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Country Specific Reports on the Local Governance of Social Cohesion

Project acronym: LOCALISE

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Social and Employment Policies"

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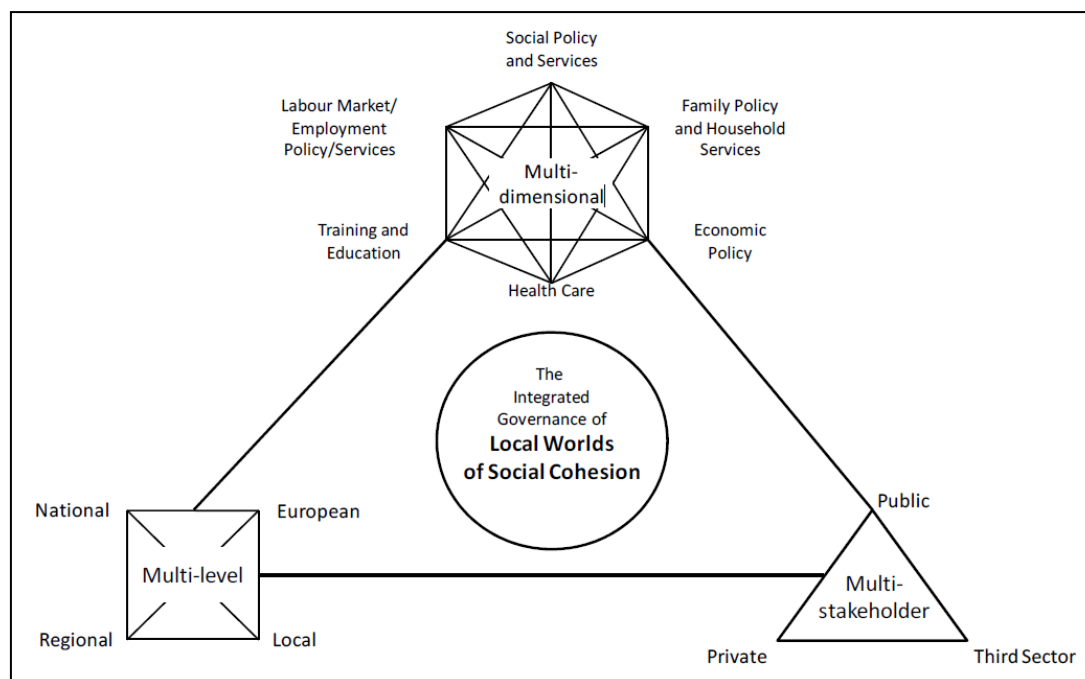
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Theoretical Background

Author: Vanesa Fuertes

These reports identifies and compares methods and practices of integration in local governance, bringing out the barriers to, and enablers of, integration and presenting good practice examples in achieving integration. Specifically they focus on the integration of various policy areas, different political and administrative levels, and various stakeholders (Figure 1) during policy development and implementation.

Figure 1 – An integrated approach towards social cohesion.

Source: Local

Worlds of Social Cohesion. The Local Dimension of Integrated Social and Employment Policy. LOCALISE project proposal 2010.

The study is underpinned by a range of theoretical propositions (Fuertes 2012). These are briefly presented below:

- Employment policies, including active and passive labour market policies, are a common tool that governments use to increase employment and the participation in the labour market of economically inactive individuals.

- As a result of a number of challenges to welfare regimes, such as economic globalisation, demographic changes, labour market changes, processes of differentiation and personalisation, and reduced government expenditure (van Berkel and Moller 2002, Taylor-Gooby et al. 2004), it has been argued that a new paradigm in the approach towards social policies is emerging. This 'activation approach' seems to go beyond the increase of active labour market policies, although this is contested by some scholars who use both concepts interchangeably.

- Due to the characteristics of these changes in activation, it has been argued that to be effective, activation policies have to be joined-up and tailored to the

individual's needs (McQuaid and Lindsay 2005). This requires the integration of previously separated policy fields, of different stakeholders, and of various political levels with local government playing an increasingly important role.

- The principles of New Public Management have been adopted to different degrees and in diverse forms, by governments across Europe. New Public Management is often linked to activation policies, but it has been argued that new approaches and governance methods are necessary in the governance of activation, such as in New Public Governance.

- It is the theoretical proposition that: (a) integration of relevant social policy fields is of benefit to the effectiveness of activation policies; and (b) that some aspects of New Public Management may inhibit such integration.

Governance of public policies

Countries across Europe have dealt with the challenge of social cohesion through different state traditions and various modes of public governance. Governance is defined as "public and private interactions taken to solve societal problems and create social opportunities, including the formulation and application of principles guiding those interactions and care for institutions that enable them" (Kooiman and Bavinck 2005 in Ehrler 2012:327). In order to cope with societal and economic changes and challenges, "reforming governance has become part and parcel of the strategies that governments" develop (van Berkel and Borghi 2007:277). In this report the focus is on the development and implementation of operational policy (the organisation and management of policy-making and policy delivery), although as a number of authors have mentioned, formal policy (that is the substance of social policies) and operational policy are interlinked to various degrees and affect each other (van Berkel and Borghi 2007).

Through time, public sector governance has changed as a result of pragmatism (Osborne 2010), ideology, or both. These changes have been categorised by a number of scholars into 'ideal' types: each type with specific characteristics regarding its core claim and most common coordination mechanisms (Denhardt and Denhardt 2000, Osborne 2010, Martin 2010, Pollitt and Bouckaert 2011). It is recognised that governance modes are seldom found as ideal types as they tend to display a hybridisations with mixed delivery models (van Berkel and Borghi 2007, van Berkel et al. 2012b, Saikku and Karjalainen 2012). In many cases these mixed delivery models produce tensions and contradictions. Governance approaches are not only diverse but dynamic (van Berkel et al. 2012a), with changes in the design happening over time. Three of these ideal types are described in Table 1 below.

In *Public Administration* the role of government is that of 'rowing' by designing and implementing policies. It has been characterised as a governance mode that focuses on administering a set of rules and guidelines, with a split between politics and administration *within* public administrations, and where public bureaucracy had a key role in making and administering policy but with limited discretion. Universality is the core claim of service delivery. Coordination between actors is mainly based on a system of fixed rules and statutes with legislation as the primary source of rationality. Bureaucratic organisations use top-down authority with agencies and there is central regulation of service users.

In the late 1970s and 1980s, Public Administration was criticised as inefficient and unresponsive to service users, gradually leading to the rise of *New Public Management*. One argument was that the state should be an enabler rather than provider of services, hence the role of government was seen as 'steering' rather than as a provider of services, with an emphasis on control and evaluation of inputs and outputs through performance management. Regulation by statute, standards and process requirements are largely replaced by competition, market incentives or performance management. This is combined with administrative decentralisation and wide discretion in order to act 'entrepreneurially' to meet the organisation's goals. The introduction of market-type mechanisms, private-sector management techniques and entrepreneurial leadership has been, and is, justified in many European countries as a way to increase choice, create innovation, and deliver improved efficiency and value for money (McQuaid and Scherrer 2009, Davies 2010). Although marketisation in public services is often used, it encompasses differences from conventional markets as the state remains involved in the financing of services, providers are not necessarily private and consumers are not always involved in purchasing (van Berkel et al. 2012b) – as a result Le Grand (1991) refers to such public service markets as quasi-markets. Although most European countries have adopted many of the principles of New Public Management, approaches to both policy development and policy implementation vary (Pollitt et al. 2007, Ehrler 2012).

It has been argued that, as a result of the realisation that New Public Management had had some unintended consequences and was not delivering the expected outcomes, and due to changing socio-economic conditions, the governance of labour market policies is changing towards the adoption of a new mode of governance inspired by partnership working and synonymous with *New Public Governance* or *network governance* (Osborne 2009). It is influenced by partnership working and characterised by a highly decentralised and more flexible form of management, and is thought by some to be more appropriate for the coordination of multi-actor or multi-dimension systems. The role of government is seen as that of 'serving' by negotiating and brokering interests and shared values among actors. Instead of fixed organizational roles and boundaries, the notions of joint action, co-production or cooperation play a major role, with leadership shared internally and externally within collaborative structures. Discretion is given to those administering policy but it is constrained and explicitly accountable. In this model the beneficiaries and other stakeholders[1] may have a greater involvement in the development and implementation of the policies or programmes.

Table 1 – Governance typology according to core claims and coordination mechanism

Key elements	Governance Types		
	Public Administration	New Public Management	New Public Governance/ Network Governance
Core claim	Public sector ethos.	To make government more efficient and 'consumer-	To make government more effective and legitimate by including a wider

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[1] This approach may be more consistent with Sen's Capability Approach when the beneficiaries/ clients of a programme are given greater input into the policy development and implementation (Sen, A. K., 2009. *The idea of justice*. Harvard University Press; Bonvin, J.M. and Moachon, E. 2009. Social integration policies for young marginalised: a capability approach, *Social Work and Society*, 2, online at: www.socwork.net).

	To provide public services from the cradle to the grave.	responsive' by injecting business-like methods.	range of social actors in both policymaking and implementation.
Coordination and control mechanism	Hierarchy	Market-type mechanisms; performance indicators; targets; competitive contracts; quasi-markets.	Networks or partnerships between stakeholders
Source of rationality	Rule of law	Competition	Trust/Mutuality

Source: own depiction based on Considine and Lewis, 2003, Osborne 2009, Martin 2010, Pollitt and Bouckaert 2011, and Künzel 2012.

According to Saikku and Karjalainen (2012:300), the need for New Public Governance is the result of activation policies which have transformed the paradigm of the welfare state "from a purely sector-based 'silo' to a multi-sector, joined-up service delivery with its respective governance" and which requires new modes of governance in the more operational sense (van Berkel and Borghi 2007).

Following from the literature above, it is expected that coordination at each of the levels that the study looks at (multi-level, multi-dimensional and multi-stakeholder) would be different according to governance types as illustrated in Table 1 below. This assumption is tested through the analysis of empirical data collected.

Table 2 – Characteristics of coordination by governance typology

Coordination	Governance Types		
	Public Administration	New Public Management	New Public Governance/ Network Governance
Multi-level	Centralised	Devolved	Decentralised
Multi-dimensional	Coordinated	Fragmented	Co-production
Multi-stakeholder	Hierarchical	Contractual	Collaborative

Source: authors' depiction partly based on Künzel 2012

Labour market policy: towards activation

'Traditional' welfare regimes are experiencing a number of challenges: economic globalisation, demographic changes, labour market changes, processes of differentiation and personalisation, and reduced government expenditure (van Berkel and Moller 2002, Taylor-Gooby et al. 2004). As a result of these pressures, the governance of social policies is changing (e.g. by changing the support given to people who are at risk of unemployment or other inactivity, tightening entitlements, or 'transferring' responsibilities). There is discussion of a new era in labour market policy: one where active labour market policies (focused on active labour market inclusion of disadvantaged groups) are increasingly linked to previously passive measures (social protection and income transfers) and where incentives (sanctions and rewards) to take

part in active labour market policies are increased[2]. According to Van Berkel and Borghi (2007:278) activation has five distinct characteristics: redefinition of social issues as lack of participation rather than lack of income; a greater emphasis on individual responsibilities and obligations; enlarged target groups; integration of income protection and labour market activation programmes; and individualisation of social interventions. Nevertheless some scholars equate activation to active labour market policies. As a result of this shift towards activation, it has been said that the governance of labour market policies requires the following:

a) The integration of different policy fields in order to deal more effectively with employability issues that affect disadvantaged groups; and as a result the need for integration of different service providers. This has had an impact on organisational infrastructure and relationships between social services.

b) The greater use of conditionality such as the need to take part in active policies in order to receive passive policies (welfare payments).

c) The increased role for the local level in order to target policies to local specificities.

Therefore it would seem that activation desires integration of different political territorial levels (multi-level), across a number of policy fields (multi-dimensional), and between several actors (multi-stakeholders). This need for integration affects how policies and services are developed and delivered, and therefore is changing the governance of labour market policies. Partnerships, coordination and integration, which will be discussed in the following section, seem central to the effective governance of activation policies.

Activation policies have been classified according to the objectives they try to achieve, often in a one-dimensional approach (i.e. more support or less support). Nevertheless Aurich (2011) proposes a two-dimensional framework to analyse the governance of activation. The two dimensions are: a) *Incentive reinforcement*: enabling individuals to become employed; b) *Incentive construction*: influencing individual action. The first dimension can vary from Human Capital Investment to Employment Assistance, while the second dimension can vary from coercion in one extreme to voluntary action in the other. Labour market policies are then categorised according to their position within the governing activation framework (Figure 2).

According to Bonoli (2010) employment assistance aims to remove obstacle to employment and facilitate (re-)entry into the labour market using tools such as placement services, job subsidies, counselling and job search programmes. Occupation aims to keep jobless people occupied; limiting human capital depletion during unemployment using job creation schemes in the public sector and/or non employment-related training programmes. Human Capital Investment is about improving the chances of finding employment by up skilling jobless people through basic education and/or vocational training. Aurich (2012) adds Counselling to the links of active labour market types.

Figure 2 – Active Labour Market Policy Types

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[2] It can also be argued that in some ways (in some countries) we are moving back to earlier (pre-1980) situations when the level of e.g. those on passive, incapacity benefits were much lower before the rapid increase in the 1980s and 1990s.

Types of ALMPs			
Incentive Construction	**Incentive reinforcement**		
	Coercive Human Capital Investment	*Coercive* Counseling	*Coercive* Occupation	*Coercive* Employment Assistance
	Voluntary Human Capital Investment	*Voluntary* Counseling	*Voluntary* Occupation	*Voluntary* Employment Assistance
	Alimentation		

Source: Aurich 2012 (based on Bonoli 2010 and Aurich 2011).

Within this framework, active support (human capital investment; occupation; employment assistance and counselling) could be geared more towards a life-first approach (in which human capital is the priority) or a work-first approach (in which work participation is the priority). Within the work-first approach there are also differences or departures from the basic job outcome (i.e. moving into a job) to a more sustainable outcome, in which being able to remain in 'sustainable' employment for a long period is the priority (we can call this 'employment-first', especially when career progression is also included).

It could be argued that effective activation will need a relatively longer perspective in labour market participation, if sustainability of outcomes is an aim. Some types of active policies deliver a greater number of job outcomes in the short-term but have less long-term sustainability. Therefore activation seems more suited to high support initiatives which are either life-first or 'employment-first' approaches, both of which will likely require multi-dimensional and multi-stakeholder integration.

Integration of activation friendly policies

It has been argued that the aim of integration in activation is to be able to tackle multiple problems that individuals face, through achieving joined-up and seamless services. Partnership theory can be used to describe the benefits that could be achieved through multi-level, multi-dimensional and multi-stakeholder integration and the barriers that can be encountered. Partnerships according McQuaid (2000, 2009) and Lindsay and McQuaid (2008) can (but will not necessarily): deliver coherent, flexible and responsive services; facilitate innovation and the sharing of knowledge, expertise and resources, improving efficiency and synergy, avoiding duplication, and increasing accountability; and encourage capacity building and legitimisation. A number of limitations to partnerships are also highlighted by these authors, such as differences in philosophy amongst partners, institutional and policy rigidities, imbalance of resources and power, conflict over goals and objectives, lack of accountability, and lack participation and therefore legitimacy issues. Powell and Dowling (2006) compile a number of partnership models found in the literature that can function alongside each other: in terms of what they do, partnerships can be facilitating, coordinating or implementing; in terms of the relation between partners they can be principal-agent relationships, inter-organisational negotiation, and systemic coordination; in terms of the intention or achievements they can be

synergy (resource or policy), transformation (unidirectional or mutual) or budget enlargement.

The focus of this study is on integration, and partnerships are one way to achieve this integration. There seems to be no clear definition of integration, but it is commonly studied as an outcome, a process or both. It can be tentatively defined as a state of increased coherence. In this study integration is considered to be a dynamic process which refers to the development from a state of (relative) isolation to a condition of integration. In this case the study is concerned with the variables, which are likely to enhance or inhibit integration[3]. The strength of integration can range from shallow to deep[4]. A state of *fragmentation* can be defined as when policy levels, dimensions or stakeholders do not relate to each other and work in a state of isolation. *Convergence* can be defined as policy levels, fields or actors conducting similar strategies or actions in relation to an aspect/s although with very little integration (e.g. the need for different departments to consider environmental guidelines in their operations, which is therefore a convergence towards an environmental objective). *Alignment* requires policy levels, fields or actors to conduct their actions or strategies with consideration of other levels', fields' or actors' actions or strategies, in some cases this would require some adjustment. *Cooperation* implies a higher level of integration as levels, fields or actors work together towards an objective or common purpose. The *co-production* concept has been developed mainly to mean the involvement of service users in delivery of service. In this study co-production refers to the situation in which levels, fields or stakeholders produce strategy or deliver policies together. *Integration* would mean the highest level of coherence between levels, fields or stakeholders: a situation or process which goes beyond a one-off or project specific co-production or cooperation, towards a more sustained cohesion of shared objectives, understandings, processes and/or outcomes (e.g. when a housing provider offers employability support to unemployed tenants as part of their day-to-day operation).

Within the same type of integration strength there could be a number of differences: a) regarding the aims of integration, for example alignment could aim at making sure that policies do not interfere with each other, or could seek some complementarity; b) with regard to integration instruments, for example integration can be achieved by bringing different units together in networks or partnerships, by creating new units or bridging agencies, or by merging agencies; c) regarding the approaches to integration, for example cooperation can be imposed by top down rules in public administration, or through contractual requirements in new public management.

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Research Methodology
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For the individual case studies, 'description' was chosen as the general analytical strategy due to the different political, institutional, and socio-economic contexts in each country. Nevertheless, these descriptions aim to identify casual links to be analysed (Yin 2003). A research framework was developed with a clear description of the information that needed to be collected, but with enough flexibility to allow each partner to develop interview schedules appropriate to their context. A template for writing the case, which followed the themes and subthemes of the research framework, was established.

The specific analytical technique used to produce the comparative case studies national report was explanation building: 1) having initial (although very tentative) propositions; 2) comparing the findings of an initial (descriptive) case against such propositions; 3) revision those propositions; 4) comparing these revisions with the finding of more cases; 5) and finally producing a cross-case analysis. This iterative mode of analysis has potential problems, which are even more acute in comparative and international analysis. One of them is drifting from the original aim. To minimise drifts from the original topic and initial tentative theoretical propositions, as well as to keep everyone on the same path of explanation building, a first meeting to develop the theoretical and research framework took place before the first case study was conducted, and a second meeting was arranged after the first case study was finished. This meeting had the purpose of: discussing the results from the first case study; revising the propositions; building common understanding and propositions for the next two case studies; and developing the aim, framework and template for the cross-case comparison, as well as for the international comparison. A third meeting took place in which the cross-case and international templates were discussed (by this time two case studies per country were completed). In this meeting the templates for analysis and report were reviewed and agreed.

This coming-together on research aims, frameworks, and strategies for analysis and reporting had to also allow enough flexibility for adaptation to the country and local context, to guard against one of the common weaknesses of comparative and international analysis: rigidity and imposition of concepts and understandings to different settings.

Research Framework
The study does not look at integration success (either of the process or the outcomes); it looks at the achievement (and the strength) of integration, and identifies the barriers and enablers of integration during policy development and implementation amongst different political levels, policy dimensions, and stakeholders.

In order to achieve the aims of the study, a research framework was developed with a clear description of the information that needed to be collected. It had enough flexibility to allow each partner to develop interview schedules appropriate to their context. Open-ended questions

about the existence of integration (or coordination) were asked to participants who had experience and an overview of the situation at local level. The questionnaire was divided into different sections which separated questions on policy development and policy implementation. Questions in each section were classified as focused on goals, actors or instruments. These questions explored the existence of multi-level, multi-dimensional, and multi-stakeholder integration. The data collected was based on participants' knowledge, experience and opinion on these issues. Care was taken to interview a wide range of actors within each case study to make sure different opinions and experiences were gathered. This knowledge-based primary data was explored and complemented by the analysis of documents (policy and strategic documents, annual reports, academic papers, etc.). The objective of the exploratory research framework was to build a picture of local practices and identify barriers to, and enablers of, integration. Elements that were expected to be either barriers or enablers of integration are presented below. These were part of the study's theoretical framework and questions in the research framework aimed to understand the role of these and explore the role of other factors at the local level.

Possible barriers/enablers of integration

- Governance types
- Local context: institutions; past experiences; control and power; informal relations
- Type of activation
- Funding
- Area characteristics: socio-economic & size
- Organisational issues: culture & trust
- Target group: characteristics & size
- Data sharing

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The Local Governance of Social Cohesion:

Polish Country Analysis

"Local Worlds of Social Cohesion. The Local Dimension of Integrated

Social and Employment Policies"

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1. Introduction

This report presents the results of a comparative analysis of three case studies concerning local social policy in the following three Polish cities: Częstochowa, Słupsk and Toruń. The analysis has been subdivided into three parts. Firstly, the relations between different administrative levels are shown. This is followed by an analysis of various policy areas: employment, social assistance, training, child and health care. The third part of the analysis focuses on public, private and third sector stakeholders. The analysis aims at identifying barriers and enablers of integration of policy development and integration. The analysis precedes a presentation of the institutional context of social policy at the local level and the presentation of the cities concerned, accompanied by notes on methodology.

1.1 The political and institutional context

In order to show the role of local institutions in the process of policy development and implementation, I will shortly present two systems with the highest level of engagement in employment policy development and implementation at the local level: employment services and social assistance services (Rymsza 2012). Both systems are independent of one another and organised into hierarchical structures. Each of the elements is regulated by a dedicated act of law.

At the national level, both systems come together within the Ministry of Labour and Social Policy.[1] However, there are two separate departments with respective responsibilities within the Ministry. Labour market services are organised into a hierarchical structure consisting of two parts: central government services (in Fig. 1 marked in orange) and local government services (in Fig. 1 marked in blue). Formally, there is no direct institutional reporting between the local government and central government structures, the latter performing only controlling and advisory functions versus the former.

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[1] The name of the Ministry indicates that it is designed to bring together two policy areas.

