour market policy arena. First, it may be understood in terms of the promotion of measures to improve unemployed

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people's technical abilities/skills by adapting training to the needs of industry. This interpretation of the problem of unemployment suggests that the basic competencies and skills required to meet the needs of employers are lacking. A second traditional interpretation views employability as defined in terms methodological and attitudinal competencies. Policy measures based on this interpretation have tended towards improving people's ability to manage the transition to work, with particular emphasis on interventions relating to career guidance and job-search support. A third conceptualisation of employability is based on the principle of activation. The emphasis here is on measures designed to motivate unemployed people (through active labour market programmes or incentives to work). Social protection is, in many cases, made dependent on the fulfilment of certain conditions, rather than being an unconditional right, and it is therefore made available only to those who demonstrate sufficient effort and willingness to find work.

Serrano Pascual (2001) has argued elsewhere that policy makers' use of employability to focus on workforce-related issues (and especially individuals' attributes or 'failings') negates the obvious impact of labour market conditions on access to employment. As a result, policies seek to address the problem of unemployment at the level of the individual; personal failings rather than a lack of labour market opportunities tend to be used by way of explanation; and work-first programmes have become, in many cases, the new orthodoxy in labour market policy.

The emergence of such work-first programmes, and the critique of employability offered by Serrano Pascual and others, has led some to question whether the language of employability can be usefully deployed by those seeking a more holistic understanding of the barriers to work faced by unemployed people. Peck and Theodore (2000, page 729) suggest that, while the concept of employability may seem relatively new, "the kind of supply side fundamentalism that it signifies most certainly is not", so that there is a need to move 'beyond employability' in seeking to conceptualise and understand unemployment and labour market disadvantage. Nevertheless, other researchers who have sought to use a more holistic concept of employability as a means of analysing barriers to work have stressed the need to arrive at an understanding of employability that can "transcend the orthodoxies of the supply-side versus demand-side debate" (McQuaid and Lindsay, 2005, page 215), avoids 'blaming the victim', and reflects the complex combination of individual and external factors contributing to unemployment (Kleinman and West, 1998).

It is understandable that these authors have sought to 'reclaim' the concept of employability from advocates of work-first activation. There is a degree of consensus regarding the somewhat modest and contradictory results of these programmes, although measuring their effects is in itself fraught with difficulty due to the different control groups, research designs, methodologies, and evaluation criteria deployed across cases (and indeed the polysemic nature of the concept of employability) (Lindsay, 2007; Serrano Pascual, 2005; Walther, 2003). Despite these problems, a number of consistent conclusions appear to have emerged from evaluation research in this area: that it is important that supply-side measures are complemented by demand-led programmes; that labour market policy should give equal weight to both the quantity and the quality of jobs created; that work-first measures seeking to promote entry into jobs 'at all costs' can have a number of negative consequences, many of which may be avoidable by strengthening the role of social and civil partners; and that we need to combine actions at different levels, for example complementing locally responsive employability services with macroeconomic measures to promote jobs growth.

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Policy makers across EU welfare states have been keener to acknowledge some of these findings than others. For example, as we will see from the papers that follow, there has been a shift towards more local and regional forms of governance and delivery in welfare states as diverse as Belgium, Denmark, and the UK. Similar trends towards decentralised governance and more locally responsive services have been noted in many other welfare states (eg see Bifulco et al, 2008; Lindsay and McQuaid, 2009). In some cases—with the UK again an exemplar—such processes of localisation have gone hand-in-hand with an increasing reliance on work-first activation, but in other welfare states there has been resistance to the adoption of such punitive, short-term measures (Clegg, 2007; Fletcher, 2008; Lindsay et al, 2008). What is clear is that in most cases the development of a stronger local and regional dimension has focused on a rescaling of the supply-side elements of labour market policy, while the integration of the employability and regional economic development agendas remains incomplete (Nativel et al, 2002; Serrano Pascual and Magnusson, 2007).

Governments in the UK, the EU, and beyond face a number of complex and multi-dimensional challenges in making long-term, high-quality employability policies work. Individually focused approaches have the potential to result in more tailored solutions, but may reinforce exclusion if they individualise a collective social problem. Employability programmes can help to empower disadvantaged groups who would otherwise struggle to compete in the labour market, but may also push vulnerable people towards work at all costs, with negative consequences. And crucially, the concept of employability cannot (or at least *should not*) be divorced from the spatial dynamics of local and regional economies (and the demand-side issues that will inherently help to define individuals' experiences in the labour market).