Figure 1 The institutional chart of employment services system

Figure 1 The institutional chart of employment services system
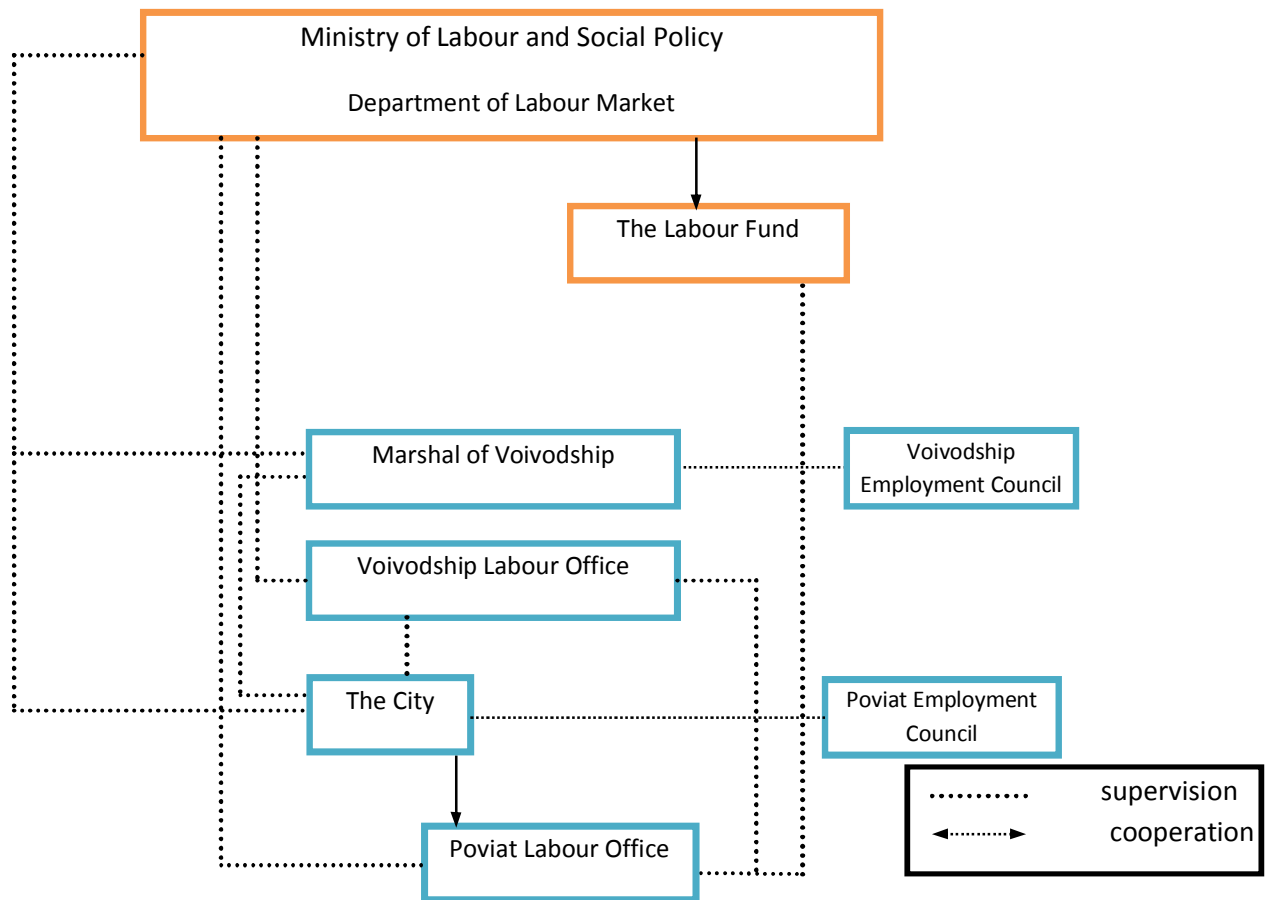
At the regional level, the Voivodship Labour Office (Wojewódzki Urząd Pracy, WUP) is the key institution. The main responsibilities of the Voivodship Labour Office include the development and co-ordination of regional labour market policies. From the local perspective, the key institution of the employment services is the Poviat Labour Office (PUP). The PUP is part of poviat-level administration which means that it reports to the Starosta (head of poviat) in administrative aspects and its activities confined to the area of the poviat.

The PUP has wide-ranging responsibilities and competencies. It supports the unemployed (registration, benefit payments, activation programmes etc.), and is also responsible for raising additional funding, developing activation plans and performing analytical work. Its statute also provides that the PUP has the obligation to collaborate with the Poviat Employment Council and the gminas. Another poviat-level institution concerned with the labour market is the Poviat Employment Council. The Council works on a non-profit basis and its competences are limited to advisory and reviewing role.

Social assistance is the area where measures targeted at various groups on the labour market (as selected for the project) are more intertwined than anywhere else. Social assistance institutions are organised into a system which is independent of employment services.

Figure 2 The institutional chart of social assistance system

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                      ┌─────────────────────────┐
                      │ Ministry of Labour and   │
           ┌─────────►│ Social Policy Department │
           │          │ of Social Assistance and │
           │          │ Integration              │
           │          └─────────────────────────┘
           │                      ┆
           │          ┌─────────────────────────┐
           │          │   Marshal of            │
┌──────────┴────┐     │   Voivodship            │     ┌──────────────────┐
│ Regional Social│    └─────────────────────────┘     │ NGOs, Catholic    │
│ Assistance     │                 ┆                   │ Church, other     │
│ Centres        │                 ┆                   │ religious based   │
└────────────────┘                 ┆                   │ organizations     │
           ┆          ┌─────────────────────────┐     └──────────────────┘
           ┆┄┄┄┄┄┄┄┄┄►│   The City              │
                      └─────────────────────────┘
                                   │
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                      │   MOPR/MOPS             │
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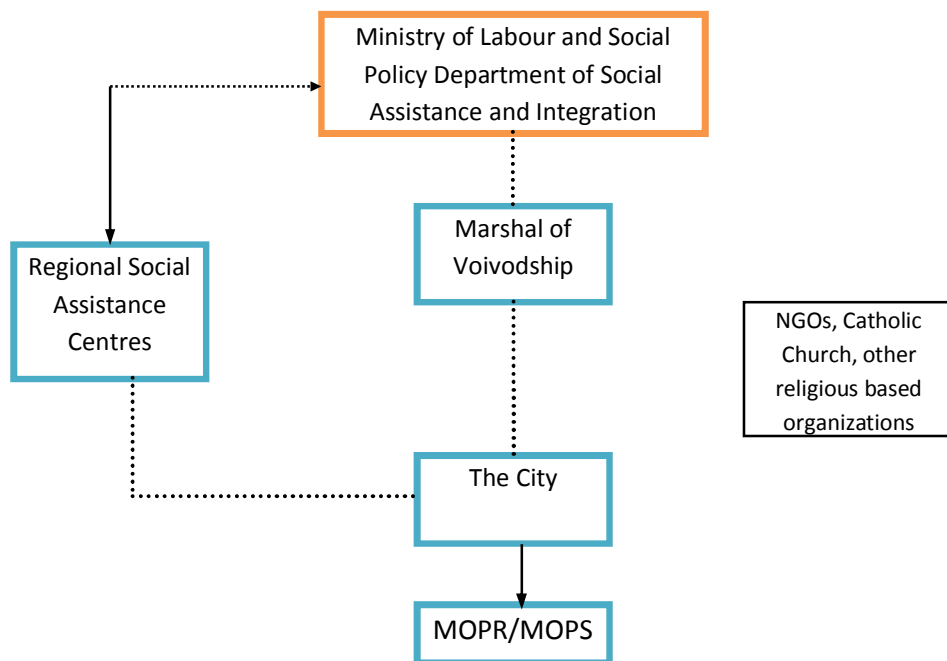
At the regional level, Regional Social Assistance Centres (Regionalne Ośrodki Pomocy Społecznej, ROPS) are mainly responsible for developing and updating regional social assistance strategies. They offer advisory services to social assistance entities operating at the poviat and gmina levels. At the local level the most important institutions responsible for social assistance are Gmina Social Assistance Centres (various names are used, e.g. Miejski Ośrodek Pomocy Rodzinie, MOPR or Miejski Ośrodek Pomocy Społecznej, MOPS). None of responsibilities of the MOPS/MOPR itemised in the relevant legal acts covers the labour market as an area of involvement. Social assistance, defined as a list of specific tasks and areas, is understood in a narrow sense and mostly reduced to monetary benefits. MOPS/MOPR also supervises a number of outlets which offer social assistance dedicated to various socially disadvantaged groups.

One characteristic of the social policy system at the local level is that it is deeply defragmented. As a result of the political decentralisation in Poland, conducted in two stages in 1990s, three administrative levels were established: gmina, poviat and voivodship, each of them responsible for different social policy tasks (Kerlin 2005, Szul & Tucholska 2004). For instance, poviats and voivodships are mostly responsible for the labour market policy whereas gminas take most responsibility for social assistance (Krynska 2009). Health care is organised under a separate system, governed by the Ministry of Health. A number of health care tasks fall into the competence of all three local government levels. However, there is no formal co-ordination between this area and the labour market policy. The situation looks similar in the case of education, where a large part of child care is incorporated. Various institutions are largely independent, both in financial and in administrative terms (Inglot 2008).

Alongside political decentralisation in Poland, quasi-market mechanisms were introduced into the employment activation policy. The main argument was that of poor performance of public administration in running an active policy. Local government institutions are forced, in various ways, to contract services on the market through public procurement procedures. An increase in

the number of contracted services, largely driven by the arrival of ESF resources, triggered a serious management problem. In the course of the recent years we have seen the introduction of new forms of governance in local government institutions (Bruszt 2008).

1.2 Socio-economic policy in selected cities

All three cities selected for research exemplify the 65 cities in Poland which have a particular legal status. In theory, the organisation of local government is straightforward: the country is subdivided into three levels of local administration, i.e., (from largest to smallest) voivodships, poviats and gminas. However, this simple pattern is distorted in the case of 65 cities where the city simultaneously fulfils the functions of a gmina and a poviat. From the research perspective, cities which enjoy the privileges of a poviat are an interesting case as they are forced to integrate a number of areas which are otherwise separated in most units of local government in Poland.

Czestochowa is part of rather affluent Silesia voivodship with robust historical and entrepreneurial traditions (economically, it is the third region in Poland). The economy mainly relies on medium and small businesses and services, mostly in tourism, since Czestochowa is the home of the largest Roman Catholic shrine in Poland is located (Our Lady of Jasna Góra). The shrine and the adjacent monastery attract a few million tourists a year, which offers great opportunities for tourist services, hotels, transportation, and dining. The mayor of Częstochowa is a young politician from the left-wing Democratic Left Alliance. He replaced a right-wing politician who had held the post for many years but was recalled in a referendum. A change of power occurred as a result of a serious conflict which, on a smaller scale, significantly determines the situation in the city. The new mayor gained country-wide fame when he announced a co-financing programme for in vitro fertilisation from local government funds. This symbolic gesture (so far, the programme has covered a handful of families) is a visible departure from the policies pursued by the previous authorities, accused of favouring the interest of the Roman Catholic church. The gesture also expresses the new policies of the city, where solving social problems has become one of the priorities.

Słupsk is located in the north-west of the Pomerania voivodship in the northern part of Poland. The northern frontier of the poviat overlaps with the 57-kilometre Baltic coastline. The post of the mayor in Słupsk is held by Maciej Kobyliński, a lawyer with an extensive biography. Between 1986 and 1990 (during communist times) he was the mayor of Słupsk, and in 1996 he was appointed as the head of the Słupsk voivodship.[2] In 2002 Kobyliński was elected mayor in direct elections. In view of his biography, Kobyliński has many political opponents. Controversies are also stirred up by the developmental routes adopted for the city. A number of the mayor's investment decisions are being challenged on grounds of reasonability. Worse still, his style of governance provokes many personal conflicts. The opponents of the mayor have managed to organise a referendum to recall him from his post. However, the turnout at the referendum was insufficient so the mayor retained his post.

Toruń, a city which is also endowed with poviat rights, is located in the centre of the Kujawsko-Pomorskie voivodship in the northern part of Central Poland. The voivodship incorporates the former Toruń, Bydgoszcz and Włocławek voivodships. It is relevant for this study to note that

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[2] Until 1999, Poland was divided into 49 provinces (voivodships), one of which was the Słupsk voivodship. The government which appointed Kobyliński was in the hands of a post-communist party.

public agencies and other voivodship-level institutions were distributed between two main cities of the region, i.e. Toruń and Bydgoszcz. The city is governed by a mayor and the city council. The current mayor of Toruń, Michał Zaleski, has a long track record in local government. He is not a member of any political party at the moment but he represented the left-wing Democratic Left Alliance in the city council in 1994–1998 and 1998–2002. Zaleski won the the 2010 local elections in the first round, receiving 65.6% of votes, which was one of the best results in Poland. Therefore, he enjoys strong public support.

Table 1 Unemployment level in selected cities

	Toruń (best)	Częstochowa (average)	Słupsk (under)
Population	205 312	235 798	96 655
Unemployment[3]	9.2%	13.3%	11.7%
Percentage of women among the unemployed	n.d.	49.9%	51.8%
Unemployed people < 25	14.9%	10.3%	n.d.
Long term unemployed	23.6%	52.6%	n.d.

Source: PUPs' monthly reports

2. Research method

2.1 Case study selection

The selection of cities for the study was based, above all, on the analysis of unemployment rates and regional GDP figures measured at the NUTS-3 level. On this basis, the Toruń and Bydgoszcz areas came as a strong region, Częstochowa came as an average region, and Słupsk was classified as an underperforming region. After including another variable, i.e. the labour force participation rates, the classification of the Częstochowa region changed from average to strong. Since the NUTS-3 classification covers groupings of poviats, additional criteria were included. Częstochowa, positioned high in terms of socio-economic variables, is located in a relatively affluent, heavily urbanised and industrialised region of Poland. Toruń, a city located in central Poland and ranked in the middle of the scale, is a major academic centre without any significant industrial sector. Słupsk is a case of a city located on the lands incorporated into Poland after World War II, characterised by a rather low degree of industrialisation, and suffering from structural unemployment.

2.2 Sample selection

The subjects of in-depth interviews were selected using the institutional criterion. Firstly, we arranged interviews with individuals on managerial positions in key institutions responsible for the labour market policy and social assistance at the local level. Interviews were also held

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[3] October 2012.

among local government officials. Further on, interviews were held with individuals identified by the respondents as potentially important informants.

Table 2 Participant organisation and number of interviews per case study

Participant organisations	Toruń (best)	Częstochowa (average)	Słupsk (under)
Employment institutions PUP / WUP / Poviat Council for Employment	5	4	2
Social assistance institution MOPR / MOPS / PCPR / ROPS	4	4	3
Labour Union			2
NGO	1	2	1
The City official	2	5	5
Total	12	15	13

Each interview took between one to two hours. The interviews were transcribed and analysed with respect to the identified themes. Additionally, analytical work was performed on strategic documents prepared by the cities and the voivodship governments. Selected local government resolutions and reports were also included. Moreover, a selective analysis of local press was held with a view of news concerning the social and political situation in each city.

3. Multi-level or vertical integration

We can distinguish three different forms of multi-level and vertical integration of social policy at the local level. Firstly, it is the integration provided for in strategic documents, which are produced at all levels government. Secondly, there are relations defined by law and everyday practices. Thirdly, we need to take into consideration the mechanism of allocation of financial resources.

3.1 Policy development

At the local level (and the state level), a system of strategies is a policy development tool (Witkowski 2012). Poviats and gminas have an official duty to develop a number of social policy strategies: from the strategy of solving social problems (a framework document which encompasses all aspects of social policy) up to specific strategies concerning the labour market, alcoholism and addictions, and collaboration with non-governmental organisations. Additionally, some local governments prepare optional strategies and programmes concerning education, health care or housing. The voivodship government develops its own strategies and the central government prepares ones for the country as a whole. Those documents are intended to serve as a policy development mechanism by generalising specific objectives and matching some higher-level objectives with local needs. They are also intended as a tool to manage social policy implementation processes, co-ordinating vertical activities undertaken by various local government institutions in order to ensure their mutual complementarity. They are also

designed to extend the time horizon of planned actions beyond the budgetary year and to establish a counterbalance to political instability. Additionally, those documents are intended to help in co-ordinating various actions undertaken by local government units. A number of social policy areas do not overlap with the boundaries covered by local government units, which means that both vertical and horizontal collaboration between such units is required.

The quality of documents prepared in all of the studied cities leaves a lot to be desired.[4] In most cases, those documents are of general nature, have been written in the specific 'European'[5] language and focus on providing a diagnosis, while avoiding identification of concrete goals and mechanisms to verify the progress towards such goals. The strategies lack provisions that would translate general objectives into practical actions undertaken jointly by various institutions. Oftentimes, there is no schedule or no system to verify the attainment of the intended goals. Moreover, there is no matching between actions planned by different levels of local government. While obvious contradictions between provisions from various strategies are successfully avoided, this is because the objectives are mostly generalistic and non-controversial. The documents were produced by officials with limited participation of other institutions (the role of the latter was usually confined to the provision of input information) and were adopted without public consultation. In many a case, the preparation of such documents was outsourced to specialised companies which sell 'ready-made templates', modified to accommodate the local context. It follows from the respondents' comments that strategy development is viewed as a tedious bureaucratic requirement.

Considering the above, it is hardly surprising to hear responses from the vast majority of the respondents. When asked about the significance of strategies, they tend to respond in a way similar to this rather strong comment:

> *'In actual fact, we can say that some of the documents in this sphere… are, so to speak… purely metaphysical, detached from reality, yet they meet the expectations of the European Commission, of the national government, or of the social partners, and everyone is happy.' (t1).*

The study has shown that strategies fail to fulfil their function of the management and integration of social policy. Moreover, they have no practical significance for the officials concerned, i.e. they fail to provide any knowledge that would have been relevant for their activities, nor do they help in selecting directions of potential involvement.

Although the strategies fail to fulfil their overt functions, a lot of attention is paid to their preparation since strategies are important for building a façade of official social policy activities. In most cases, the fund allocation system requires that a strategy should be developed, or at least promotes the idea of strategy development. With a good strategy in place, it is easier to acquire additional funding. In cities where more attention is paid to acquiring EU funding for social policy (Toruń, Częstochowa), the quality of the documents is higher.

Somewhat simplifying the complex mechanism of financial allocations, we can identify two ways of transferring funds: directly from central institutions and from the voivodship level.

In the case of centrally allocated funds, there is hardly any link between regional and national strategies since funds are allocated according to an algorithm i.e. a quasi-objectivised

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[4] The problem of the low quality of strategies was pointed out in numerous publications f.e. Karwacki et. al 2010
[5] Using notions adopted from official EU documents and national strategic frameworks

mathematical formula, based on informal and non-transparent rules. Moreover, the formula does not finally determine the amount of funds to be allocated. Through a policy decision, the funds may be reduced (for instance, in order to alleviate the deficit of the central budget) or increased (when additional funding is available). Such decisions concern mostly the allocation of funds for active forms of employment support, which means that the studied cities (as well as the rest of Poland) experience a high degree of uncertainty as to the scope of employment support from one year to another. This factor causes serious instability in the operation of the entire social policy system at the local level, as it hampers rational and long-term social policies planning. Any plans spanning more than one year run a serious risk that the costs will burden the local budgets. In practice, this means that no activities are planned beyond the period which is defined by the available funding.

The second part of the funds, which is much lower, is allocated by the head of the voivodship (the marshal) or by central institutions, from ESF resources. Also in this case the total amounts to be transferred to the marshal and to various ministries for distribution are determined through political decisions at the central level. The performance of this allocation mechanism is well illustrated by a voivodship-level example. Once the marshal has received funds, she/he announces contests for programmes which would be in line with the goals of the respective voivodship strategy. However, the sum of funding that can be received by a city is known beforehand. The decision about the amount of funding for specific local government units is a political one and is governed by the logic of political bargaining. On the other hand, allocation of funds for concrete activities is occurs through a competitive procedure. If a strategy is poorly written, this may mean that no funds will be allocated. However, a good strategy will not translate into more money for the city. It is therefore no accident that strategies are generalistic and contain nearly all possible elements: the purpose is to keep the provisions flexible enough to justify the application for any potential funds. This is particularly important for PUP, which are evaluated, among other criteria, on the basis of the amount of funding they actually managed to acquire.

A façade of a social policy in strategic documents has negative consequences for the operation of local government institutions, as it leads to the depreciation of long-term thinking and strategic planning. The organisational culture has an embedded dichotomy between the official policy prescribed in documents, and specific practical actions. This façade is treated by officials as something superfluous and even obstructing the 'real' social policy work which the local government must do. Officials ritually complain about the need to prepare such documents and openly admit that they neither know them nor act upon them. However, they must make sure to agree the actual actions being implemented, with the 'façade' being laid down in official documents.

Local government officials generally challenged the opportunity to develop specific social policies at the local level: everyone just exercises their right, laid down in the law, to act within the available financial resources. However, this argument seems to be used in the respondents' statements as a typical example of the "blame culture" embedded in the culture of local government institutions (Hood 2011). Apart from scarcity of financial resources, the law is the most commonly mentioned culprit. Oftentimes, officials have to deal with vagueness of the law, and this is interpreted negatively: since the law does not recommend something, this means it forbids it.

Another factor to blame is the autonomy of local government units, which does not allow enforced collaboration within a hierarchical bureaucratic structure. Personal relations are used to bypass various legal or organisational problems. However, while a personal relation may help to get something done, it does not work well as a planning mechanism. Even if two officials agree to collaborate, such an agreement will not be binding on the institution as a whole.

The collected data have shown that, despite the respondents' denials, social policy is, indeed, diverse in different cities. Those differences relate not to the financing system or strategic documents but the relations between, and within, the studied institutions. This situation largely stems from the 'personalisation' of such relations. However, such relations are highly volatile. A departure of one person, a change in the post of a head of an organisation, a change in local government authorities – all these developments may cause significant chances in the operation of the social policy system. As a result, regional social policy becomes highly vulnerable to any changes in the environment, however small. This is crucial variable and will be highlighted from different angels in other parts of the report.

Table 3 Barriers to and enablers of multi-level integration during policy development

	Toruń	Częstochowa	Słupsk
Enablers	- trust between institutions created by stable cooperation for a long time - good personal relation between officials from different institutions	- use of different form of participation in policy development - good personal relation between officials from different institutions	
Barriers	- fragmentised system of institution responsible for social policy. - Lack of skills in strategic planning - Unclear and centralised financial system. Local government has very small influence on resource allocation - Lack of stable national policy, which is a barrier for long term strategic planning		
	- lack of coordination between strategies	- lack of coordination between strategies	- low quality of strategies - lack of coordination between strategies - lack of imitative from local - low trust between official form different institutions.

3.2 Policy implementation

When analysing the relations between various institutions in the light of social policy implementation, we can identify a few aspects of co-ordination of activities that help to build coalitions which define the social policy at the regional level.

Firstly, we should identify the periphery-centre relations (the studied cities vs. the capital of the voivodship and Warsaw). The key decisions for social policy on the labour market are adopted between the PUP (Poviat Labour Offices) and the Ministry of Labour and Social Policy (MPiPS). The scope of activities to be undertaken is primarily determined by financial decisions. The direction is set by the law and regulations. In all cases, central institutions have a decisive voice.

As a result, it is the ministry, or central decisions, that represent the main frame of reference for PUP.

Each of the three studied cities has a specific position in the voivodship. Toruń lies in the Kujawsko-Pomorskie voivodship, where regional institutions are located in two cities: Toruń and Bydgoszcz. The antagonism between the two cities underlies this fairly unusual institutional solution. As the cities compete for the hegemony in the voivodship, co-ordination of policies suffers as a result. In order to avoid conflicts, the principle of even allocation of funds is applied, which is not always justified. Słupsk lies in the Pomorskie voivodship, with the strong Gdańsk urban agglomeration as its capital. The respondents commonly believe that Słupsk is marginalised in voivodship-level policies. It is difficult to assess whether this belief is supported by facts yet it clearly translates into relations with voivodship-level institutions, which are treated with suspicion. Częstochowa is a good example of good working relations with the capital of the voivodship, Katowice. In view of its unique profile (the religious capital of Poland), the respondents from Częstochowa feel their city plays a significant role. Częstochowa is the home of a WUP branch, a branch of the Marshal Office and the Regional Centre for the European Social Fund (ROEFS).

The centre-peripheries relations translate into relations with important voivodship-level institutions, i.e. WUP, ROPS and ROEFS. Their activities are varied in the three cities. In Częstochowa, those institutions were mentioned spontaneously as partners in building coalitions for various social policy initiatives. They initiate various actions and provide inspiration for the development of new programmes. Another important fact, as mentioned earlier, is that all those institutions are seated in the city. Toruń, where the seat of the voivodship marshal is located, has the full set of institutions, which obviously facilitates collaboration. The weakest collaboration is observed in Słupsk, which only houses the ROEFS. These cases indicate that collaboration is affected by geographic distance. The presence of an institution within a city facilitates frequent face-to-face encounters, which improves the efficiency of communication and builds mutual trust.

Another important dimension of co-ordination is the relationship between PUP and poviat government. Those relations are fairly problematic. Formally, the starost (head of poviat) is the superior for the director of PUP. The number of jobs/positions at the PUP's disposal depends on the decision of the local government. The strategy of local employment activation, developed by PUP, is formally part of the poviat strategy of solving social problems. In practice, however, there is little integration between poviat policies and those of PUP. A crucial factor which determines the relations of the two institutions is the weakness of poviats. They were established a few years after gminas and were equipped with a limited set of competencies. Right from the very start, the raison d'etre of poviats was challenged. The idea to attach PUP to poviats was meant to strengthen the latter, yet it created a situation where a stronger organisation is subordinated to a weaker one. While the poviat is formally responsible for social policy, in its area, it has few instruments (except PUP) to actually implement it in practice.

Collaboration between PUP and local government was not found in any of the studied cities. This lack of collaboration was manifested in strategy and in respondents' statements. PUP staff have a strong sense of autonomy and the organisation culture includes the identity of PUP as a body liaising with the ministry rather than the local government. Statements of local government

officials reflect reluctance towards the PUP; they recognise the autonomy of the latter and do not try to influence its policies.

Another important dimension of co-ordination in social policy implementation is set by the relations between the PUP and social assistance institutions. The staff of both those organisations are well aware that collaboration is necessary. However, it can be clearly seen that motivations behind collaboration are varied. For social workers, PUP is important as it has an array of employment support tools at its disposal which the customers of social assistance (most of them unemployed) may use. Social workers are sure that without employment support services their work will be confined to interventions only. From the PUP's perspective, social assistance relieves employment services of the burden of handling 'difficult cases'. Those who take part in employment support services within social assistance are deleted from the list of registered unemployed citizens, thus improving PUP's performance statistics. However, what is more important that the flow of individuals (which is low, given the small number of employment support programmes carried out by social assistance services) is to convince employment services that 'difficult cases' do not fall into their responsibility. As one of the PUP staff members put it:

> *'there is hardly any proper collaboration except that we exchange information and issue certificates for each other. (…) Formally, it [collaboration] does exist. In practice, however, it boils down to those administrative activities.' (s1)*

The studied cities show some differentiation with regard to the degree of co-ordination between PUP and social assistance institutions, as it depends on personal relations. The staff of social assistance services and other organisations who want to apply employment support tools have an easier task if they have managed to establish personal contacts with the relevant PUP staff. Among the studied cities, Toruń has the best relations, which largely stems from its stable personnel situation as well as the political situation in the city. In turn, fewer personal links can be noticed in Słupsk and Częstochowa. An example of collaboration with PUP without the support of personal relations is given in the following interview excerpt:

> *'If you ask for anything, they refer you to another place. Once we sent an official letter asking them to tell us about occupations with the largest number of people registered and so on. They referred us to statistics. They run statistics and there's a report once in three months, so all they say is 'here you got a report'.' (c10)*

Table 4 Barriers to and enablers of multi-level integration during policy implementation

	Toruń	Częstochowa	Słupsk
Enablers	- trust between institutions created by stable cooperation for a long time - good personal relations between officials from different institutions - active and supportive voivodship institutions - stable political situation	- good relations with voivodship local government - active and supportive voivodship institutions - good working relations between PUP and social assistance institution based on personal relations	- experience and active personnel in a few institutions

Barriers	- Unbalanced relation between poviat and PUP. Weak influence on PUP by poviat. Although PUP is part of poviat administration it protects its autonomy.	
	- small political conflict	- strong political conflict destabilising situation in the city and influencing relation between institutions - tension between local and voivodship government. - unwillingness to cooperation between PUP and social assistance institutions

4. Multi-dimensional integration

The research takes into account six dimensions (domains): social assistance, childcare, training/education, health care, housing and employment. The reconstruction of integration forms focus on employment and its relation to other dimensions. This means that we have omitted several forms of integration between social assistance, childcare, training, housing and health care.

4.1 Policy development

Institutional links arising from the existing legal solutions are an essential form to integrate the aforementioned dimensions. As mentioned in the introductory section, the system of institutions operating in the social policy domain in Poland is deeply defragmented and the legislators only sketched the fields of collaboration or co-ordination of activities. Strategies are seen as the essential mechanism to integrate various dimensions of social policy at the local level. However, as already demonstrated in section 3, such strategies fail to fulfil their role.

The legal system and the existing institutional solutions define the overall framework for social policy at the local level. However, it is the consensus around the social policy and the involvement of local authorities that largely determine the shape of actual social policies at various levels. Our research conducted in three cities indicates that the political situation in the city is an important factor influencing the co-ordination of activities undertaken in various domains. It is the decision of local authorities that determines the place of social policy in the overall vision of development in local communities. Also, it is the authorities that may allow or disallow activities which go beyond the legally required minimum.

The three cities under study have diverse political situations. In Częstochowa, the new left-wing local government actively supports various social policy initiatives and gets involved in their co-ordination. This task is to be facilitated by the Department of Employment Promotion and Social Affairs, established last year and headed by a person with many years of work experience in an NGO. The city authorities offer their support through exploration of activities of social policy institutions, participation in selected meetings, or support for promotional activities. However, the policy pursued by the new authorities of Częstochowa is perceived not only in positive light. In particular, people linked with the previous local government sometimes challenge the credibility of currently undertaken activities. They describe the support for social

policy as a way to demonstrate the left-wing stance and distinguish the new mayor from his predecessors, who used to focus more strongly on relations with the business community.

The case of Częstochowa is exceptional. Social policy was incorporated into the political process there and has become an element of political struggle. The bone of contention is not the social policy as such, with its goals, scopes and methods of implementation but, rather, the position of social policy in the hierarchy of priorities for the city. In Słupsk and Toruń, the social policy is pursued by officials as part of bureaucratic operations undertaken by relevant local government units. Also in those cases social policy is not immune to political processes.

The Słupsk case is particularly interesting. An acute political conflict upsets the entire system of local governance. Although no social policy elements were employed in the conflict, there is no coherent vision of social policy. Officials seem to experience a sense of instability and the current situation encourages them to adopt a conservative stance. At the institutional level, the political conflict and absence of a vision result in a deeper defragmentation of the system. Various institutions fulfil their responsibilities within their respective competencies, without going beyond the areas circumscribed by the law. In fact, the law and institutional solutions are invoked to justify the minimalistic approach. The political situation seems to be most stable in Toruń. Although social policy is not a priority for that city, its authorities support social policy institutions in their various initiatives. Moreover, the stability is conducive to the development of personal relations between staff from various institutions, which translates into greater efficiency and effectiveness of various initiatives.

In this context, the collaboration with NGOs and the problem of civil society remain important. A significant factor that helps the local government in Częstochowa to get involved in social policy is that the city can boast large and strong NGOs in the domain of social policy. Regardless of the which political option was dominant, NGOs pressured the authorities to achieve greater involvement of the city in social policy. The authorities are also open to various forms of participatory democracy, thus improving the responsiveness of local administration to the needs of its environment. Also, this reduces the likelihood of reproducing identical solutions just because they are safe and worked well in the past.

In turn, the situation in Słupsk remains in stark contrast with the other two cases. The NGOs in Słupsk are weak and depend on the city in many ways. Additionally, some organisations which play an important role for the social policy are the so-called QNGOs, i.e. organisations controlled by the local government. They undertake a number of labour market activities financed from EU funds but do not play an important role in shaping the city's policies because, in fact, they are part of the local government. The civil society in Słupsk is also weak. There is an acute political conflict between the city's elites, with the residents playing the role of passive audience. This lack of involvement is reflected in a number of areas and has ramifications for social policy. Few actors get involved in the implementation of various activities, and most confine themselves to narrowly defined goals, avoiding any initiatives that would call for collaboration or for building a broad coalition, which may be potentially dangerous.

Table 5 Barriers to and enablers of multi-dimensional integration during policy development

	Toruń	Częstochowa	Słupsk
Enablers	- stable political situation	- new left-wing local government support various initiative in social policy - strong civil society	
Barriers		- Lack of skills in strategic planning	
		- Social policy became an element of political process, which potentially, could be a barrier.	- lack of interest in social policy - weak civil society

4.2 Policy implementation

As regards policy implementation, we should give the first mention to those forms of integration of different policy domains which are necessitated by the law. The relevant acts of law require that social assistance and employment services institutions must exchange information about services provided to their customers. There is also some degree of integration between the family policy and social assistance. However, this is the case because the studied cities are also endowed with poviat rights, i.e. they combine activities which are normally distributed between the poviat and the gmina. Integration is limited even in this sphere since some of the child care services are carried out under the education system, governed by the respective departments of the city hall. The final case of enforced integration pertains to employment and health care. Integration between those spheres concerns health insurance which is paid by the PUP for individuals registered as unemployed. This type of service is highly unpopular among PUP's staff as it entails a lot of extra work. Moreover, officials believe that a large proportion of the unemployed apply for registration only to receive free health care. Apart from this narrow yet controversial form of integration, there are no other links between health care services and employment services.

Barriers to the co-ordination of activities between the various social policy domains are particularly noticeable in the case of education and social assistance. The respondents generally agree that some form of collaboration between employment services and institutions from the aforementioned domains is necessary. The case of Słupsk is illustrative here: all those interested in the labour market are aware of the fact that graduates of some universities and colleges operating in Słupsk join the ranks of unemployed youth on the day of their graduation, thus becoming PUP customers. This case is by far not isolated: the respondents from Częstochowa mentioned exactly the same problem, albeit on a smaller scale. The respondents in Słupsk could not see any ways to influence either the number of students admitted each year or the fields of study. Instead, they talked about the autonomy of higher education, which, in their opinion, was the main reason behind the current situation. Blame was also put on the education system, and this was used as an excuse for undertaking no activity in this sphere. Some voices questioned the possibility to integrate those domains in the first place, given the different time frames of activities being undertaken (volatile market sentiments and the duration of education).

However, the case of Częstochowa shows that employment services are not entirely helpless here. In 2010 the city, in collaboration with WUP, ARR and a local college, commissioned a diagnosis (funded by the ESF) of educational needs from the perspective of the labour market. The diagnosis did not focus on higher education only but, instead, covered the entire education system. As a result, a number of recommendations were developed on how to co-ordinate activities between the labour market, employment services and educational institutions. Nevertheless, few of those recommendations were implemented in practice. Following a change in local government, there was some staff reshuffling in various stakeholder institutions, priorities were redefined and the recommendations were no longer used. This example shows that attempts at finding systemic solutions to the problem of integration stumble upon a number of political and institutional barriers. In fact, it is bottom-up initiatives that stand a greater chance of success. In Częstochowa, a few new education profiles were successfully launched at universities in order to cater to specific needs of the labour market. Similar initiatives in vocational training were also successful. However, one should stress that such successes are by far not widespread. The key success factor in such initiatives lies in the personal relations between officials, employers and heads of schools. Such initiatives are often undertaken on an ad hoc basis to address the needs and to leverage the opportunity of building a conducive multistakeholder coalition.

Employment services and training services are other areas where integration is needed. The vast majority of training courses offered by PUP are outsourced to private companies following a tendering procedure. The last decade saw the arrival of a lucrative training market, which experienced a boom thanks to the availability of ESF funding. This market is still young, which largely accounts for the high rotation of its actors. There are no standards to assess the quality of services actually delivered. When choosing the best bidders, public institutions mostly apply the lowest price criterion, which leads to a decline in quality when competition is fierce. Public officials in all of the studied cities are generally frustrated with the low quality of training and their limited possibilities to influence the quality of training. Any attempts to develop an invitation to tender that would eliminate poor training providers might expose officials to corruption charges. Again, this shows the importance of government support for a robust social policy. There are some top-down attempts at integrating employment services with training institutions. For instance, a register of training institutions has been established. However, the only requirement for entities that want to be entered is to meet the formal criterion (i.e. being officially entered in the National Court Register, or, in other words, in the registry of businesses). In practice, this means that anyone who sets up a business and identifies training as their business line can be entered in the list of training institutions. Officials believe that no criteria are in place to verify the quality of training programmes offered by various providers.

The social assistance centre is the institution which employment services liaise most with. The respondents realise that, in particular, employment activation of individuals remaining in long-term unemployment requires parallel social activation. PUP lacks tools to cope with various social dysfunctions experienced by the unemployed. Also, social assistance workers commonly believe that social integration calls for labour market integration. There are w few initiatives developed in Częstochowa and Toruń in the sphere of the so-called 'social economy' which combine social assistance and employment, as well as health care and training.

In the first half of the last decade two institutions were introduced to integrate social assistance with employment, i.e. social co-operatives and social integration centres. The former enable

unemployed citizens (and other groups defined in the law) to set up co-operatives and run business activity on preferential terms. Social integration centres are special units which can be established by local governments or NGOs, with the aim to undertake various activities to promote social and occupational integration. Both solutions are available to local governments but are not mandatory. By and large, those tools are perceived as difficult and costly but effective in employment support. In the course of our study, none of the two structures was applied in Słupsk. Częstochowa had two social integration centres in operation whereas Toruń had a social co-operative and one active social integration centre. In order for both types of institutions to be operational, involvement of local government and NGOs is needed and various services must be combined. At present, it is difficult to make any predictions about the future of those initiatives as they are largely based on EU funding, which means that the foundation of their operation is unstable. It is not clear how they would be financed once the EU funding dries out. It is also important to note that those institutions have very limited influence on the social environment. Only a few dozen people a year are eligible for support under one social integration centre. Nevertheless, a lot of attention is paid to those initiatives in both cities as they are seen as a 'laboratory' to develop new ways of working with individuals affected by long-term unemployment. Some respondents also said that such solutions might help PUP and MOPS to address their deficits in future.

Table 6 Barriers to and enablers of multi-dimensional integration during policy implementation

	Toruń	Częstochowa	Słupsk
Enablers	- some forms of integration between various institutions are forced by law		
	- stable political situation - good personal relations - new initiatives in social economy	- new left-wing local government support various initiatives in social policy - strong civil society - new initiatives in social economy	
Barriers	- fragmentised system of institutions responsible for social policy between various level of local government and different departments within local government - some elements of forced integration are unpopular and used as an argument against coordination of various part of social policy		
	- social policy is not important element of the city policy	- Social policy became an element of political process, which potentially, could be a barrier.	- lack of interest in social policy - weak civil society

5. Multi-stakeholder integration

The last area to be analysed were the relations between the public, private and third sector. We will first discuss the scope of collaboration between the aforementioned stakeholders in the Poviat Council for Employment in the context of policy development. Then we will demonstrate the scope of collaboration between public and private sector and between the public and third

sector during the implementation process. The relationships between the private and third sector are not found in the cities under study.

5.1 Policy development

According to the law, the Poviat Council for Employment (PRZ) is an institution which must be established. Its scope of responsibilities encompasses a number of mostly advisory tasks. The Council comprises members of the local government, NGOs and entrepreneurs. Potentially, the Council might be an important instrument in developing a vision of the labour market policy and in building a broad coalition for its implementation. In practice, however, the Council is a discussion forum of little importance in all the cities under study. The main scope of the Council's activities is confined to issuing reviews on allocation plans regarding the employment activation funds or on newly launched education profiles at schools. In none of the cities under study the Council would somehow oppose the proposed solutions or influence the labour market policy. The respondents explain this situation by saying that the Council's opinions are not binding and that the final decision is adopted elsewhere. This explanation shows, however, that decision-makers do not count with the Council and treat its opinions only as part of bureaucratic red tape.

The Council members acknowledge that this body is not very influential. As one of the respondents said, the following is required for the Council to play a more significant role:

> *'There should be more decision-making authority. Those decisions should be more significant. It shouldn't be just a forum but there should be more decision-making, more ability to take some development-oriented steps; or maybe not development but generally more influence on reducing the unemployment, and greater decision-making powers in general. Those decisions should have a greater significance on the outside.' (c4)*

The example of the Poviat Council for Employment shows that bridging mechanisms do exist in a defragmented system of social policy institutions but they are not utilised. Apart from the frustration of a Council member, the aforementioned quote also shows a lack of understanding of the very idea of an advisory body where the representatives of various stakeholders could get an opportunity to build a wide-ranging coalition. An opportunity to work within the Council is also restricted by the aforementioned autonomy of individual organisations (something that is heavily guarded). However, the main factors which block the bridging between various stakeholders can be observed when looking at policy implementation.

Table 7 Barriers to and enablers of multi-stakeholder integration during policy development

	Toruń	Częstochowa	Słupsk
Enablers	- the existence of Poviat Employment Council, which could play important role in multi-stakeholder integration		
	- stable political situation - quite a few of strong NGOs	- quite a lot of strong NGOs	

Barriers	- weakness (powerless) of Poviat Employment Council, potentially important institutions for multi-stakeholder integration - disintegrated private sector: lack of strong organization of private sector - private sector not very interested in cooperation with the local government in labour market policy
	- left wing local government not very interested in cooperation with private sector

5.2 Policy implementation

Public sector – private sector

The personnel of employment services hold a widespread view of the crucial role of entrepreneurs in the labour market policy. This view was expressed by PUP staff in all of the cities under study. Such opinions are well illustrated by the following statement from one respondent:

> *'We need to give away as much money as possible to entrepreneurs because they are the ones who create jobs… And the burdens on them should be as light as possible. We can see that the accumulation of huge public funds for policy and intervention through tax collection entails huge costs. I can see that it's not only the programmes that are costly but also the servicing of those programmes is horribly expensive. In other words, the first thing I'd do if I could would be to cut my own job (laughing).' (t1)*

In this perspective, the role of employment services boils down to that of intermediaries which supply employees to entrepreneurs. Officials do realise that this approach vis-à-vis entrepreneurs puts them in a subordinate position and, consequently, PUP becomes an institution which addresses the aggregate interests of entrepreneurs. This view also has a latent function, i.e. it releases labour offices from the responsibility for the outcomes of their work. Since everything depends on entrepreneurs and on the current market situation, then, as another official put it: 'We can just offer support; the city and the gmina might provide support but it is the entrepreneurs who decide whether or not they will take on new hires.' (c3). If PUP's activities bring no outcomes, this is attributed to bad economic situation and/or bad faith on the part of entrepreneurs.

Such general declarations about the crucial role of entrepreneurs are not followed by practical actions to build partnerships between the public and private stakeholders. In the studied cities, the collaboration with entrepreneurs was confined to providing employment intermediary services, i.e. a company would submit a job offer and PUP will post it on its website. In most cases, public agencies adopt a passive stance and wait for vacancy notices to flow in. Only in Częstochowa a different approach was declared:

> *'Our intermediaries visit companies directly; they use the yellow pages and go to see entrepreneurs. In fact, they operate like door-to-door salesmen and ask companies if they want to hire anyone. And if so, they ask them to call our office.' (c3)*

However, this situation is an exception rather than a rule. For this reason, as assessed by one of the respondents, only 10% to 20% vacancy notices in Toruń end up in the PUP system. Officials attribute the lack of broad collaboration with entrepreneurs to the demanding attitudes demonstrated by the latter. Entrepreneurs do not treat public institutions like partners. They do not understand the constraints under which public institutions operate. Entrepreneurs use the services of public institutions but are reluctant to get involved in any collaboration. It is hard to assess to what extent the respondents' opinions actually match the reality. Those comments suggest that officials are not quite sure what such collaboration should consist in. There is insufficient information flow, in either direction. Entrepreneurs do not express their needs and offices follow the standard procedures, doing only the things that are required by the law, and little else. Dispersion of entrepreneurs is another problem. Organisations of entrepreneurs are weak and not very representative. In practice, officials have no partners to talk to.

On the other hand, officials quote examples of effective collaboration with specific companies. Small groups of entrepreneurs do use various services from the PUP (traineeships, financial support for a job position). Those companies are familiar with the legislation and know where to go in order to receive such support. Good relations with specific companies are based on personal relations and they lead to a win-win situation. Entrepreneurs get access to cheap labour force, financially supported by the public office, whereas officials, who are accountable for the effectiveness of their programmes, can count on those companies to accept someone as a trainee or a temporary employee, and this helps officials to attain their targets.

Public sector – third sector

Non-governmental organisations play an important part in social policy at the local level, offering a number of services which local government cannot or would not offer. In particular, this holds true for services offered to groups that need long-term specialised support, such as long-term unemployed or the homeless.

Among the studied cities, it is Częstochowa where local government has developed the most far-reaching collaboration with NGOs.

> *'We do everything in partnerships. In fact, we do everything in partnerships with NGOs (…) When we consult the annual programme, we don't just post it on the website and let it stay there. We just arrange four teams, each focusing on a different topic, then we run a big forum and discuss those things together, and then there is still some room for comments. So the impression we get is that we develop things in partnership.' (c6)*

As a necessary precondition for such collaboration, the local government should demonstrate good will. The new authorities in Częstochowa clearly seek various participatory forms in pursuing their policies. However, what is more important is that Częstochowa has many strongly NGOs which are not only seen as important and credible partners for the local government but also can pressurise the authorities to fulfil their goals. It is also worth stressing that numerous NGOs are faith-based organisations with their roots in Roman Catholicism or other religious denominations. Those organisations know how to collaborate with one another and with left-wing public authorities.