#### **The contribution of this theme issue**

The complex issues and trends in governance and policy addressed (and the diversity of methodologies deployed) in the papers that follow illustrate the multidimensionality of the employability dilemma. Our first four papers address challenges for policy; the final three review latest developments in the spatial governance of employability and labour market policy that seek to address these challenges.

Our first paper, by Christina Beatty, Steve Fothergill, Donald Houston, Ryan Powell, and Paul Sissons (2009), explores the potential factors affecting the claiming of disability benefits among women in the UK. Beatty et al argue that increased benefit claiming may be a function of a number of factors including: changes in household structure (with more female 'heads of household' being the main claimant of benefits in many families); and increasing labour force participation (which therefore increases claiming of 'working-age' benefits among women). However, they also suggest that women's worklessness cannot be understood without reference to *male* job loss and the geography of unemployment in postindustrial regions. It may be that unemployed men in these areas are competing for vacancies more traditionally filled by women, so that worklessness may be 'transmitted' across genders from redundant male workers to newly disadvantaged women. Beatty et al make a convincing case that experiences of exclusion—for men and women—reflect the spatial dynamics of labour market change, especially in those areas where mass job loss has dramatically affected the scale and nature of labour demand.

The in-depth, qualitative research reported by Kathryn Ray, Lesley Hoggart, Rebecca Taylor, Sandra Vegeris, and Verity Campbell-Barr (2009) addresses gendered responses to changing labour demand from the male perspective. Their evidence suggests that many lower skilled male job seekers are reluctant to consider service sector opportunities that they believe themselves to be unsuited for and see as insecure

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and low paid. Ray et al suggest that it is probably unrealistic to expect older male job seekers with no experience in the service economy to rationalise pursuing entry-level service vacancies as a first step towards 'better work'. Such an approach seeks to transfer the concepts of 'individualised career planning' and 'portfolio careers' from discussions of the career trajectories of higher skilled professionals (where these concepts may or may not be more appropriate) to the experiences of disenfranchised, redundant workers.

However, Mike Danson and Karen Gilmore (2009) remind us that employers also have a key role to play in employability. Their qualitative research with employers adds to the evidence that many rely on informal recruitment methods (which can disadvantage unemployed people), while some demonstrated little awareness of employability programmes as a potential means of recruiting staff, or were sceptical about the ability of such programmes to provide suitable candidates. Many employers also showed little understanding that they had a role in building the employability and skills of the working-age population. Rather, they appeared to see themselves as the passive recipients of appropriate candidates for job vacancies—and when the unemployed were seen as lacking in the required attributes, employers quickly turned to migrant labour.

Tony Gore and Emma Hollywood (2009) return to the individual job seeker's barriers to work, and the importance of social networks to effective job seeking and social inclusion. Their interviews with job seekers in ex-coalfield areas of the UK found that social networks tend to be centred on people in the immediate locality—many were unwilling to travel to, or look for work in, neighbouring cities (where there are likely to be more job vacancies). But these authors' valuable research also identifies the complex combination of factors affecting the spatial dimension of job search, including previous work-history locations, caring responsibilities, remoteness of place of residence from major employment centres, and access to transport. While it may be appropriate to promote more expansive networking and job-search strategies for some unemployed people, Gore and Hollywood argue for a "greater recognition of the essentially local sphere in which most low skilled people still live and work" (page 1019) and that long-distance commuting is unlikely to be a realistic or viable option for many lower skilled job seekers.

The first of our governance-focused articles, by David North, Stephen Syrett, and David Etherington (2009), is similarly concerned with issues around the spatial aspects of the experience of unemployment (and appropriate policy responses). North et al note that policy makers in the UK increasingly acknowledge the "multi-dimensional and spatially variable nature of the problem of concentrated worklessness" (page 1023), and that multiagency solutions have been tested in many areas as a result. However, the same authors identify the very real "challenge of integrating economic competitiveness and social inclusion policy goals" (page 1024). They argue that integrating these agendas has been increasingly difficult given the focus of economic development agencies on growing high-value-added sectors of regional economies, in the hope that employment benefits will 'trickle down' to lower skilled workers and job seekers. Meanwhile, the development of spatial policy to address the needs of disadvantaged job seekers in depressed local labour markets has been 'sporadic' at best. North et al argue that regional governance structures characterised by complexity, fragmentation, and duplication are not fit for purpose; and that economic development and labour market inclusion agendas need to be properly integrated if the UK's regions are to arrive at a more coherent approach to promoting employability.