Also, the collaboration between the local government and NGOs in Toruń runs smoothly. There is trust between the third sector and local government employees based on the experience accumulated during many years of collaboration.

The picture of collaboration in Słupsk is less rosy. There are even situations where officials launch their own non-governmental organizations to replace grass-roots civic organizations in the same work because they do not trust their professional competences in solving social problems. In this way, the local government establishes its hegemonic and monopolistic position locally, blocking many small civic organisations from their natural growth and development. Officials prefer to adapt original, grass-roots ideas and visions or co-opt local leaders instead of supporting NGOs, respecting their autonomy and independence.

Local officials think that it is mainly their task to build the civil society in a top-down fashion. The non-governmental partners of local government are very weak – they are not genuinely autonomous and powerful institutional subjects. Some officials openly admit that NGOs need direct steering by public institutions:

> *'The state and local government should educate and prepare partners, teaching NGOs to adapt to the government logic; NGOs should be taught the procedures and the way of handling cases, and only then can they become partners for the central and local government.' (s5)*

As we can see, partnership is defined as forcing the partner institutions to adapt the style of public institutions. Public institutions reckon they have the right to impose rules of the game on all other partners.

Contrary to declarations, none of the studies cities can boast collaboration based on partner-like relations with both parties being equal. The services to be rendered by NGOs and paid from public funds are awarded through public procurement procedures where the price is the main criterion. The marketization of services has a significant effect on the shape of the relations between the local government and the third sector and between various NGOs. The resulting collaboration is based on paradoxical market mechanisms. The local government wants to outsource various tasks and, therefore, it is potentially interested in partnering with NGOs. However, due to the imposed performance requirements the services must be verified using measurable indicators, which triggers attempts to control the partner and undermines trust.

The logic of partnership clashes with the logic of control over the effectiveness of spending. Under such circumstances, collaboration turns into a zero-sum game. When one party gains, the other one loses.

> *'Well, and there is the struggle whether we should employ anyone permanently and how many people. And I can't because of the crisis, or because I'm a publicly funded organisation, or a gmina office. And my budget cannot be stretched endlessly. So we're dealing with a regular tug of war and of course we find a consensus because we can't impose such performance requirement which will scare everyone off the contest or will make everyone fail. In that case, projects wouldn't be implemented and assistance wouldn't be delivered. Therefore, we need to find a modus vivendi to make sure we get reasonable results with the available funding.' (t1)*

During this struggle, it is the public agencies that hold the trumps up their sleeve. The public agency allocates the funds, controls progress towards goals and assesses the outcomes. One respondent frankly admitted that if a public agency wants to make an NGO bankrupt, they have ways of doing it. This situation causes frustration among many people working for the third sector: they feel they are humble petitioners in a public agency.

'When we deal with public officials, we constantly are in the position of a humble petitioner and that must change. It should be public officials that ask us for favours since we want to perform that work, in all ways. That situation should change but for the time being we're still like those humble askers. Goodness, things shouldn't work like that.' (t7)

The case of access control to a beneficiary database is a good example of the mechanism whereby the public sector puts NGOs in a subordinate position. NGOs must find a way to recruit individuals to a project. The simplest solution would be to obtain a list of potential users of the services from the commissioning public agency. However, this solution is by far not commonly applied. The sheer fact of owning such a database is a powerful tool allowing public agencies to control NGOs. By allowing or denying access to such data, a public body selects the NGOs which it wants to work with.

This situation translates into competitive relations between various NGOs. They compete for the same funds, and for beneficiaries who would help them to achieve the intended targets. Under the circumstances, NGOs are reluctant to exchange information with other non-governmental players. Moreover, it is a safer option for NGOs to adopt a passive stance, without actively presenting their postulates to public agencies. Consequently, NGOs put themselves in a subordinate position.

Table 8 Barriers to and enablers of multi-stakeholder integration during policy implementation

	Toruń	Częstochowa	Słupsk
Enablers	- stable political situation - quite a few of strong NGOs - trust and good personal relations between third and public sector	- quite a lot of strong NGOs - partnership between third and public sector	
Barriers	- lack of model of public ver. private relation - fear of being accused of corruption in context of public ver. private relation - marketization of relation between third and public sector		
		- left wing local government is not very interested in cooperation with private sector	- lack of trust between third and public sector

6. Conclusions

From the perspective of the classic Esping-Andersen typology (1990), social policy in post-communist countries does not fit into any of the identified groups (Fenger 2007). In order to find a place in that typology for Central and European countries, they are described as a 'mixed model' (Deacon 2000), conservative (Orenstein 2008). There are also voices about the need to identify a separate, post-authoritarian type (Lessenich 1994) or a post-communist type (Wasner 2008).

This analysis of social policy in three Polish cities may cast new light on the ongoing debate with regard of governance of welfare state at the local level. Taking into consideration the horizontal and vertical integration we can notice two opposing trends: on the one hand, the social policy system became deeply defragmented as a result of political decentralisation undertaken in Poland in 1990s. A system of strategies does not work well as an integration mechanism. On the

other hand, what can be noticed in the studied cities are attempts made by the central government to co-ordinate policies through financial mechanisms, and that leads to secondary centralisation (Bruszt 2008, Gross 2008).

A paradox of social policy at the local level is that the organisational culture has an embedded 'blame game': procedures and formal tools are blamed for obstructing the attainment of goals. Officials from local government institutions commonly question the possibility to pursue a co-ordinated social policy with the tools that are available to local government. Personal relations have been put in the foreground, yet personalisation of relations brings mixed effects. While we might conclude that this approach improves the efficiency of operations in the case of implementation, in the case of policy planning there is no generalisation mechanism and no co-ordination between organisations in the long run.

The personalisation of interinstitutional relations is responsible for the volatility of social policy in the three cities under study. When carrying out joint initiatives, people may meet and recognise their potential as well as limitations. The development of such relations is facilitated when the situation in the city is stable, notably in the political dimension. All three case studies have highlighted the important role of local politics. A change in power, which was the case in Częstochowa, is likely to bring a new opening, with social policy being prioritised. The sustainability of this change, however, is under question. Much like the previous authorities, the new ones may effect personal shifts on key positions, redefine priorities for the city and limit social policy involvement to a minimum. Moreover, a political conflict may lead to institutional paralysis, which was the case in Słupsk.

The separation of various social policy elements at the local level originates from the ministerial level. Various ministries and departments focus on managing their respective areas of competence and are not interested in integration. At the local level, they lack structures that would integrate various dimensions. For instance, one of the problems is that education does not address the needs of the market and while both schools and employment services are subordinated to the local government, the latter has no mechanisms in place to ensure systemic integration between the two. Any initiatives that emerge have a bottom-up nature and succeed only thanks to the personal involvement of interested parties.

The political situation also translates into multidimensional integration. Without the support of local government, any initiatives aimed at merging various spheres are doomed to failure. Due to the lack of trust and a defensive stance adopted by many officials no forms of multidimensional integration can evolve, particularly when there is no pressure from the civil society.

The multiplication of barriers to collaboration is particularly noticeable in the multistakeholder dimension. Partners have disparate interests and there are no mechanisms in place to escape the agency dilemma. In particular, it is difficult to reconcile the interests of employers and the third sector. There is no collaboration between the private and the third sector in any of the three cities under study. Each of those two stakeholders is weak vis-à-vis public administration which, in turn, is not interested in any bridging efforts. There is a visible tendency for public administration to put the third sector into a subordinated position. In Słupsk, there have been cases of assuming the role of the third sector and establishing QNGO. As services are commissioned via a tendering mechanism, institutional trust is replaced by accountability. In a system where non-governmental organisations have to report on their activities to the local government, little room is left for partner-like relations.

The relations between private and public actors are more complicated. Officials claim they are interested in working with the private sector. However, due to the generally suspicious attitude towards such relations, they are very cautious about them in practice. Entrepreneurs, in turn, lack the willingness to get involved in shaping the city policies in their various aspects. Entrepreneur organisations are sparse and display a demanding attitude. Because of all these factors, an institution which was established to ensure policy development among multistakeholders, i.e. the Poviat Council for Employment, has become a façade institution in practice, its operations boiling down to rare meetings and approvals of decisions already adopted by the city authorities.

The picture emerging from the research conducted under this study is that of local social policy which is embedded into the multi-level structures, organised into local unities with strong political legitimisation. The authorities of all local government levels are elected directly. However, strong political legitimisation reinforces the fragmentation of the policy field. There are few mechanisms to integrate various levels and they cannot withstand the strong sense of autonomy. Extensive local government structures are very poorly counterbalanced by the private sector and the third sector. The civil society is weak, with NGOs being dependent on local authorities which make decisions about the allocation of funding.

Table 9 Local multi-level, multi-dimensional and multi-stakeholder integration types in employment policy

Coordination level		Governance Type		
		Toruń	Częstochowa	Słupsk
Multi-level	Policy development	Centralised / Devolved	Centralised / Devolved	Centralised / Devolved
	Policy implementation	Regional / Alignment	Regional / Alignment	Regional / fragmented
Multi-dimensional	Policy development	Fragmented / Cooperation and Alignment	Fragmented / Convergence	Fragmented
	Policy implementation	Fragmented / Cooperation and Alignment	Fragmented / Alignment	Fragmented
Multi-stakeholder	Policy development	Alignment	Convergence	Alignment
	Policy implementation	Cooperative / contractual	Cooperative / contractual	Contractual / conflictive

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Acronyms:

ESF	– European Social Fund (Europejski Fundusz Społeczny)
MOPR	– City Family Assistance Centre (Miejski Ośrodek Pomocy Rodzinie)
MPiPS	– Ministry of Labour and Social Policy (Ministerstwo Polityki i Pracy Socjalnej)
OPS	– Social Assistance centre (Ośrodek Pomocy Społecznej)
PUP	– Poviat Labour Office (Powiatowy Urząd Pracy)
PRZ	– Poviat Council for Employment (Powiatowa Rada Zatrudnienia)
ROFES	– Regional Centre for the European Social Fund (Regionalny Ośrodek EFS)

ROPS   – Regional Centre for Social Welfare (Regionalny Ośrodek Pomocy Społecznej)
WUP   – Voivodship Labour Office (Wojewódzki Urząd Pracy)

The Local Governance of Social Cohesion

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1. Introduction

1.1 Political and Institutional context

In Italy, as in other European countries, the NUTS-3 is not the lowest administrative level. It is important to distinguish between the *Provincia* (province), which correspond to the European NUTS-3 level, and the *Comune* (municipality) which is the lowest level of government, although metropolitan cities are divided in borough as well (with elected body, but no financial autonomy). It is also import to distinguish between the functions of the Province and the *Comuni* in order to have a clear picture on how policies are developed and implemented at the local level and the modes and degrees of integration.

The 59/1997 law started a process of devolution of national competences to the *Regioni* (NUTS-2), *Province* (NUTS-3) and the *Comuni*. The legislative decree 112/1998 and successive laws deeply increased the importance and the allocated resources of the local levels in many fields, including labor and social policies. Provinces have now competences in many fields[1] and they have a central role with respect to labor policies. Most importantly, they directly manage labor-related services. By contrast, *Comuni*[2] have a marginal role as regards labor policies, given that they have no legal competences in the field. Nonetheless big municipalities, traditionally run some specific services, but the situation varies a lot. On top of that, *Provincia* may collaborate with municipalities, within an economic, industrial and commercial sector, to devise and implement specific projects, given that Province has a planning role, while Municipalities implement economic development policies.

As regards social assistance policies, the Law 328/2000 conferred to the state the role of determining the principles and objectives of social policy while all the functions and administrative tasks were given to regions and local authorities. More specifically, the municipalities were vested with the duty of service and social benefits delivery, as well as with the design and implementation of the overall network of social services. Attention was also paid to integrate planning, both vertical (through the *Piano Sociale Nazionale* at the central level, the *Piani Regionali* at the regional level, and the *Piani di zona* at the local level) and horizontal, by involving different actors, particularly the local health authorities of the National Health Service (ASL- Aziende Sanitarie Locali)[3] and the third sector.

The Law 328/2000 delegate health competences to the regions which were responsible

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[1]   Among the most important there are: energy management, environment, infrastructures (especially roads), secondary and vocational education, sport activities.

[2]   The *Comune* has competencies as regards retailing activities, tourism, agriculture, town planning, municipal infrastructures, public transportation, primary education, childcare, local police, culture.

[3]   The Local Health Authorities (ASL) are legal public bodies that have organizational, administrative, fiscal, financial, managerial and technical independence. They organize and provide healthcare services within their territorial areas through public facilities or accredited private structures.

for the selection of objectives, priorities and planning, and only the establishment of national minimum standards was left to the central government, following the subsidiarity principle. Later on the Constitutional Law 3/01, introduced a series of innovations. Following this reform, the state was no longer in a position to set standards or targets, unless these were inserted into the package of 'essential levels' to be agreed upon by the state and the Council of Regions and for which the state shoulders the financial responsibility (Naldini and Saraceno 2008). However, given that the Constitutional Reform only provided very general principles, the actual modalities for the transfer of competences to regions was delegated to further legislation. Nevertheless, a new regulatory framework has hitherto been delayed. Given this vacuum in the legislation, which is far from being filled, the result of the constitutional reform was to add even more fragmentation and confusion in the subject. Moreover, although regions have become the sole responsible for the provision of health assistance, their financial resources still depend to a large extent from central funding. The most relevant consequences are an inefficient and ineffective overlapping of interventions and an under-provision of benefits, especially concerning in-kind ones.

1.2 Socio-economic context

This chapter is based on a comparison among three national cases, that is Milan (Lombardy Region), Rome (Lazio Region) and Naples (Campania Region), which represent respectively high, medium and low economically performing cases in Italy. Since 2008, the crisis has deepened the economic difficulties, with strong impact in the labor market. Official statistics confirm that the entire Campania region is facing a social and economic crisis even greater than the entire national territory. The percentage changes in employment since 2004 show a negative trend that has seen its peak between 2008 and 2009 (with a decrease of 4.1 %), while in the last two years the decline gradually diminished (Figure 1). By contrast, Lombardy still remains one of the wealthiest areas. If we look at the employment situation we can notice that it has an employment rate higher than the Italian and Lazio average and slightly higher than the one of Campania which, by contrast, performs very bad with an employment rate more than 15 and 25 percentage points lower than the national and the Lombardy average, respectively.

Figure 1. Employment rate (%) in Lombardy, Lazio, Campania and Italy (2008-2011)
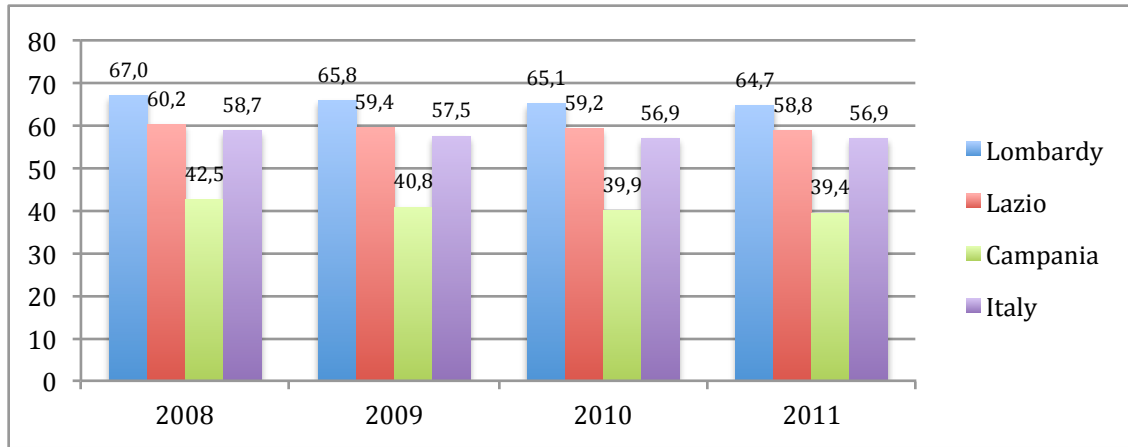
The same situation can be found looking at the unemployment rate (Figure 2), the province of Milan performs much better than the other two cases.

Figure 2. Unemployment rate (%) in Milan, Rome, Naples (NUTS3) and Italy (2008-2010)
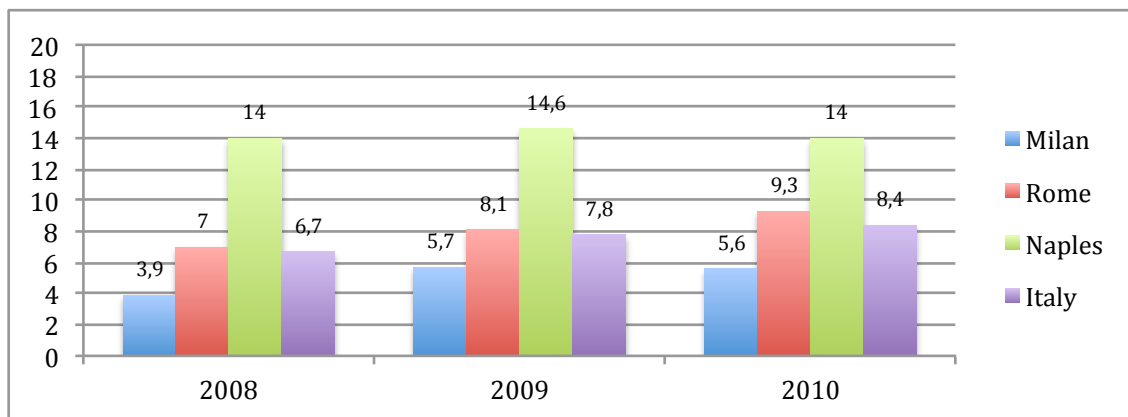
It has to be signaled that in Milan, there has been a rapid growth in youth unemployment that reached 23,2% in 2009, almost 10 percentage points more than in 2008, while no differences emerge between men and women. This growth is higher compared both to the national average and to the other cases (Figure 3). However the Provinces of Rome (31%) and Naples (40%) rank even higher considering percentage of unemployment. This confirms, for different reasons that youth is one of the most vulnerable group of the Italian society, as it was in the recent past (Boeri and Galasso, 2007). As for women, the crisis has interrupted a long period of female employment growth in the province of Milan that, in the past decade, had strongly reduced the gender gap between the male and female employment rates, reaching the Lisbon

target in 2007 (60%). A similar situation emerges when we look at the unemployment rate that, despite is considerably increasing in the Province of Milan (6.4% in 2009), is lower than that recorded in the Province of Rome and, above all Naples, where the female unemployment rate reaches a percentage as high as 18%.
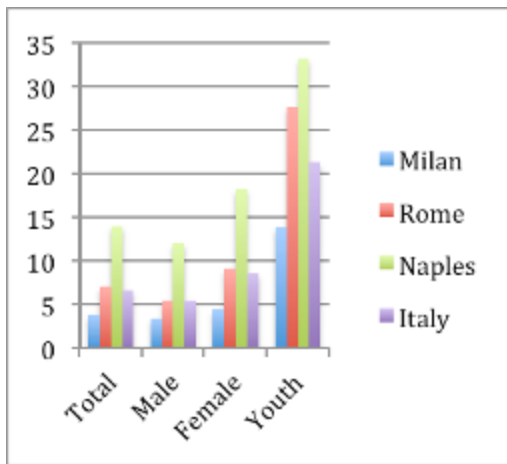

Figure 3. Male, female, youth unemployment rate (%) in Milan, Rome, Naples (NUTS3) and Italy (2008)
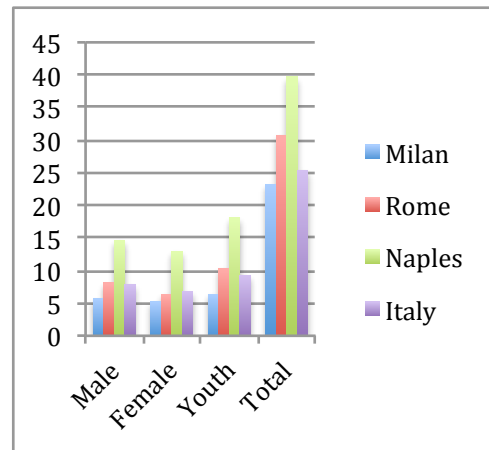

Figure 4. Male, female, youth unemployment rate (%)in Milan, Rome, Naples (NUTS3) and Italy (2009)

1.3 Activation policies and employability provisions

Since the end of the '90s some relevant reforms were adopted in the Italian labor market aimed at deregulating employment policies by increasing flexibility. In particular, the legislative decree 469/1997 (implementing the Bassanini law 59/97) gave the Regions new competences on labor insertion and administration of all labor related procedure. It also gave private actors the possibility of job insertion. The Bassanini law has promoted the decentralization of administrative procedures leading to the exploitation of local actors. The main goal was to identify shared development goals to be achieved by implementing integrated programs of action between local actors in order to move from consultation to policies' integration. With the legislative decree 469/1997, the provinces have become the privileged institutions to implement active policies. They became key-player in the labor market. Through the *Centri per l'impiego* (CPI - Employment Centers), the provinces have therefore begun to exercise the functions and tasks assigned to them in relation to employment, pre-selection and matching of labor supply and demand, together with those delegated by regions in the field of active labor

policies.

The so called Biagi law (30/2003) has marked a turning point in the reorganization of the labor market incentives and introducing even more flexibility by multiplying the employment contract options. The main assumption behind the reform was that flexibility in the labor market would have facilitated the creation of new jobs. This implied the decrease in the overall employment protection legislation – and this was done primarily maintaining security for the insiders and increasing flexibility for the outsiders and some midsiders (Jessoula et al. 2010). The overall effect of these reforms has been a constant growth of the incidence of precarious workers, limiting the social protection of the outsiders (Jessoula et al. 2010) and creating stronger disparity between some areas of the country.

As for active policies, it has been argued that the transposition of the State legislation (Legislative decree 112/1998 and 469/1997) has gradually affirmed the consolidation of a quite homogeneous culture, with respect to certain themes (provision of forms of programming activities, discipline of public-private relationship, the growing importance of the role of social partners, etc.; ISFOL 2008). As for the so called passive policies, unemployment benefits remain limited, both in terms of level and coverage, and non-standard workers are not entitled to them, exacerbating the dualization of the Italian labor market between the insiders and the midsiders/outsiders.

2. Research methods

2.1 Case studies selection

We have selected three NUTS-3 regions for in depth-analysis of social cohesion policies at the local level in Italy. The selection has been based on the regions' economic output: strong, average and underperforming regions. The cases were chosen on the basis of the following criteria:

   i. The *province* (NUTS-3) were clustered into three different performing levels by using the LOCALISE Index[4] based on three variables[5]:

      • The labor force participation rates (in % of the annual average population aged

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[4]   The index is the one proposed by Martin Heidenreich in the document "Regional Patterns and Perceptions of Social Inequalities in Europe" (15/01/ 2012) later presented and discussed in the second LOCALISE Meeting in Edinburgh at the end of January 2012.

[5]   When regional scores are higher (or in the second case: lower) than the national values, a value of 1 is given to the region, 0 otherwise. These values have been summed in order to create an index with a range between "0" (under-performing region) and "3" (very strong region) in comparison to the national mean. The average category is made of two different values: 1 (weak) and 2 (strong).

between 15 and 64 in 2008);

- The total unemployment rate (in % of the labor force in 2008);

- The per capita Gross Domestic Product (purchasing power parity in 2008).

ii. The number of inhabitants was taken into account both in absolute value and in relative one (population density per square kilometer) (see Table 1). Ranking the provinces[6] from the mostly densely populated to the lowest, the first case of each category was selected: Milan (high performance), Rome (average performance) and Naples (low performance). This allows the research to have both the largest NUTS-3 regions in the country (as regards total population) and the ones with the highest population density. Moreover, this strategy has singled out the three Italian largest cities which also are Regional Capitals: Milan, capital of Lombardy; Rome, capital of Lazio (and national capital); Naples, capital of Campania.

Table 1. Selected NUTS-3 regions with regional data, deciles in parenthesis (2008)

Name	Localise index	Population density thousand inhab. / km^2	Provincial Population (thousand inhabitants)	Municipal Population (thousand inhabitants)	Centralization index (municipal/provincial population)
Naples	Underperforming	2.648,00	3.077,00	960,00	0,3120 (8)
Milan	Strong	2.033,60	3.947,10	1.324,00	0,3354 (8)
Rome	Average performing	781,90	4.132,40	2.761,00	0,6681 (10)

Source: ISTAT

Other than that, the three Provinces are quite different. As regard the "Centralization Index" (see Table 1) that considers the ratio between the municipal and the provincial population, the three provinces are in the top deciles (8th and 10th) , but Rome scores twice than Milan and Naples, with 66% of the residents living in the city.

The provinces sum-up to a population of about 11.1 million inhabitants that is 18% of the Italian population. They are both capitals of their respective *Regioni* (NUTS-2) which are the 3 largest in Italy, with an overall population of about 21.5 million people (Lombardy has 9.9 million inhabitants. Finally, the three cases selected belong to three different geographical areas of the country (Milan-North, Rome-Centre, Naples-South) which, besides presenting a

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[6]   Data refer to the year 2008. In June 2009 the province of Milan was divided into two different provinces: the *Provincia di Milano* and the *Provincia of Monza e Brianza*. However, the same results would apply to the new province of Milan (without considering the province of Monza and Brianza).

very differentiated socio-economic situation, have a very different cultural and historical background which have been translated into a very different political and administrative culture and also in the amount of social capital. This may have influenced the degree as well as the ways in which policies are developed and implemented as well as integration. The comparison among the three local case studies will enable us to answer also to some of these questions.

2.2 Sample selection, data collection and analysis

The report is based on three main sources: policy documents, legislative documents and semi-structured interviews (see Appendix 2).

The interviewees were selected following both the positional method and the 'snowball' technique (Denzin and Lincoln, 2005) and the interviews were carried out between May 2011 and April 2012. As reported in the table below (Table 2), a wide range of actors were interviewed belonging to the governmental and the administrative level, as well as the third sector, mainly across the provincial and municipal level. Furthermore, these actors were mainly selected as to have a balanced picture between social and labor policies. As a result, the analysis of the integration is provided by taking into account the differences, if any, between policy development and policy implementation along these two main pillars.

Table 2 – Participant organization and number of interviews per case study

Participant organizations	Milan (best)	Rome(average)	Naples(under)
Local government	6		6
- *Provincial government*	*3*		*2*
- *Municipal government*	*3*		*4*
Local bureaucrats	10	7	6
- *Provincial bureaucrats*	*3*	*4*	*1*
- *Municipal bureaucrats*	*7*	*3*	*5*
Local Public Employment Service	1	1	1
National Agencies		1	
Public sector providers	2	1	1
Third sector providers	1		
Third sector federations		3	
Employer's federations	1		
Trade unions	2	2	3
Experts			1
Total	23	15	18

As regards the selected target groups, the three main groups are:

- Long-term unemployed

- Youth

- Women

On the one hand the first 2 groups have been jointly selected with the other European partners at the LOCALISE Meeting in Edinburgh in January 2012, because they are considered disadvantaged groups in all LOCALISE countries as regards employment. On the other hand, the third group was selected by the Italian team because of its relevance. Women are regarded as one of the most disadvantaged groups in terms of both employment and unemployment. According to EUROSTAT, the female employment rate in Italy is among the lowest in the European Union, and the lowest among LOCALISE countries, with only 46.1% of women employed compared to a EU27 average of 58,2% (2010). Moreover the female unemployment rate in the same year was 9.7% against a male unemployment rate of 7.6% (ISTAT 2010).

3. Multi-level integration

3.1 The case of Milan – Policy development

Multi-level integration between the municipal and provincial levels is shallow with respect to both labor and social policies. This lack of integration is due to the way in which the competencies are assigned by law: the Province plays a minor role while the Municipality is the key actor in social policies,[7] the opposite holds true for labor policies. The competencies partition has prevented these two levels from developing intra-policies and inter-policies multi-level integration, as well as multidimensional integration. As regards multi-level, the perceived danger that integration might result into an 'invasion' of the other institutional actor's sphere of influence can keep separate institutions operating at different levels when these institutions are entrusted with different policy tasks.

Furthermore, beyond the desire to avoid interference, there is also institutional reasons (e.g.: inter-institutional competition) and, to a less extent, political factors (e.g.: different political orientations) that prevent multi-level integration from occurring between the municipal and provincial level.

As for labor policies, while the *comune* and the *provincia* rarely interact with the national level, both institutions have stable and constant relations with the *regione*. In particular, the *provincia* and *regione* cooperate in defining the policy strategic objective of training and employment. These relations however are based on informal and personal interactions, rather

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[7] For example, while province participates to the formulation of the municipal *Piani di Zona* (the main social policies programming tool at the local level), the crucial actor in developing the social policies remains the *comune.*

than formally structured. In particular, being the nation and the region the main legislation-makers for labor and social policies they become a 'reference point' for the other levels.

3.2 The case of Rome – Policy development

As in the previous case, the multi-level integration between the provincial, the municipal level and the regional level in Rome is extremely weak.

But there are some distinctions between the different tiers of government. The municipal level seems by far the less integrated in the policy development phase. Indeed, even if the provincial and regional level, given the competences on training and labor policy, should institutionally cooperate more than it currently happens, at least they have been able to cooperate in the general planning of the labor insertion, creating the so called "Employment Masterplan". However the communication flow breaks down when it comes to the discussion on training and related issues. The regional level, with a long tradition of training activities, constantly promotes its own intervention without co-deciding or even acknowledge the presence of similar activities by the province or the municipality. Therefore this weakness is not related to the way in which the competencies are assigned by law, but from political unwillingness.

At the local level there is some sort of cooperation between the municipality and the province limited to employment issues (not on social services). In this case, the willingness for cooperation is fostered by two factors: on the one side the limited resources that the municipality has on employment, on the other by the strong political and economic investment the province made in its employment centers network. This is the widest network in Italy, counting 24 centers with a workforce of over 300 people. However, it is not able to reach the vast territory of the province exploiting only existing personnel and premises. Therefore a relevant attempt of integration was made in forging a closer cooperation between the COLs (*Centri Orientamento Lavoro* - Labor orientation centers) and the CPIs (*Centri per l'impiego* - Employment centers). The first one, scattered throughout the provincial territory, are ran by local municipalities, while the province directly runs the second one. Even though their missions do not fully overlap, beneficiaries are not redirected but considered in all their complexity. Electronic information flows allows sensitive data to be shared by the two systems.

Another attempt to create multilevel synergy has to be traced back to the institutional arrangement of the municipal level itself (see Naples case as well). Within the social field, *Roma Capitale* (Municipality of Rome) and the *Municipi* (boroughs ranging from 55 to 208 thousands inhabitants) share competences, while the budget of the boroughs are decided at the municipal level. The municipality, following the idea of proximity and subsidiarity, created these sub-

entities, which share social service competencies with the municipality. However, at the implementation phase these entities are more active, thus their importance is recognized by the regional level which funds their Social Plans. Therefore, there is a situation in which the regional level has a direct link with the *municipi* which at the same time are later coordinated by *Roma Capitale.* The latter however is not considered by the regional level in the planning phase.

With respect to the kind of cooperation to be found, as for Milan, multi-level integration is implemented at the policy development stage mainly for legal binding rules (such as the development of social plans). Therefore, there is a 'legislative' transmission from the national and regional level to the local levels (provincial, municipal and borough). The main exception regards the mentioned integration regarding labor policy and the orientation system.

3.3 The case of Naples – Policy development

In the case of Naples multi-level integration between the provincial and the municipal level is almost not existent. Indeed, all the interviewed actors have underscored the fact that the two institutions 'do not talk each other at all'. Moreover a further barrier is to be found in the severe economic constraints regarding labor issues. Indeed, on the one side, the *comune* holds no formal competences in labor policies and manages very limited own resources, on the other side, the province has so many financial constraints (from the regional level) that it becomes marginal even in its core field. Other relevant barriers to integration are linked to the inter-institutional competition and to 'political' responsibilities. In particular, the municipal administration is often blamed for not having thought about policies or tools to promote the development of the city (e.g. lack of projects on infrastructures and periphery progress). While the province is repeatedly depicted with words which are both vivid and meaningful in showing its distance: 'inexistent', 'unreachable', 'Provincia: what is that!?'.

A somehow relevant attempt of integration at the municipal level occurs within the social policy field, between the *comune* and the *municipalità* (the seven boroughs of Naples). Indeed, the organization of the *municipalità* has been done considering them as to be closer to the citizens, and to create a monitoring system. These sub-levels are considered to contribute in the understanding of the territorial needs. Therefore, coherently with the decentralization principle and the goal of empowering the territories, there have been some attempts to give *municipalità* more voice in both the social policy development and implementation phases. These attempts have faced major difficulties due to political and cultural problems. Indeed, in many cases the political level of the *municipalità* is constituted of very unskilled politicians. Furthermore, the interactions are perceived as a lobbying activity by the *municipalità* looking for economic

resources. This is also due to the fact that *municipalità* have no fiscal power, thus no budget autonomy.

With respect to the other institutional levels, multi-level integration mainly intervenes at the policy development stage as a 'legislative' transmission bell. In particular, as for labor policies development the multi-level integration is with the Campania region.

3.4 The case of Milan – Policy implementation

The main public structures devoted to policy implementation with respect to employment, training and career guidance at the provincial level are the *Agenzie per la Formazione, l'Orientamento e il Lavoro* (AFOL - Agencies for Training and Work Orientation), which have been created in 2007. The AFOL network consists of seven agencies[8]. This network of public agencies was born with the purpose of strengthening the supply of services, surpassing the previous fragmentation in the local territory, thus unifying all the structures and functions which were divided between the province and the municipalities.

While AFOLs social capital is usually dived between municipalities (67%) and the Province (33%), Milan City-AFOL is fully owned by province because *Comune of Milan* was interested in joining the partnership. The fact that the municipality of Milan has a long tradition in labor matters and well organized employment services is probably one of the reasons why it does not participate into the AFOL network. Nevertheless, this has contributed to reducing communications between the province and the municipality with respect to labor matters, also creating duplications. Other than this, the multi-level integration in policy implementation appears to be very weak also in other context, the strongest multi-level integration occurs between the provincial and the regional level (*Agenzia Regionale per l'Istruzione*, *la Formazione e il Lavoro* – ARIFL) especially as regards outplacement interventions. With the *comune* instead, coordination is quite weak, and not institutionalized.

3.5 The case of Rome – Policy implementation

The multilevel structure herein described is confirmed in its low level of cooperation, as regards policy implementation too.

If the overall level of cooperation was scant at the policy development stage, the situation worsens during the implementation phases because each level follows its own routine without

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[8] Each agency operates in a territory of the Province of Milan which expresses very different political and industrial vocations, and attitudes with respect to policy implementation.

many contacts with the other levels. This is clearly the situation for the training and vocational programs which are duplicated many times. Indeed the regional level (mainly the employment sector), the provincial level (both social sector and education sector) and the municipal level invest in courses and trainings. The only institutions, which are not involved, are boroughs, but the third sector promotes its own initiative as well. Similarly, in the implementation of social services the municipality of Rome (with a budget much larger than the provincial one) runs its own project without involving or acknowledging the presence of similar services by the province. Mainly it is a matter of size, but also competition plays a role.

At the same time, the field is more integrated when it comes to the provision of orientation and labor matching. The flow of communication between the COL network and the CPI network, briefly described in section 3.2, is based on the coordination during the delivery phases. Another interesting case regards "Porta Futuro" which is an innovative CPI (owned by the Province) supported by a COL run by the Municipality. The center features also a *Sportello Unico Attività Produttive* (Enterprise one-stop shop) for those citizens willing to found an enterprise or those companies recruiting personnel or willing to exploit tailored public services.

3.6 The case of Naples – Policy implementation

Multi-level integration in the policy implementation phase is extremely weak. The most significant cooperation is that between the CPIs (provincial level) and the ARLAS (regional level) with respect to labor issues. By contrast, the provincial and the municipal level do not communicate at all with respect to the policy implementation. The only case in which multi-level integration might be 'induced' is when there are projects in partnership for which it is required the coordination (rather than 'integration') of policy implementation. In this sense, this kind of cooperation is more occasional rather than constant.

3.7 Summary

The following tables (3 and 4) summarize the main barriers and enablers of multi-level integration which have been discussed so far. Some general comparative conclusions might be drawn from the analysis. In all the three cases multi-level integration mainly intervenes at the policy development stage as a 'legislative' transmission bell from the two main legislative levels (state and region) to the 'subordinate' levels (province and municipality). This kind of integration should be regarded more as a necessary and unavoidable relationship between 'legislation-makers' and 'policy-makers' rather than as a real choice based on routinized cooperation and collaboration, and does not stem from an embedded inter-institutional

willingness to cooperate. Rather, political unwillingness and inter-institutional competition might prevent this kind of integration from occurring.

While with respect to labor policies multi-level integration is somehow more ingrained between the region and the province, as for training policies, the region is quite resistant to cooperate with the province, particularly in the case of Rome and Naples (see below). Furthermore, while in the case of Rome some concrete steps have been made to improve integration between the municipal and the provincial level with respect to employment-related services (e.g. COLs and CPIs), somehow similar attempts (e.g. AFOL) have occurred between the province of Milan and the other municipalities within the provincial territory with the only exception of the city of Milan.

As opposed to labor policies, multi-level integration is by far less developed with respect to social policies. Anyway, an interesting exception is represented by the quite close relationship occurring between the boroughs and the regional level in the case of Rome. The system also shows the extent to which a greater decentralization, when accompanied with a good performance of the lower levels (*municipi*), does not necessarily imply more separation but rather an 'outdoing' also of the intermediate level (the *comune*), willing to integrated local plans.

Table 3 – Barriers to multi-level integration per case study

		Milan	Rome	Naples
	Policy development	- Division of competencies (labor policies at the provincial level, social policies at the municipal level) - Inter-institutional competition (e.g. *comune* as superior) - Political factors (e.g. different political orientations, political unwillingness) - Strategic objectives formulation style (e.g. self-centered, inward-looking strategies) - Routine and path dependency	- Political factors (e.g. different political orientations, political unwillingness) - Strategic objectives formulation style (e.g. self-centered, inward-looking strategies) - Routine and path dependency - Economic constrains - Resource asymmetry	- Division of competencies (labor policies at the provincial level, social policies at the municipal level) - Inter-institutional competition (e.g. *comune* feels superior) - Political factors (e.g. different political orientations, political unwillingness) - Strategic objectives formulation style (e.g. self-centered, inward-looking strategies) - Routine and path dependency - Economic constraints

Policy implementation	- Routines - Main local public employment agencies (AFOL) totally run and participated by the province in Milan as for the Milan-city AFOL	- Routines - Decentralization process of the municipality into boroughs - Inter-institutional competition on resources allocation - Economic constrains	- Routines - Main local public employment agencies (CPIs) run by the province - Inter-institutional competition on resources allocation (especially between *comune* and *regione*) - Resource asymmetry (e.g. 'Pseudo-decentralization' between *comune* and *municipalità*)

Table 4 – Enablers of multi-level integration by case study

	Milan	**Rome**	**Naples**
Policy development	- Legislative role of the 'superordinate levels' - Coordination mechanisms instituted by law (e.g. *Piani di Zona*) - Limited economic resources	- Legislative role of the 'superordinate levels' - Coordination mechanisms instituted by law (e.g. *Piani di Zona*) - Limited economic resources - Need of proximity - Territorial conformation and size	- Legislative role of the 'superordinate' levels - Coordination mechanisms instituted by law (e.g. *Piani di Zona*) - Information asymmetry (e.g. between *comune* and *municipalità*)
Policy implementation	- Legislation (e.g. *città metropolitana*) - AFOL's model (apart AFOL-City Milan)	- Territorial conformation and size - Limited economic resources - Need of proximity	- Legislation (e.g. *città metropolitana*)

4. Multi-dimensional integration

4.1 The case of Milan – Policy development

Multi-dimensional integration at the local level is very weak at both local levels. More specifically, at the municipal level, social and labor policies have been traditionally separated in such a way that social policies have resulted prevalently into *passive* policies/interventions, while labor policies – above all due to the traditional low unemployment rate within the *comune* of Milan – have mainly incorporated an 'activation' dimension. To be sure, the separation between social assistance and employment policies has its own rationale in the fact that social policies are mostly conceived as a response to emergency needs. By contrast, labor

policies may also address those situations which do not fall necessarily within the perimeter of emergency and which might be considered as being also related more generally to the notion of 'development'.

Many interviewees have emphasized the extent to which the economic crisis, by implying that the institutions are increasingly to be confronted with the need to rationalize their resources, opens new venues for establishing more cooperative relations among central bureaucracies to trigger economies of scale as in the case of the *Fondo Anticrisi*[9] (FA - anti-crisis fund). The latter tool has increased the potential users so as to make eligible not only those who have lost their job or are in redundancy payment, but also the couples under the age of 40 who share the plan to live together, a target which had never been addressed by social policies before. Also within the very wide-ranging social policy department, multi-dimensional integration is very limited. Indeed, there are no formal institutional mechanisms coordinating each of the four sectors in which this policy field is divided (elderly, immigrants; people with disabilities; children and families) and the potential different dimensions (e.g.: work insertion, housing, social integration) in each sector. Finally another crucial barrier to inter-policies integration is produced at the political level. Indeed, politicians set goals and priorities in a self-centered way, following an inward-looking strategy. The situation is worsened by the ill-organized and managed Planning and Control function.

Inter-policies integration is quite negligible also within the *provincia* for the same reasons underscored before with a further cause: the asymmetry of competencies and resources that the social policies field holds compared to the labor policy field at the provincial level. Indeed, this asymmetry makes the social policy field a relatively minor actor and a negligible partner.

4.2 The case of Rome – Policy development

As previously described for Milan the multi-dimensional integration between social policies and labor policies is very weak as regards all levels (province, municipality, boroughs) for different reasons. Without considering the legal division of competencies, the analysis can be focused on each level because both the city and the province run their own social programs and labor programs. We must point out that the bulk of municipal resources are allocated to the social department while little resources are given to the labor/training sector. The situation is reversed at the provincial level, where we found a huge labor department (a staff of over 700 people) and a rather small social department.

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[9] The call for applying to the financial aid offered by the new *Fondo anticrisi* was opened on June 1, 2012. The last *Fondo anticrisi* amounts to over 4 million euros. Through this fund it is possible to get up to a maximum of 5,000 euro to support the family income.

As regards the municipal/borough levels the situation is quite clear. Boroughs develop and implement only social services in a constant dialogue with the other levels and the relevant stakeholders without crossing labor policies. Issues are framed according to specific vulnerable targets without fully considering the relevance of labor issues.

When we move to the municipal level the situation is confirmed. The different departments that could be involved in the process of integration are three: "Economic and productive activities - training and employment", "Policy for the Redevelopment of the Suburbs" and "Promotion of Social Services and Health". However they work as "organ pipes", each of them following its own routine and meeting their own goals. The divisions are sharp and department tend not to overlap in order to avoid competition or raise issues regarding competencies. The situation is worsened by the politicians who endorse the division also at the political level (different aldermen for different departments).

As regards the provincial level, the situation is quite different considering the historical trajectory and the actual situation. From a historical perspective, the province integrated two formally separated "pipes". The migration administrative unit was merged into the labor division, so to integrate both policy development and policy implementation. A further unification was made between the vocational training and the labor department in 2008. At the same time the division between social policies and labor policies mirrors the one found at the municipal level. The reasons for this division are here very clear: on the one side, the social department manages little money as compared to the bulk of resources of the labor department, on the other; the political distance of the two aldermen is perceived by the bureaucratic staff as hindering a tighter cooperation. Indeed, within the same administration different departments are informed about what is going on in the other one, but there is no cooperation in the policy development because each department has to follow its own guideline (issued by the alderman) – as it is in Milan. It is noteworthy to stress that the political distance of the actual local government (extreme left vs. centre) was not present previously but the bureaucratic perception was not much different. The resource asymmetry is perceived as hindering the cooperation even further because the labor department has no interest in developing any sort of cooperation with a social department which is much smaller and do little things. A good example is the so called "Obiettivo" project which regards training course developed by the labor department to tackle employability of a specific target (over 40). The target was considered for a large part vulnerable group (thus social target), however the trainings were conceived without informing the social department which was creating its own training for overlapping targets.

4.3 The case of Naples – Policy development

Multi-dimensional integration appears to be quite weak for both the provincial and the municipal level. For example, at the provincial level, social and labor policies do not 'dialogue' at all in the policy development phase. As already underscored for the other cases, the principal reason for that, is that the resources and competences related to social policies are very limited at the provincial level. As for the continuous and vocational training, integration between social and labor policies is made even more difficult by the fact that the region Campania has not given the province the competence, despite the law.

At the municipal level multi-dimensional integration is very shallow, as well. In terms of the organizational chart, the municipality of Naples presents a relevant limit compared, for example, to the *comune* of Milan. Indeed, all the central directions must report to the general director, without the existence of an intermediate level. In this sense, this organizational structure does not pave the way towards a more transversal conception of management which could enhance the cross-coordination among the directions. More specifically, multi-dimensional integration between the policy fields is not structured, neither constant nor regular, but it is rather left to informal and *ad hoc* exchanges which are linked to the development (and/or implementation) of specific projects.