Colin Lindsay and Mikkel Mailand (2009) are also interested in local and regional governance structures for employability services. Lindsay and Mailand trace the development and operation of regional governance structures in Denmark since the mid-1990s,

arguing that the manner in which policy makers shared decision making and resources with local authorities and social partners added value to employability programmes. Denmark's partnership-based governance effectively gained the buy-in of these key stakeholders, who were left with a sense of shared responsibility for making the system work. Yet the same authors are much more sceptical about Danish policy makers' more recent imposition of an integrated local jobcentre model, which has arguably undermined the capacity of regional partnerships to influence policy, and which raises questions around the capacity of smaller local authorities to deliver the range of services required by job seekers. This rush to localisation, combined with a dubious experiment with contracting-out, has shown few signs of delivering the more dynamic, locally responsive services apparently sought by policy makers. Lindsay and Mailand argue that the lessons of the Danish experience are that partnership structures that involve a range of stakeholders can help to promote high-quality services, but that policy makers should be cautious before seeking to impose untested localised and/or privatised forms of governance.

Finally, Ludo Struyven and Line Van Hemel (2009) report on reforms to the governance of employability in Belgium. Here too the establishment of integrated jobcentres is a key feature of the shift towards more localised approaches to promoting employability. Struyven and Van Hemel's analysis on the 'reach' of jobcentres finds little evidence of the composition of partnerships influencing the capacity of local offices to engage with more (or more disadvantaged) clients, whereas 'spatial characteristics' (labour market context) appear more significant. Nevertheless, Struyven and Van Hemel suggest that the leading role played by the regional Public Employment Service (PES) in the establishment of local jobcentres in Belgium has helped to coordinate and join up activities and avoid the duplication of effort. As in Denmark, the evidence appears to suggest that strong state PES structures, *combined* with forms of governance that facilitate local partnership working, can promote more effective services for job seekers.

#### **Towards new perspectives on employability and labour market policy**

Together, these papers underline that there are different dimensions to the 'employability gap' experienced by disadvantaged job seekers (McQuaid and Lindsay, 2002; 2005)—an important consideration when evaluating the rationale for, and impact of, employability programmes. Approaches to dealing with disadvantaged job seekers cannot focus solely on the transmission of fairly narrowly defined set of 'employability competencies', nor the imposition of punitive regulations and work-first activities that seek to 'encourage' individuals to accept any job offer.

Rather, the evidence presented in this theme issue suggests that there is a need for interventions that are: integrated and multidimensional so as to address the range of barriers faced by job seekers (Beatty et al); effective at promoting social inclusion and connecting people with the labour market (Gore and Hollywood); responsive to aspirations of specific job-seeker groups (Ray et al); credible with employers (Danson and Gilmore; Lindsay and Mailand); and able to respond to the dynamics of local and regional labour markets (North et al; Struyven and Van Hemel).

Moreover, employability programmes need to be open and responsive to different representations of, and values around, work. For example, Ray et al demonstrate how the priorities and values of lower skilled former manual workers sometimes fail to correspond with the work norms and ethos of 'self-entrepreneurship' that inform interventions in the UK. A number of papers also highlight how an exclusive focus on individuals' motivation and attitudes is insufficient where not accompanied by measures to challenge employers' negative behaviours and promote positive culture changes within

organisations (Danson and Gilmore; Ray et al), as well as jobs growth in depressed local and regional labour markets (Beatty et al; Ray et al; North et al).

The sort of holistic policy solutions called for in this theme issue are more likely to emerge where flexible, dynamic systems of local and regional governance are in place. Such governance arrangements can promote more integrated and coordinated partnerships, increased commitment among key stakeholders/employers, a more personalised approach to dealing with job seekers, and so more effective services. However, our case studies of changing governance arrangements in Belgium, Denmark, and the UK also highlight challenges around: a lack of institutional capacity and control; funding constraints; problems joining-up different local policy agendas; the risk of losing intellectual capital as a result of localisation/privatisation; inadequate coordination between different spatial levels; and limitations on impacts due to insufficient/inappropriate demand in local labour markets. These case studies also demonstrate that new forms of governance are most effective when they retain a role for strong, accountable state PES organisations.

The papers in this theme issue provide a timely insight into the changing economic, governance and policy context for studying employability and labour market issues in the UK and beyond. As many EU states face the consequences of a period of severe recession, and policy makers grapple with the challenge of increasing unemployment, there is a need to renew our efforts to define the nature of the problem, map out issues affecting employability, and offer advice on what works in supporting unemployed people. It is hoped that the papers presented here can make a small contribution to on-going debates on the need for policies that reflect the complex and multidimensional nature of both employability and labour market disadvantage.

Colin Lindsay

Employment Research Institute, Edinburgh Napier University

Amparo Serrano Pascual

Facultad de Ciencias Políticas y Sociología, Universidad Complutense de Madrid

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