However, at the municipal level, there have been some attempts at both multi-stakeholders and multi-dimensional integration especially within the gender policies. In particular, the municipality of Naples has adopted a Strategic Plan for the Equal Opportunities (2008-2010), to start a dialogue between institutions and women to enhance the responsiveness to the local needs. Nevertheless, most of the policies which target women and young people are managed by the Department for Equal Opportunities and Young People (DEOY), instead that the Department for Welfare (DW), even when these targets, as it often occurs, are treated as social categories.

4.4 The case of Milan – Policy implementation

The Lombardy employment system differ from the standard bureaucratic approach of the Italian policy making, thanks to the introduction of the *Sistema Dotale* (SD – endowment system) which has strongly affected policy implementation by marking a shift towards a quasi-market approach (Bartlett and Le Grand 1993). The public actor regulates the system, and relies on instruments such as the 'endowment' to transfer financial resources to the providers which are actually chosen by the users. The *sistema dotale* presents some drawbacks, in that it increases the loneliness of the *dote* recipient and induces a 'race to the bottom' in policy implementation. Indeed, in order to have 'critical mass', providers are prevented from

experimenting more sophisticated and integrated services. By contrast, they often offer the services that are more apt to attract as many workers as possible and that not necessarily respond to people's needs[10].

Multi-dimensional integration in policy implementation is quite weak at both the provincial and municipal level, mainly because policy objectives, principles and targets of the labor and the social policies fields are different. This might be well exemplified by the fact that the *comune* provides services for job search, job orientation and training mainly through the *Sportello Lavoro* (SL - Labor front-desk), pertaining to the Labor policy direction, and the CELAV (Centre for Job Mediation), belonging to the Social policy direction, whose main purpose is to facilitate social integration and employability of disadvantaged groups. Despite CELAV has established very strong synergies with other public and private service providers; integration with the Labor Direction is quite weak. This is a consequence of the fact that the Social policy direction is mainly targets emergencies while the Labor policy direction is not necessarily concerned with such situations. In this sense, they address different targets and have different goals.

One of the most relevant examples of multi-dimensional integration at the municipal level is by far constituted by the *Fondazione Welfare Ambrosiano* (FWA) which is also an example of multi-stakeholders and multi-level integration, in that it was founded by the *comune* of Milan (and specifically the Labor direction), the *provincia*, the trade unions and the Chamber of Commerce of Milan. The most important financial tool provided by the FWA is the microcredit (for a maximum of €20,000) which might be either *social (*e.g.: expenses for houses, family needs, training, mortgages, medical care) or *entrepreneurial*. The social micro-credit realized a form of integration because of the final target and the specific approach. The provision of micro-credit implies a cultural shift from the classic notion of social assistance to that of activation, through the promotion of employment and economic development.

By contrast, within the social policy field appears far less integrated. This lack of multi-dimensional integration has dramatic consequences when policy implementation is taken into account. Despite the recipients of social assistance policies are usually people who have several needs, which answered by different unrelated offices. This gives a strong responsibility to the person, who turns out to be atomized along the needs she expresses, since she must refer to different actors in order to find a solution to her requests.

To overcome this fragmentation the Social policy direction in Milan is working on an integration of social services' delivery by constituting the *Scheda unica di accesso ai servizi* (SCAS - Single card for accessing to services). Indeed, up till now, to have access to services the user had to fill a different card for any service, something that has contributed to atomizing

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[10] The recent developments of the *sistema dotale* will be discussed in the section devoted to multi-stakeholders integration.

both people themselves along their different needs and the information system, since each direction has its own data which are not made directly available to the other directions. By contrast, by creating a SCAS and linking it to a unified information system allows all the directions to access the data they need and, as a consequence, to exchange their information.

4.5 The case of Rome – Policy implementation

The situation presented at the policy development phase has a strong impact in the delivery phase, which confirms the lack of integration. The situation, created by rigid administrative division, is even more pronounced given the vast tendency towards service externalization and the use of subcontracting.

The sharpest division has to be found at the municipal level. The labor department is very focused on its own goals, targets and routines. It cooperates with the province (for the COL-CPI network) and listen to the main stakeholders, but it does not perceive as valuable the relationship with the social department and do not even consider the existence of the "Policy for the Redevelopment of the Suburbs" one. This is a rather small department which works in "splendid isolation". Finally, the social department is extremely self-centered as well, although it acknowledges other departments' competencies, expertise and resources. It is very big and divided into sub-sector which already hinders the internal cooperation as in the case of Milan. Once again there is no perception that any sort of synergy could be developed with other sectors. It is a matter of political division, bureaucratic tradition and size asymmetry.

There are two major exceptions. The first relates to emersion of specific projects implemented on occasional basis (for example a project to tackle unemployment of the young people with migrant background run in the early 2000). The second one regards the individual willingness and personal history. A middle-rank bureaucrat who is now working in the social department (migrant issues) was previously working at the labor department. The deep knowledge of both departments allowed her to forge ties between the two sectors during the implementation of social services. Therefore when the social department (the big one) runs its own tailored activity on the migrants may, as formally agreed in an official document, exploit labor service provision. It is noteworthy to stress that these examples of cooperation are very little in number and size as compared to the overall activities.

At the provincial level the situation is strongly characterized by the internal reorganizations operated in the last few years. As regards the so-called *Centri per i migranti* (migrant desk), they were desks run by the social department within the premises of the CPI. The reform of the CPI (more active on the matching, more prone towards guidance and orientation) allowed the general structure to be re-organized moving the migrant desk under

the labor department. This dynamic allowed the province to fully exploit the human expertise developed in the previous years without creating the need for a tighter cooperation between the social and the labor department. However, the most interesting case of integration is to be found in the unification between the vocational training and the labor department. Generally the inter-departmental cooperation is perceived as very difficult at both levels. Therefore any attempt of a tighter cooperation ends up in the reorganization of the personnel and the governance structure.

4.6 The case of Naples – Policy implementation

Also in the case of Naples the picture depicted for policy development is confirmed with respect to policy implementation. In particular, when multi-dimensional integration arises at the policy implementation stage it is mostly centered on the exchange of information related to bureaucratic and administrative questions and it is based on informal communications.

At the provincial level the key actors are the CPIs, three of them are within the city borders. CPIs do not coordinate their activities with the other desks (e.g. those for women or youth) providing similar services. This lack of coordination does not only fragment policy implementation and constitutes a barrier for the merging of human and economic resources which could potentiate the CPIs, but also contributes to the confusion of the final user who often does not know who is offering what.

A similar situation is found at the municipal level, where there are several services and desks, often pertaining to different Departments, which even when dealing specifically with services related to work do not coordinate at all, thus contributing to the fragmentation in policy implementation. For example, there are some desks which are dedicated to youth and women but they mainly depend on the Direction for Social policies and Welfare and refer to the DEOY (instead that to Labor or Welfare) even when they give counseling related to labor issues (e.g.: *Sportello Orientamento Lavoro*) or when they treat, as they do in most of the cases, social discomfort (e.g.: *Centro Donne*, for women victims of mistreatment). Indeed, the main interventions pursued by the CEOY are rarely associated to promoting youth or women work activation directly, but are mostly linked to their empowerment, 'autonomization', cultural advancement and anti-violence and, therefore, young and women are often targeted as a 'social categories'. This prevents the multi-dimensional integration between labor policies and youth and women policies.

The best example of multi-dimensional integration is by far represented by the *Incubatore d'Impresa Napoli Nord* which has been designed and built by a collaboration between the Services for the Enterprises of the municipality of Naples and by the CEOY and has incubated 8

enterprises so far, belonging to different productive sectors. The mission of the Incubator is to encourage the creation of business and at the same time, the socio-economic development of the area, promoting the interconnection between the enterprises and the local institutions/actors to promote the integration of the productive and services functions and the dissemination of the culture of work and business.

4.7 Summary

Despite the differences among the three case studies (tables 5 and 6), a crucial finding emerges from the analysis of the multi-dimensional integration: the lack of strategic visions could not be more evident than in multi-dimensional dimension. The main exception is by far constituted by the case of Milan, especially at the policy implementation stage, in which there have been "institutional creations" (e.g. FWA) which represent interesting models of multi-dimensional integration. Generally speaking, while both formal and informal relations often plays a role, multi-dimensional integration, with a few exceptions mostly linked to the role played by leadership and/or expertise, appears to be quite weak in all the phases of the policy cycle, at both the provincial and the municipal level. To be sure, this does not imply that actors at the same level do not interact, but rather that relationships between policy fields are not structured, neither constant nor regular, thus being informal and *ad hoc*, often linked to the development (and/or implementation) of specific projects.

In all the three cases emerge a clear *modus operandi* at the local level which imply working by "organ pipes" so that each department usually follows its own routines autonomously, trying not to interfere with the others' tasks and competencies. It is worth underscoring that this "organ pipes" working style is strongly ingrained in both a bureaucratic and political ethos and stems from an exigency to avoid competition, or deepen the already existent political competition, as emerged in the case of Rome. This entails that each one mind her own business only.

To be sure, this already emerged as a barrier for multi-level integration, thus confirming the extent to which, at both the administrative and political levels, it is often lacking a clear understanding of the concept of integration and/or a sharp vision of the way through which such integration could be correctly implemented without jeopardizing the establishment of sound relationships between "neighbors" or loosing degree of freedoms, power and autonomy.

Table 5 – Barriers to multi-dimensional integration per case study

		Milan	Rome	Naples
Policy development		**Province** - Resource asymmetry - Division of competencies (lack of a 'critical mass' of competencies) - Need to avoid competition	**Province** - Resource asymmetry - Organization based on divisions ('organ pipes') - Political distance between political parties within the same administration (place in different *assessorati*) - Need to avoid competition	**Province** - Resource asymmetry - Division of competencies (lack of a 'critical mass' of competencies) - Need to avoid competition - Lack of economic resources - Strong role of the region (e.g. delegation on vocational training maintained by the region)
		Municipality - Stark contraposition between social and labor policies - Need to avoid competition - Strategic objectives formulation style (e.g. inward-looking strategies) - Weaknesses of the monitoring system	**Municipality** - Resource asymmetry - Organization based on divisions ('organ pipes') - Need to avoid competition	**Municipality** - Resource asymmetry - Organization based on divisions ('organ pipes') - Need to avoid competition - Division of competencies (lack of a 'critical mass' of competencies) - Strategic objectives formulation style (e.g. inward-looking strategies) - Weakness of the labor policies field for lack of employment opportunities - Lack of economic resources and consequences (e.g. 'fight for survival') - Overlapping of gender and social assistance policies
			Borough - Specific competences	**Borough** - Specific competences
Policy implementation		**Province** - *Sistema Dotale* ('race to the bottom' and fragmentation of policy implementation)	**Province** - Routine - Importance of major's guidelines	**Province** - Routine
		Municipality - Stark contraposition between social and labor policies - Routine (e.g. 'specialization ethos')	**Municipality** - Routine - Esprit de corps	**Municipality** - Routine - - Weakness of employment opportunities - Lack of economic resources
			Borough - Specific competences - Limited resources	**Borough** - Specific competences - Limited resources

Table 6 – Enablers of multi-dimensional integration and type of coordination by case study

		Milan	Rome	Naples
Policy development		**Province** - Political will - Leadership - Acknowledgement of the difficulty of inter-departmental cooperation	**Province** - Political will - Efficiency paradigm - Acknowledgement of the difficulty of inter-departmental cooperation	**Province** - Political will - Leadership - Acknowledgement of the difficulty of inter-departmental cooperation - Legislation (e.g. *ambiti*)
		Municipality - Economic crisis and its consequences (economic resources rationalization; un-sustainability of universalism; surfacing of 'new poverties' phenomenon) - Leadership - Legislation - Common interests in specific initiatives	**Municipality** - Expertise allocation - First move from the powerful department	**Municipality** - Leadership - Legislation
			Borough	**Borough**
Policy implementation		**Province** - Economic crisis and its consequences (economic resources rationalization; un-sustainability of universalism; surfacing of 'new poverties' phenomenon) - Leadership - AFOL model as a unique interface for employment-related services	**Province** - Political will - Efficiency paradigm - Economic investment on CPIs and change in their mission - Acknowledgement of the difficulty of inter-departmental cooperation	**Province** - Common interests in specific initiatives -Leadership
		Municipality - Strong tradition as a provider of employment-related services of the *comune* of Milan - Institutional creations and best practices (e.g. FWA) - Leadership - Legislation	**Municipality** - Individual attitude and competences	**Municipality** - Institutional creations and best practices (e.g. *Incubatori d'impresa*) - Leadership - Legislation

5. Multi-stakeholders integration

5.1 The case of Milan – Policy development

In the policy development phase, although societal actors have constant communication with public institutions, both formally and informally, the latter (especially the province and the region) governed the process in the labor field.

As for social policies, while the main actor in their development is the *comune*, the *Piano di Zona* is a crucial tool trough which other stakeholders (e.g.: trade unions, NHS, the province, local communities, third sector etc.) are involved. Some additional hints of integration are scattered through the policy field. Recently, the *comune*, and the *Forum del Terzo Settore – Città di Milano* (FTS-M)[11] signed an agreement. In particular, it establishes the commitment of the municipality to recognize the third sector as a crucial entity for co-participating in the policy development of social policies, to create more and more stable synergies in the definition of the policy objectives and in their implementation, thus opening a new venue towards an 'active citizenship' policy making style.

Some other stakeholders are influential in affecting policy-making, especially through their relations with the region. One of the most relevant examples in this sense is the role that some entrepreneurial association (such as Assolombarda[12]) and trade unions have mitigated the quasi-market approach with some network governance arrangements. Indeed, the Lombardy Region has approved on June 2012 the calls for presenting *Azioni di reimpiego in parternariato* (ARP: Actions for a reemployment in partnership). While the *sistema dotale* (endowment system) still remains in place, this tool guarantees an intermediate role to firms' associations and trade unions in the planning of interventions, and opens to the creation of *partnerships* which involve both private and public actors. The introduction of the ARP is an important example of a policy development that occurred thanks of the lobbying of many stakeholders, which are crucial actors for the implementation and the success of the policy itself. By supporting a partnership approach the ARP might contribute to overcome the fragmentation of the training and employment system within the province of Milan, encouraging a better cooperation among service providers themselves and contrast the loneliness of the unemployed.

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[11]   The FTS is a no-profit association including all the main third sector organizations, which while being already present in Lombardy both at the regional and the provincial level, has also been established at the municipal level in May 2012.

[12]   Assolombarda is an association of about 5,500 companies with more than 300,000 employees in the provinces of Milan, Lodi, Monza and Brianza, and hundreds of thousands around the country and the world. It groups national and international small, medium and large companies that produce goods and services in all the sectors.

5.2 The case of Rome – Policy development

The multi-stakeholders integration varies a lot according to the administrative level[13] (municipal and provincial) and policy field considered (social policies or labor policies).

At the borough level the main aspect of integration, as in the other two cases, is driven by law. The so-called *Piani di Zona (*Social plans) are devised as to include, *ex-lege*, other stakeholders (trade unions, NHS local branches, cooperatives etc.) in the planning phase. The third sector is considered to be more acknowledgeable as regards social needs and trajectories. In this picture the municipal level plays a rather limited role trying to coordinate the different borough rather than involving additional stakeholder. Nonetheless, even in the absence of a required involvement of the third sector, the strong tradition of involvement was observed also in the planning of the municipal intervention. Moreover the municipality created an *ad hoc* foundation, *Roma Solidale*, which is now an additional stakeholder but which also serves as projects manager and service provider to the public institution. As regards the vocational training sector of the municipality there is no hint of close cooperation with other actors with the only exception of public schools, but not in the policy decision phase.

At the provincial level the situation is quite different. While the social sector, given its small size, has a strong need of cooperation with additional stakeholders (mainly third sector) in order to implement the action at a later stage, the strongest driver for cooperation is given by the new approach developed by the labor department. The new mission attached to the CPI network (matching, orientation and labor insertion) moved the attention towards both single enterprises and organized interests (trade-unions and entrepreneurial organization). The latter two are constantly involved in the tripartite commission discussing the policy integration. At the same time this different attitude towards the private sectors can be found also in the new actions developed such as the "*Obiettivo*" project or the *Porta Futuro* CPI. In the first case, private stakeholders co-decided intervention planning with the public administration the kind of services to be delivered. In the second case the provincial desk gathered information about vocational training, course and other sort of educational programs offered in Rome so to provide to beneficiaries all the available information. This requires a constant dialogue if not tight cooperation.

5.3 The case of Naples – Policy development

On a general basis, multi-stakeholders integration is the most important type of integration which exists at the municipal level at both the social policy development and the

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[13] Boroughs are not considered because there are 19 of them each one with a specific stakeholder approach.

implementation stage. Indeed, the third sector is involved in the social policy planning, by actively participating in the drawing of the *Piano di zona*, and it is often considered a 'safety net' which permits to overcome the economic constraints at the public level by providing essential social services.

As for labor-policy development, multi-stakeholders integration mainly occurs within the formal coordination structures instituted by law and it seems to be more developed at the municipal than at the provincial level. For example, the exchanges between the social partners and the provincial level are almost not existent, and they are quite weak, but by far more structured, with the *comune.* By contrast, trade unions exert some degrees of pressure at the regional level and might also influence regional legislation. An interesting example in this direction is that which has seen trade unions committed in pushing the region to use the *Ammortizzatori Sociali in Deroga* (ASD) in an 'active' way since 2013, instead than exclusively as a 'social safety net'. Indeed, the new guidelines for the allocation of the ASD in 2013 will break with the practice of the past since it is explicitly said that they can be assigned only when there are paths that can help the workers to return to the labor market, whether the impossibility to work is caused by structural or economic crisis.

Some attempts to improve multi-stakeholders integration have been pursued especially with respect to women policies, mainly at the municipal level. For example, the Strategic Plan for the Equal Opportunities has been launched after women, institutions, trade unions and formal groups had been consulted to grasp needs and demands within the territory by formulating specific proposals within a single and concerted framework. Furthermore, within this field have also been created some coordination mechanisms to foster multi-stakeholders integration, such as the *Forum Comunale delle Pari Opportunità* (Forum of Equal Opportunities), which was constituted in 2011 and is a body of 'institutional partnership' that holds advisory functions for promoting equal opportunities for women and the rest of the population, and brings together women's organizations, social partners, employers, and representatives of the professional associations of the city of Naples.

5.4 The case of Milan – Policy implementation

As it was mentioned before the AFOL represent the most crucial public actors for policy implementation related to employment and training service in town. However it also constitutes an important barrier of the quasi-market system of the *Sistema Dotale*. Indeed, AFOL have direct access and manages all information and administrative procedures related to mobility. This gives AFOL an information premium with respect to the other service providers. For example, once the endowments are allocated by the region, it is easier for the AFOL, than

for the other service providers, to reach the critical mass for its services. As a result, AFOL acts as a 'quasi-monopolist' in services delivering, thus hindering competition and cooperation.

At the municipal level, The *Comune di Milano* runs training and placement services that follow a quite integrated model with external stakeholder. Specifically, the firm participates in the selection process. The training is co-built and co-planned with the firm and this system guarantees a high placement percentage. In this respect, the FWA is another outstanding example of multi-stakeholders integration. Indeed, its activity involves a variety of actors such as the *comune*, third sector, private licensed service providers, banks, etc. Another interesting case of multi-stakeholders integration is represented by CELAV. The service operates by following an activation principle. Beneficiaries are assisted through the setting up of an individualized path which aims to increase their competences so to meet enterprises' requests. The path features formative stages, working and paid trainings[14] (*borsa lavoro*) in close cooperation with the business world but also third sector which together provide workstations for internships or training opportunities.

As for the monitoring system, the Labor Observatory (OPML[15]) is an example of tight cooperation with trade-unions. The OPML has created a biweekly meetings in which the Sector Labor and Training confronts with the representatives of the trade unions. Within one of these permanent tables the administration has launched the so called *Rilevatore dei Segnali Deboli* (RSD - Weak Signals Monitor) which provides a qualitative analysis to predict the directions towards which the labor market is going. The RSD aims at enhancing the information partners, stakeholders and operators have access to. These actors can thus share information seized thanks to the 'weak signals' that find no place in the standard data.

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[14]   The recipients of a *borsa lavoro* have been 670 in 2008 (454 hired), 838 in 2009 (481 hired) and 1156 in 2010.
    The total spending of the Center has dramatically increased from approximately 1.280.000 euro in 2009 to 2.050.000 euro in 2010. See, MIlano (2009, 2010).

[15]   Osservatorio Permanente sulle dinamiche del mercato del Lavoro, dei fabbisogni professionali e delle attività produttive

Box 2. - Best Practice Milan: The *Fondazione Welfare Ambrosiano*

The *Fondazione Welfare Ambrosiano* (FWA) is a very interesting actor at the municipal level for providing services to workers and unemployed. Its founders are the Municipality of Milan, the Province of Milan, the Industry and Crafts Chamber of Commerce of Milan, the Metropolitan Chamber of Labour of Milan, C.I.S.L. - Territorial Trade Union of Milan, U.I.L. - Milan, Lombardy. The endowment capital of the foundation is of about 6 millions of euro. The Municipality of Milan has contributed with a quota of 2 millions.

The recipients of the services of the FWA are all the workers and their families, who work regularly in Milan or who are considering starting an entrepreneurial path, regardless of the place of residence or usual habitation. This includes both dependent employees with permanent contracts, and workers with temporary contracts, or atypical workers and more generally, all workers, also independent, who are in a situation of temporary financial difficulty at the personal and/or family level, which might be due to various factors (job loss, layoffs, closure of his business, illness, etc.).

One of the most important financial tool provided by the FWA is the microcredit, launched with a project inaugurated on October 2011 by the Major Giuliano Pisapia. More specifically, the FWA operates through the provision of a bank guarantee (bond bail) which aims to facilitate the access to forms of microcredit (for a maximum of € 20,000) that will be paid by the credit system, based on a pre-investigation to assess the subjective and objective features of every single person. Micro-credit will be granted on the basis of agreed conditions and offering a return policy that is compatible with the state of need of the person. The micro-credit provided might be either *social credit* (e.g.: expenses for houses, extinction or payment of debts, family needs, training, mortgages, medical care) or *entrepreneurial credit* (e.g.: start up of entrepreneurial activity, purchase of good/services for already existing activities).

The FWA is considered a best practice example at the municipal level as regards multi-stakeholders, multi-level and multi-dimensional integration. Furthermore, the FWA's micro-credit activity integrates different actors in policy implementation (the *comune*, voluntary organizations, private licensed service providers, union headquarters, charitable institutions, parishes, cooperatives, banks, etc.). Indeed, this activity is divided into different stages and in each of these stages operates predominantly a different subject. In addition, through the social micro-credit it is realized a form of integration between social policies and labor. In this way the FWA and the providing of micro-credit also implies a cultural shift from the classic notion of social assistance and constitutes an attempt to integrate employment and economic development.

Box 3. - Best Practice Milan: *Sistema Milano Project*

The *Sistema Milano Project* started in 2010 and was ideated by DC Family, School and Social Policies of the municipality of Milan, and involved several third sector actors. The idea comes from the perceived necessity to promote end experiment new and more mature participation and subsidiarity processes, that enhance innovative and more complex public-private networks, even with the involvement of the for profit sector.

The target groups of the Project are Roma, homeless, and asylum seekers. The interventions made in the past years specifically targeted to these groups had several drawbacks:

- not strategically thought on a long-term period;
- guided by emergency logic;
- overlapping without creating synergies and thus creating inefficiencies;
- limited resources;
- not sustainable in the long-run;
- not well coordinated and monitored.

The Project aims at solving these problems by bringing together knowledge, resources, skills and interests of a variety of social actors and by creating networks. Thus, the first objective of the project is to realize a network system with all the actors that address the target groups, by creating co-governance and cooperation in the interventions, with stable and formalized coordination structures. The second objective is to develop and implement systemic services experimenting projects that sustain the social inclusion of the target groups. Besides, the long-term objective is to augment the social capital, by creating trust among the actors involved, and to possibly expand this method to other social interventions at the local level. The main lines on which the project is built are housing, work, training, and social relation building.

The intervention is planned around an initial understanding of the needs of the individual and a subsequent orientation, support, and training with the purpose of individual empowerment and creation of personalized paths towards autonomy. In this respect the project represents an example of multi-dimensional integration which aims at promoting a holistic approach and multi-dimensional integration.

Given the objectives and the lines of interventions of the project a new organizational structure has been created.

The organizational structure consists of:

- a management committee that directs the project and which include both public and private actors;
- a central staff that coordinates interventions, and monitors the ongoing project;
- a technical staff that works on the 4 lines mentioned;
- experts that support the project;
- the administrative staff.

This structure promotes a constant dialogue and coordination between the management committee and the technical staff that increases efficiency and effectiveness, by creating multi-level and multi-stakeholders integration. Also the monitoring represents a novelty in that it is continuous and not limited to the initial or final phases of the project.

5.5 The case of Rome – Policy implementation

As regards social services, in the last two decades public authorities have been subcontracting most of the policy implementation (mainly to the no-profit or the cooperatives). Rome is not an exception. Moreover the municipality has invested in its own external organization to bypass binding rules (such as possibility of recruitment) or its own bureaucratic procedures. *Roma Solidale* thus is not only a project agency, but also a policy implementation organization directly providing services on the behalf of the municipality. In the labor and training field, the municipality is in a constant dialogue with the school system. Public schools are partially competitors in service provision (vocational schools), and partially pools for new beneficiaries (junior high). In both cases the municipality has constant flows of information but no real cooperation emerges but limited coordination on specific projects. Finally, as regards "Policy for the Redevelopment of the Suburbs" department, which is the smallest of Rome (60 employees), it runs a single project on entrepreneurial development of specific areas. Therefore the department works almost as an *Incubatore d'impresa*. They encourage the creation of new enterprises with the supported of *Seniores*, the Italian Association of Manager.

As regards the province the tendency towards a multi-stakeholder approach is found in the closer cooperation the CPIs network has with the private sector. The approach has been declined in a more cooperative attitude towards the entrepreneurial world. So for example the CPI are playing a key role in the matching procedure preselecting candidates for enterprises or promoting specific trainings. While *Porta Futuro* features enterprise show-case or recruitment open-days with the direct support of civil servants which work side-by-side with the enterprise's staff. As for the case of the municipal *Roma Solidale*, also the province develops its own external agency. *Capitale Lavoro* is a private company, fully owned by the province, which integrates the provincial staff of CPIs and helps managing the service provision. It has a budget of 18 ml euro.

5.6 The case of Naples – Policy implementation

As for policy implementation, multi-stakeholders integration seems to be the most developed form of integration both at the provincial and municipal level. This is mostly due to the general trend of subcontracting that characterizes policy implementation. Having said that, economic resources are an important way to create synergies and network and, vice versa, their absence might decrease the possibility of collaboration. As it was said by an actor: 'to win a tender with the municipality of Naples is a chastisement!' because the municipality cannot always pay. This also implies that there are many barriers to the entrance of the private sector in the policy

implementation market, barriers which are made even worse by the inefficiencies created by the investee companies of the Municipality of Naples that represents a real 'power system', often rigged by clientelistic affairs.

Multi-stakeholders integration acquires a particular meaning in the municipality of Naples, exemplified by some interesting best practices, the most important of which is represented by the *Incubatori d'impresa* (IDIs). IDIs are structures designed to facilitate and assist in the start-up of creative and innovative companies, providing space and services. IDIs also forge partnerships to connect beneficiaries to the entrepreneurial and academic contexts enhancing professional experience and know-how. IDIs do not merely imply integration between institutions, citizens, firms, third and fourth sector to realize economic development and increase employment, but also try to build social capital because partnerships are built to serve the goal of creating knowledge and trust. In this sense, multi-stakeholders integration, when it is effectively realized, is declined into a very peculiar way, overtaking its 'economistic' goal of using resources in an efficient way, rather aiming at realizing that social capital needed for constructing democracy and development.

Also at the provincial level multi-stakeholders integration appears as a relevant form of integration. It is worth underscoring that, in this case, above all for immigration policies and the provision of traineeships to young people, there has been cooperation, with both firms and third sector. The cooperation has created synergies which became permanent even when resources were not available anymore either thanks to voluntary work or because of the interest of the firms (in the case of traineeships). In this sense, as it was said by an interviewee: 'some things can be done even without money, even if it is very hard!'.

Box 4. - Best Practice Naples: *Incubatori d'impresa*

The *Incubatori d'impresa* (IDIs: Business Incubators) are structures designed to encourage the creation of business plans, facilitate and assist in the development (start-up) of creative and innovative companies, providing space and services. IDIs also strengthen partnerships to connect the structure to industrial and academic contexts enhancing professional experience and know-how.

The municipality of Naples has constituted some incubators, above all in the most disadvantaged areas of the municipality (e.g.: IDI *Napoli Nord* in the areas of Miano and Scampia, IDI *Napoli Est* in the areas of San Giovanni a Teduccio). They have been made possible through the deployment of national ('legge Bersani' 266/1997), regional and European resources.

More specifically, the IDI *Napoli Nord - 'Casa della Socialità'*, was established in 2009 and is an interesting example of both multi-dimensional and multi-stakeholders integration. Indeed, it has been designed and built by a collaboration between the Services for the Enterprises of the municipality of Naples and by the Councillor for the Equal Opportunities and has incubated 8 enterprises so far, belonging to different productive sectors (textile, decorative ceramics, environmentally sustainable productions, arts and entertainment, communication, technologies and medical devices). It offers spaces, counselling, mentoring to newly established companies with a predominantly female composition.

The mission of the Incubator is to encourage the creation of business and at the same time, the socio-economic development of the area, promoting the interconnection between the enterprises and the local institutions/actors to promote the integration of the productive and services functions and the dissemination of the culture of work and business. Therefore, many actors of the third and fourth sector (cultural, sporting, recreational associations and care facilities), as well as local social partners and the municipal institutions located in the area, strictly cooperate for the concrete functioning of the incubator.

Likewise, the Incubator *Napoli Est* (CSI) has realized multi-stakeholders integration and is also qualified in the pre-selection procedure of the subjects of the Regional Innovation Network (project 'Campania in hub'). The Network aims to build an integrated system capable of offering advanced services to companies and research groups engaged in complex activities of technology transfer and development of new products. The construction of the network is part of the program 'Campania Innovation', promoted by the Regional Councillor to Scientific Research and University and co-financed by the European Union.

5.7 Summary

Generally speaking (table 7 and 8), both at the political and administrative level, actors seem to be quite aware of the extent to which multi-stakeholders integration is an invaluable asset to both 'manufacture' participated (and thus more shared) policies, and, what is more important, to effectively deliver services.

The social policy field, due primarily to the impulse coming from national and regional legislation, is quite advanced in the multi-stakeholders integration even if, as for labor policies, the AFOL in the case of Milan (especially with respect to policy implementation) and the CPIs in the case of Rome (also with respect to policy development) represent interesting examples of multi-stakeholders integration. Furthermore, in the case of policy implementation, the third

sector might become a 'safety-net', as it clearly emerged from the case of Naples, which allows keeping delivering crucial services even in a moment when the paucity of the economic resources would make it difficult for the public institutions to match the needs.

In all the three cases there seems to be a tendency towards a more collaborative approach also in the policy development phase. This is due to two factors: the role and self-awareness of the third sector, and - in some cases – the political leadership. The most relevant example in this direction is provided by the case of Milan, since the recent agreement between the organizations of the third sector and the *comune*, represents a concrete step towards the institutionalizion of policy co-participation procedures. More generally, the Lombardy region is very interesting because, it presents some crucial aspects that do not exist in the other cases. Furthermore, the recent policy developments seem to open to a change in the governance model that might strongly affect multi-stakeholders integration at the local level in the future.

To be sure, in the Lombardy region, the introduction of the *sistema dotale*, has injected relevant elements of a "quasi-market" approach in the provision of employment services characteristics of the NPM governance model (see chapter 1) introducing a quite strong individualization of the interventions (since the final user can choose the service provider in which she can spend the endowment), while the mechanism of financing the endowments remains fully centralized at the regional level. On the other side, the recent introduction of the ARP, that guarantees an intermediate role to several third sector actors in the planning of interventions, by opening to the creation of a partnership approach, indicate that the system is evolving towards a New Public Governance (NPG).

Table 7 – Barriers to multi-stakeholders integration per case study

		Milan	Rome	Naples
	Policy development	**Province** - Culture (e.g.: cultural primacy of political actors on the other actors)	**Province** - Lack of economic resources	**Province** - Lack of economic resources - Culture (e.g.: cultural primacy of political actors on the other actors)
		Municipality - Culture (e.g.: cultural primacy of political actors on the other actors) - Long time required for co-participated policy making	**Municipality** - Culture (e.g.: cultural primacy of political actors on the other actors) - Routine and public framing of the issues	**Municipality** - Culture (e.g.: cultural primacy of political actors on the other actors) - Lack of economic resources
			Borough - Lack of economic and human resources	**Borough** - Lack of economic and human resources
	Policy implementation	**Province** - Quasi-monopolistic role of the AFOL - *Sistema dotale* and its fragmented financing	**Province** - Lack of economic resources -	**Province** - Lack of economic resources
		Municipality - Routine and timing of the public sector - Culture (e.g.: cultural primacy of political actors on the other actors)	**Municipality** - Routine and timing of the public sector - Culture (e.g.: cultural primacy of political actors on the other actors)	**Municipality** - Investee companies (barrier to the entrance of the private sector, source of inefficiencies) - Lack of economic resources
			Borough - Lack of economic and human resources	**Borough** - Lack of economic and human resources

Table 8 – Enablers of multi-stakeholders integration and type of coordination by case study

		Milan	Rome	Naples
Policy development		**Province** - Strong role of employers' associations (e.g. Assolombarda) - Role of the trade unions (mostly at the regional level) - Leadership	**Province** -Importance of disperse knowledge (use of the tripartite commission) - Role of the trade unions and cooperative movement (mostly at the regional level for the Master Plan)	**Province** - Role of the trade unions (mostly at the regional level) -Leadership
		Municipality - Strong role and awareness of the third sector (e.g. *FTS-M*) - Legislation and coordination mechanisms instituted by law (e.g. *Piani di Zona*) - Institutionalization of new coordination mechanisms and co-decision practices (e.g. protocol with FTS-M) -Leadership	**Municipality** - Strong role and awareness of the third sector	**Municipality** - Legislation and coordination mechanisms instituted by law (e.g. *Piani di Zona*) - Introduction of new coordination mechanisms (e.g. *Forum comunale delle pari opportunità*) -Leadership
			Borough - Strong role and awareness of the third sector - Coordination mechanisms instituted by law (e.g. *Piani di Zona*)	**Borough** - Coordination mechanisms instituted by law (e.g. *Piani di Zona*)
Policy implementation		**Province** - Strong role of employers' associations (e.g. Assolombarda) - Legislation (e.g. revision of the *sistema dotale* and ARP) -Leadership	**Province** - Institutional creations and best practices (e.g. *Capitale Lavoro*)	**Province** - Institutional creations and best practices (e.g. *Incubatori d'impresa*) - Leadership - Common interest in specific initiatives
		Municipality - Strong role and awareness of the third sector - Institutional creations and best practices (e.g. FWA, CELAV)	**Municipality** - Strong role and awareness of the third sector - Institutional creations and best practices (e.g. *Roma Solidale*)	**Municipality** - Institutional creations and best practices (e.g. *Incubatori d'impresa*) - Leadership
			Borough - Strong role and awareness of the third sector	

6. Conclusions

The analysis has shown how differentiated the levels of integration can be with respect to policies (especially labor and social assistance) aimed at social cohesion, and with respect to the types of integration involved. In what follows we will try to draw some conclusions by exploring the possible relationship between the governance types that emerged in each of the case studies analyzed and the related level of integration (see Appendix 1). To this goal, a premise is necessary: the attribution of each case to a specific governance model is not always clear-cut. Moreover there might be dissimilar governance styles for each policy under consideration and/or each policy phase. In this sense, as it will appear clearer below (table 9), this attribution has been done by sorting out what we consider to be the crucial distinctive features of each case as opposed to the others.

In all the three cases emerge crucial features of a PA governance model. First, universality has been a core claim of social policies that only recently has come to be challenged as an effect of the economic crisis. Second, the principle of integration, especially with respect to the horizontal integration, is far from being fully considered in the political and administrative culture: as an effect, coordination is often based and derived from legislation, as primary source of rationality. Third, there is still a primacy of the political level over the administrative level and, even if the public bureaucracy has a key role in making and administering policies, it clearly enjoys limited discretion.

In particular, the predominance of politics over administration is probably one of the main reasons for which, in all the three cases studies clearly surfaced a highly fragmented picture with respect to multi-dimensional integration (in both the policy development and implementation phases). Indeed, it emerged a clear *modus operandi* which imply working by "organ pipes" so that each department usually follows its own routines autonomously, trying not to interfere with the others' tasks and competencies, in order to avoid (or deepen the already existent) *political* competition with other departments or levels. Furthermore, since politics often aims at building consensus, some politicians put up their objectives in a self-centered and inward-looking way, rather than as the result of top-*down* coordination among the different councillorships and between them and the bureaucrats.

Despite this primacy of politics and its alleged effects in having caused a lack of variation in multi-dimensional integration along the case studies, these show many differences among them. It is worth underscoring that the decentralization process that has been introduced in Italy through the Bassanini law, has 'terminated' the predominance of the central government as a provider of services. Nevertheless, this was not necessarily translated into an increased marketization and individualization of policy implementation. However, the Lombardy region constitutes an exception and it presents some crucial aspects that do not exist in the other

cases.

Table 9 - Governance types and coordination characteristics

	Governance Type		
Coordination	**Milan - New Public Management evolving towards New Public Governance**	**Rome - almost New Public Governance (or at least towards that)**	**Naples - New Public Administration somehow towards New Public Governance**
Multi-level	Policy Development: Semi-centralized and scarcely collaborative Policy implementation: Decentralized, highly individualized and "quasi-market" tools (*sistema dotale*) *GOVERNANCE MODEL:* **NPM (*sistema dotale*)**	Policy Development: Decentralized and collaborative (for both social and labor policies) Policy implementation: Decentralized *GOVERNANCE MODEL:* **NPG (high decentralizat. and collaborat. in policy develop.)**	Policy Development: Centralized (strong role of the region) and scarcely collaborative Policy implementation: Decentralized *GOVERNANCE MODEL:* **PA (strong role of the region)**
Multi-dimensional *(PA model in all the three cases)*	Policy Development: Fragmented Policy implementation: Fragmented *GOVERNANCE MODEL:* **PA**	Policy Development: Fragmented Policy implementation: Fragmented *GOVERNANCE MODEL:* **PA**	Policy Development: Fragmented Policy implementation: Fragmented *GOVERNANCE MODEL:* **PA**
Multi-stakeholder	Policy Development: Towards 'institutionalized' collaboration in the policy decision (both in labor and social policies) Policy implementation: Both contractual and collaborative *GOVERNANCE MODEL:* **NPG**	Policy Development: Collaborative but weakly institutionalized Policy implementation: Both contractual and collaborative *GOVERNANCE MODEL:* **'not institutionalized' NPG**	Policy Development: Towards collaboration but still weakly institutionalized Policy implementation: Both Hierarchical (strong role of the public) and collaborative *GOVERNANCE MODEL:* **'not institutionalized' NPG in policy development; PA in policy implementation**

To be sure, in the Lombardy region, the introduction of the *sistema dotale*, has injected relevant elements of a quasi-market system (Le Grand 1991; Bartlett and Le Grand 1993; Glennerster & Le Grand 1995) in the provision of social and employment services, characterized by a strong individualization of the interventions (since the final user can choose the service provider in which she can spend the endowment), while the mechanism of financing the endowments remains fully centralized at the regional level. On the other side, the recent introduction of the ARP, by opening to the creation of a partnership approach in the planning of the interventions, indicate that the system is evolving towards New Public Governance (NPG). This trend is also confirmed with respect to social policies, since co-decision practices have been introduced in the policy development phase. Despite in all the three cases there seems to be an acknowledgement of the benefits of multi-stakeholders integration, the distinctive features mentioned for the case of Milan mainly reveal themselves in the major institutionalization that this kind of integration shows in this case as opposed to the other cases.

The case of Rome, in turn, presents some distinctive features, especially with respect to multi-level integration, for which this case might be attributed to the NPG model. Indeed, briefly speaking, Rome has initiated a strong multi-level collaboration in the labor policy field (e.g. Masterplan; COLs and CPIs network) which has been found neither in Milan nor in Naples. The same applies to social policies, which are strongly decentralized and collaborative, since the boroughs hold a strong role in the decision making process in cooperation with the region, while the *comune* acts as a coordinator of the process. By contrast, in both Naples and Milan, even if the boroughs are involved in the social policy making process, the latter is comparatively much more centralized at the municipal level.

Summing up, in all the three case studies multi-stakeholders integration, notwithstanding its several shortcomings, appears to be as the most developed type of integration. At both the political and administrative level, actors seem to be quite aware of the extent to which multi-stakeholders integration is an invaluable asset to both 'manufacture' participated (and thus more shared) policies, and, what is more important, to effectively deliver services.

By contrast, as for the multi-level integration, with the main exception of the case of Rome, it often intervenes at the policy development stage as a 'legislative' transmission bell from the two main normative levels (national and regional) in the Italian legislative system to the 'subordinate' levels (provincial and municipal). In this sense, this kind of integration should be regarded more as a necessary and inescapable relationship between 'legislation-makers' and 'policy-makers' than as a real practice based on routinized cooperation and collaboration. In particular, political unwillingness and inter-institutional competition might prevent this kind of integration from occurring.

As also emerged from the analysis of the multi-dimensional integration, in the Italian case it is often lacking a clear understanding of the concept of integration and/or a sharp vision of the way through which such integration could be correctly implemented without jeopardizing the establishment of sound relationships between "neighbors" or loosing degree of freedoms, power and autonomy.
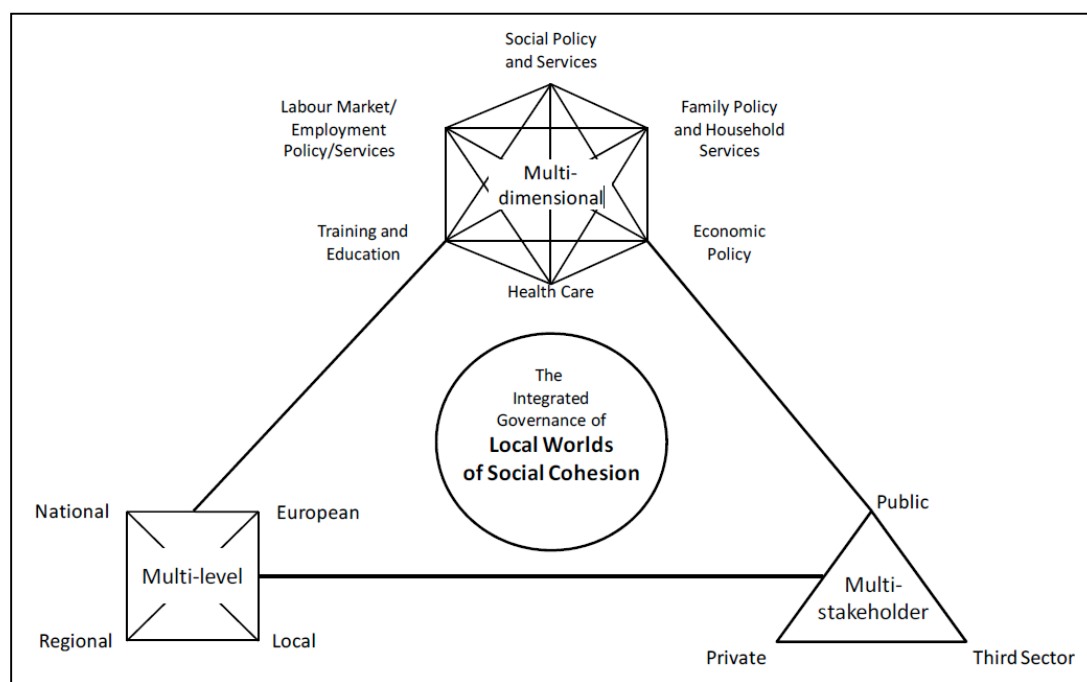
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Appendix 1 – Theoretical Background

This report identifies and compares methods and practices of integration in local governance, bringing out the barriers to, and enablers of, integration and presenting good practice examples in achieving integration. Specifically it focuses on the integration of various policy areas, different political and administrative levels, and various stakeholders (Figure 1.1) during policy development and implementation.

Figure 1.1 – An integrated approach towards social cohesion.

Source: Local Worlds of Social Cohesion. The Local Dimension of Integrated Social and Employment Policy. LOCALISE project proposal 2010.

The study is underpinned by a range of theoretical propositions (Fuertes 2012). These are briefly presented below:

- Employment policies, including active and passive labour market policies, are a common tool that governments use to increase employment and the participation in the labour market of economically inactive individuals.

- As a result of a number of challenges to welfare regimes, such as economic globalisation, demographic changes, labour market changes, processes of differentiation and personalisation, and reduced government expenditure (van Berkel and Moller 2002, Taylor-Gooby et al. 2004), it has been argued that a new paradigm in the approach

towards social policies is emerging. This 'activation approach' seems to go beyond the increase of active labour market policies, although this is contested by some scholars who use both concepts interchangeably.

- Due to the characteristics of these changes in activation, it has been argued that to be effective, activation policies have to be joined-up and tailored to the individual's needs (McQuaid and Lindsay 2005). This requires the integration of previously separated policy fields, of different stakeholders, and of various political levels with local government playing an increasingly important role.

- The principles of New Public Management have been adopted to different degrees and in diverse forms, by governments across Europe. New Public Management is often linked to activation policies, but it has been argued that new approaches and governance methods are necessary in the governance of activation, such as in New Public Governance.

- It is the theoretical proposition that: (a) integration of relevant social policy fields is of benefit to the effectiveness of activation policies; and (b) that some aspects of New Public Management may inhibit such integration.

Governance of public policies

Countries across Europe have dealt with the challenge of social cohesion through different state traditions and various modes of public governance. Governance is defined as "public and private interactions taken to solve societal problems and create social opportunities, including the formulation and application of principles guiding those interactions and care for institutions that enable them" (Kooiman and Bavinck 2005 in Ehrler 2012:327). In order to cope with societal and economic changes and challenges, "reforming governance has become part and parcel of the strategies that governments" develop (van Berkel and Borghi 2007:277). In this report the focus is on the development and implementation of operational policy (the organisation and management of policy-making and policy delivery), although as a number of authors have mentioned, formal policy (that is the substance of social policies) and operational policy are interlinked to various degrees and affect each other (van Berkel and Borghi 2007).

Through time, public sector governance has changed as a result of pragmatism (Osborne 2010), ideology, or both. These changes have been categorised by a number of scholars into 'ideal' types: each type with specific characteristics regarding its core claim and most common coordination mechanisms (Denhardt and Denhardt 2000, Osborne 2010, Martin 2010, Pollitt and Bouckaert 2011). It is recognised that governance modes are seldom found as ideal types as they tend to display a hybridisations with mixed delivery models (van Berkel and Borghi 2007, van Berkel et al. 2012b, Saikku and Karjalainen 2012). In many cases these mixed delivery

models produce tensions and contradictions. Governance approaches are not only diverse but dynamic (van Berkel et al. 2012a), with changes in the design happening over time. Three of these ideal types are described in Table 1 below.

In *Public Administration* the role of government is that of 'rowing' by designing and implementing policies. It has been characterised as a governance mode that focuses on administering a set of rules and guidelines, with a split between politics and administration *within* public administrations, and where public bureaucracy had a key role in making and administering policy but with limited discretion. Universality is the core claim of service delivery. Coordination between actors is mainly based on a system of fixed rules and statutes with legislation as the primary source of rationality. Bureaucratic organisations use top-down authority with agencies and there is central regulation of service users.

In the late 1970s and 1980s, Public Administration was criticised as inefficient and unresponsive to service users, gradually leading to the rise of *New Public Management*. One argument was that the state should be an enabler rather than provider of services, hence the role of government was seen as 'steering' rather than as a provider of services, with an emphasis on control and evaluation of inputs and outputs through performance management. Regulation by statute, standards and process requirements are largely replaced by competition, market incentives or performance management. This is combined with administrative decentralisation and wide discretion in order to act 'entrepreneurially' to meet the organisation's goals. The introduction of market-type mechanisms, private-sector management techniques and entrepreneurial leadership has been, and is, justified in many European countries as a way to increase choice, create innovation, and deliver improved efficiency and value for money (McQuaid and Scherrer 2009, Davies 2010). Although marketisation in public services is often used, it encompasses differences from conventional markets as the state remains involved in the financing of services, providers are not necessarily private and consumers are not always involved in purchasing (van Berkel et al. 2012b) – as a result Le Grand (1991) refers to such public service markets as quasi-markets. Although most European countries have adopted many of the principles of New Public Management, approaches to both policy development and policy implementation vary (Pollitt et al. 2007, Ehrler 2012).

It has been argued that, as a result of the realisation that New Public Management had had some unintended consequences and was not delivering the expected outcomes, and due to changing socio-economic conditions, the governance of labour market policies is changing towards the adoption of a new mode of governance inspired by partnership working and synonymous with *New Public Governance* or *network governance* (Osborne 2009). It is influenced by partnership working and characterised by a highly decentralised and more

flexible form of management, and is thought by some to be more appropriate for the coordination of multi-actor or multi-dimension systems. The role of government is seen as that of 'serving' by negotiating and brokering interests and shared values among actors. Instead of fixed organizational roles and boundaries, the notions of joint action, co-production or cooperation play a major role, with leadership shared internally and externally within collaborative structures. Discretion is given to those administering policy but it is constrained and explicitly accountable. In this model the beneficiaries and other stakeholders[16] may have a greater involvement in the development and implementation of the policies or programmes.

Table 1.1 – Governance typology according to core claims and coordination mechanism

Key elements	Governance Types		
	Public Administration	New Public Management	New Public Governance/ Network Governance
Core claim	Public sector ethos. To provide public services from the cradle to the grave.	To make government more efficient and 'consumer-responsive' by injecting business-like methods.	To make government more effective and legitimate by including a wider range of social actors in both policymaking and implementation.
Coordination and control mechanism	Hierarchy	Market-type mechanisms; performance indicators; targets; competitive contracts; quasi-markets.	Networks or partnerships between stakeholders
Source of rationality	Rule of law	Competition	Trust/Mutuality

Source: own depiction based on Considine and Lewis, 2003, Osborne 2009, Martin 2010, Pollitt and Bouckaert 2011, and Künzel 2012.

According to Saikku and Karjalainen (2012:300), the need for New Public Governance is the result of activation policies which have transformed the paradigm of the welfare state "from a purely sector-based 'silo' to a multi-sector, joined-up service delivery with its respective governance" and which requires new modes of governance in the more operational sense (van Berkel and Borghi 2007).

Following from the literature above, it is expected that coordination at each of the levels that

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[16] This approach may be more consistent with Sen's Capability Approach when the beneficiaries/ clients of a programme are given greater input into the policy development and implementation (Sen, A. K., 2009. *The idea of justice*. Harvard University Press; Bonvin, J.M. and Moachon, E. 2009. Social integration policies for young marginalised: a capability approach, *Social Work and Society*, 2, online at: www.socwork.net).

the study looks at (multi-level, multi-dimensional and multi-stakeholder) would be different according to governance types as illustrated in Table 1 below. This assumption is tested through the analysis of empirical data collected.

Table 1.2. – Characteristics of coordination by governance typology

Coordination	Governance Types		
	Public Administration	New Public Management	New Public Governance/ Network Governance
Multi-level	Centralised	Devolved	Decentralised
Multi-dimensional	Coordinated	Fragmented	Co-production
Multi-stakeholder	Hierarchical	Contractual	Collaborative

Source: authors' depiction partly based on Künzel 2012

Labour market policy: towards activation

'Traditional' welfare regimes are experiencing a number of challenges: economic globalisation, demographic changes, labour market changes, processes of differentiation and personalisation, and reduced government expenditure (van Berkel and Moller 2002, Taylor-Gooby et al. 2004). As a result of these pressures, the governance of social policies is changing (e.g. by changing the support given to people who are at risk of unemployment or other inactivity, tightening entitlements, or 'transferring' responsibilities). There is discussion of a new era in labour market policy: one where active labour market policies (focused on active labour market inclusion of disadvantaged groups) are increasingly linked to previously passive measures (social protection and income transfers) and where incentives (sanctions and rewards) to take part in active labour market policies are increased[17]. According to Van Berkel and Borghi (2007:278) activation has five distinct characteristics: redefinition of social issues as lack of participation rather than lack of income; a greater emphasis on individual responsibilities and obligations; enlarged target groups; integration of income protection and labour market activation programmes; and individualisation of social interventions. Nevertheless some scholars equate activation to active labour market policies. As a result of this shift towards activation, it has been said that the governance of labour market policies requires the following:

a) The integration of different policy fields in order to deal more effectively with employability

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[17] It can also be argued that in some ways (in some countries) we are moving back to earlier (pre-1980) situations when the level of e.g. those on passive, incapacity benefits were much lower before the rapid increase in the 1980s and 1990s.

issues that affect disadvantaged groups; and as a result the need for integration of different service providers. This has had an impact on organisational infrastructure and relationships between social services.

b) The greater use of conditionality such as the need to take part in active policies in order to receive passive policies (welfare payments).

c) The increased role for the local level in order to target policies to local specificities.

Therefore it would seem that activation desires integration of different political territorial levels (multi-level), across a number of policy fields (multi-dimensional), and between several actors (multi-stakeholders). This need for integration affects how policies and services are developed and delivered, and therefore is changing the governance of labour market policies. Partnerships, coordination and integration, which will be discussed in the following section, seem central to the effective governance of activation policies.

Activation policies have been classified according to the objectives they try to achieve, often in a one-dimensional approach (i.e. more support or less support). Nevertheless Aurich (2011) proposes a two-dimensional framework to analyse the governance of activation. The two dimensions are: a) *Incentive reinforcement*: enabling individuals to become employed; b) *Incentive construction*: influencing individual action. The first dimension can vary from Human Capital Investment to Employment Assistance, while the second dimension can vary from coercion in one extreme to voluntary action in the other. Labour market policies are then categorised according to their position within the governing activation framework (Figure 1.2).

According to Bonoli (2010) employment assistance aims to remove obstacle to employment and facilitate (re-)entry into the labour market using tools such as placement services, job subsidies, counselling and job search programmes. Occupation aims to keep jobless people occupied; limiting human capital depletion during unemployment using job creation schemes in the public sector and/or non employment-related training programmes. Human Capital Investment is about improving the chances of finding employment by up skilling jobless people through basic education and/or vocational training. Aurich (2012) adds Counselling to the links of active labour market types.

Figure 1.2 – Active Labour Market Policy Types

Types of ALMPs			
Incentive Construction	**Incentive reinforcement**		
	Coercive Human Capital Investment	*Coercive* Counseling	*Coercive* Occupation	*Coercive* Employment Assistance
	Voluntary Human Capital Investment	*Voluntary* Counseling	*Voluntary* Occupation	*Voluntary* Employment Assistance
	Alimentation		

Source: Aurich 2012 (based on Bonoli 2010 and Aurich 2011).

Within this framework, active support (human capital investment; occupation; employment assistance and counselling) could be geared more towards a life-first approach (in which human capital is the priority) or a work-first approach (in which work participation is the priority). Within the work-first approach there are also differences or departures from the basic job outcome (i.e. moving into a job) to a more sustainable outcome, in which being able to remain in 'sustainable' employment for a long period is the priority (we can call this 'employment-first', especially when career progression is also included).

It could be argued that effective activation will need a relatively longer perspective in labour market participation, if sustainability of outcomes is an aim. Some types of active policies deliver a greater number of job outcomes in the short-term but have less long-term sustainability. Therefore activation seems more suited to high support initiatives which are either life-first or 'employment-first' approaches, both of which will likely require multi-dimensional and multi-stakeholder integration.

Integration of activation friendly policies

It has been argued that the aim of integration in activation is to be able to tackle multiple problems that individuals face, through achieving joined-up and seamless services. Partnership theory can be used to describe the benefits that could be achieved through multi-level, multi-dimensional and multi-stakeholder integration and the barriers that can be encountered. Partnerships according McQuaid (2000, 2009) and Lindsay and McQuaid (2008) can (but will not necessarily): deliver coherent, flexible and responsive services; facilitate innovation and the sharing of knowledge, expertise and resources, improving efficiency and synergy, avoiding duplication, and increasing accountability; and encourage capacity building and legitimisation. A

number of limitations to partnerships are also highlighted by these authors, such as differences in philosophy amongst partners, institutional and policy rigidities, imbalance of resources and power, conflict over goals and objectives, lack of accountability, and lack participation and therefore legitimacy issues. Powell and Dowling (2006) compile a number of partnership models found in the literature that can function alongside each other: in terms of what they do, partnerships can be facilitating, coordinating or implementing; in terms of the relation between partners they can be principal-agent relationships, inter-organisational negotiation, and systemic coordination; in terms of the intention or achievements they can be synergy (resource or policy), transformation (unidirectional or mutual) or budget enlargement.

The focus of this study is on integration, and partnerships are one way to achieve this integration. There seems to be no clear definition of integration, but it is commonly studied as an outcome, a process or both. It can be tentatively defined as a state of increased coherence. In this study integration is considered to be a dynamic process which refers to the development from a state of (relative) isolation to a condition of integration. In this case the study is concerned with the variables, which are likely to enhance or inhibit integration[18]. The strength of integration can range from shallow to deep[19]. A state of *fragmentation* can be defined as when policy levels, dimensions or stakeholders do not relate to each other and work in a state of isolation. *Convergence* can be defined as policy levels, fields or actors conducting similar strategies or actions in relation to an aspect/s although with very little integration (e.g. the need for different departments to consider environmental guidelines in their operations, which is therefore a convergence towards an environmental objective). *Alignment* requires policy levels, fields or actors to conduct their actions or strategies with consideration of other levels', fields' or actors' actions or strategies, in some cases this would require some adjustment. *Cooperation* implies a higher level of integration as levels, fields or actors work together towards an objective or common purpose. The *co-production* concept has been developed mainly to mean the involvement of service users in delivery of service. In this study co-production refers to the situation in which levels, fields or stakeholders produce strategy or deliver policies together. *Integration* would mean the highest level of coherence between levels, fields or stakeholders: a situation or process which goes beyond a one-off or project specific co-production or cooperation, towards a more sustained cohesion of shared objectives, understandings, processes and/or outcomes (e.g. when a housing provider offers employability support to unemployed tenants as part of their day-to-day operation).

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[18] United Nations University website [accessed 05/03/13] - http://ocw.unu.edu/programme-for-comparative-regional-integration-studies/introducing-regional-integration/what-is-integration/
[19] United Nations University website [accessed 05/03/13] - http://ocw.unu.edu/programme-for-comparative-regional-integration-studies/introducing-regional-integration/different-forms-of-integration/

Within the same type of integration strength there could be a number of differences: a) regarding the aims of integration, for example alignment could aim at making sure that policies do not interfere with each other, or could seek some complementarity; b) with regard to integration instruments, for example integration can be achieved by bringing different units together in networks or partnerships, by creating new units or bridging agencies, or by merging agencies; c) regarding the approaches to integration, for example cooperation can be imposed by top down rules in public administration, or through contractual requirements in new public management.

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Appendix 2 – Research methodology

For the individual case studies, 'description' was chosen as the general analytical strategy due to the different political, institutional, and socio-economic contexts in each country. Nevertheless, these descriptions aim to identify casual links to be analysed (Yin 2003). A research framework was developed with a clear description of the information that needed to be collected, but with enough flexibility to allow each partner to develop interview schedules appropriate to their context. A template for writing the case, which followed the themes and subthemes of the research framework, was established.

The specific analytical technique used to produce the comparative case studies national report was explanation building: 1) having initial (although very tentative) propositions; 2) comparing the findings of an initial (descriptive) case against such propositions; 3) revision those propositions; 4) comparing these revisions with the finding of more cases; 5) and finally producing a cross-case analysis. This iterative mode of analysis has potential problems, which are even more acute in comparative and international analysis. One of them is drifting from the original aim. To minimise drifts from the original topic and initial tentative theoretical propositions, as well as to keep everyone on the same path of explanation building, a first meeting to develop the theoretical and research framework took place before the first case study was conducted, and a second meeting was arranged after the first case study was finished. This meeting had the purpose of: discussing the results from the first case study; revising the propositions; building common understanding and propositions for the next two case studies; and developing the aim, framework and template for the cross-case comparison, as well as for the international comparison. A third meeting took place in which the cross-case and international templates were discussed (by this time two case studies per country were completed). In this meeting the templates for analysis and report were reviewed and agreed.

This coming-together on research aims, frameworks, and strategies for analysis and reporting had to also allow enough flexibility for adaptation to the country and local context, to guard against one of the common weaknesses of comparative and international analysis: rigidity and imposition of concepts and understandings to different settings.

Research Framework

The study does not look at integration success (either of the process or the outcomes); it looks at the achievement (and the strength) of integration, and identifies the barriers and enablers of integration during policy development and implementation amongst different political levels, policy dimensions, and stakeholders.

In order to achieve the aims of the study, a research framework was developed with a clear description of the information that needed to be collected. It had enough flexibility to allow each partner to develop interview schedules appropriate to their context. Open-ended questions about the existence of integration (or coordination) were asked to participants who had experience and an overview of the situation at local level. The questionnaire was divided into different sections which separated questions on policy development and policy implementation. Questions in each section were classified as focused on goals, actors or instruments. These questions explored the existence of multi-level, multi-dimensional, and multi-stakeholder integration. The data collected was based on participants' knowledge, experience and opinion on these issues. Care was taken to interview a wide range of actors within each case study to make sure different opinions and experiences were gathered. This knowledge-based primary data was explored and complemented by the analysis of documents (policy and strategic documents, annual reports, academic papers, etc.). The objective of the exploratory research framework was to build a picture of local practices and identify barriers to, and enablers of, integration. Elements that were expected to be either barriers or enablers of integration are presented below. These were part of the study's theoretical framework and questions in the research framework aimed to understand the role of these and explore the role of other factors at the local level.

Possible barriers/enablers of integration

- Governance types
- Local context: institutions; past experiences; control and power; informal relations
- Type of activation
- Funding
- Area characteristics: socio-economic & size
- Organisational issues: culture & trust
- Target group: characteristics & size
- Data sharing

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The Local Governance of Social Cohesion:

GERMANY Country Analysis

Project acronym: LOCALISE

Project full title: "Local Worlds of Social Cohesion. The Local Dimension of Integrated

Social and Employment Policies"

Grant agreement no: 266768

Coordinating Organisation: CARL VON OSSIETZKY UNIVERSITAET Oldenburg (CETRO)

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1. Introduction[1]

The majority of the European countries experienced a turn towards activation policies during the last decades (van Berkel/Borghi 2008, Bonoli 2010), among them Germany. Here, in 1998 a series of reforms were started which strengthened the idea of increasing employment rates by activating formerly excluded groups into the labour market. The most important reform was the Hartz-package between 2003 and 2005. Labour market flexibilisation, a break with the status protecting social security system, conditionality of benefits and a stronger link between social and employment policies characterised this German 'activation turn'. The closer link of training, family or social policies with employment came along with modifications regarding policy organisation (van Berkel et al. 2012: 263). This governance of activation affects three dimensions: especially against the backdrop of nationally governed employment policies and locally organised social services, it requires a closer coordination of the different political levels, different actors and different policy sectors (cf. Figure 1).

Figure 1: An integrated approach towards social cohesion
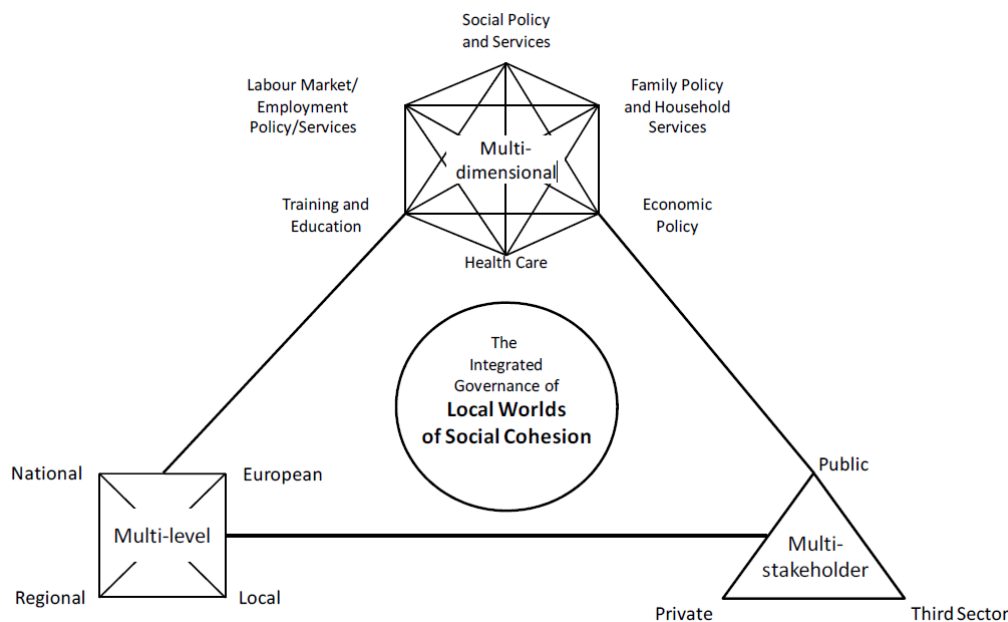
Source: Local worlds of Social Cohesion. The Local Dimension of Integrated Social and Employment Policies. LOCALISE project proposal 2010

These different dimensions of integration can be analytically linked to different types of governance, such as New Public Management or Public Administration (see below for a conceptualisation). In

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[1] This paper is based on research conducted in the framework of the FP7-project LOCALISE (www.localise.eu). We would like to thank our colleagues Vanesa Fuertes, Martin Heidenreich and Sebastian Engelmann for their support and very useful comments.

addition to this organisational perspective, integrated activation types can be analysed towards their aims and programmes. Linking both the organisational and the programmatic perspectives is essential for drawing the whole picture of activation, as will be illustrated in this chapter.

Nevertheless, it is not the only the national framework which defines integrated activation policies. The local level is of crucial relevance for activation friendly policies, since both implementation and service delivery of these integrated policies are taking place not at the national but at the subnational level (Künzel 2012). In this aspect, the local level is directly affected by the economic and employment situation of a region, which might have crucial effects on the organisation of integrated policies: if there is a stronger need for action due to high unemployment, the level of integration with regard to the above mentioned dimensions might be higher. On the other hand, regions with a good economic performance and low unemployment rates might not take such an effort to link social and employment policies more closely. Therefore, this chapter aims at analysing the relationship between the levels of integration in local activation policies and local performance in three German cities, one with a strong local performance, one average and one underperforming. The hypotheses shall be tested whether a low local performance in terms of economic and employment situation leads to higher level of integration of political levels, policy sectors and involved stakeholders, as well as to different outcomes in terms of governance and activation types.

The chapter is structured as follows: we will in a first step outline our theoretical background, as well as the research methods. In a second step, an overview on the political, institutional and socio-economic background of activation policies in Germany is provided. In a second step, we will analyse local activation policies in our three local cases. The programmatic dimension of local activation policies will be discussed; however, the main part of the chapter focuses on the organisational dimension and analyses multi-level-, multi-dimensional- and multi- stakeholder integration in each local entity. We will discuss our findings in a comparative manner with regards to local performance of the investigated local entities.

2. An Integrated Approach towards Activation[2]

Countries across Europe have dealt with the challenge of social cohesion through different state traditions and various modes of public governance. Governance is defined as "public and private interactions taken to solve societal problems and create social opportunities, including the formulation and application of principles guiding those interactions and care for institutions that enable them" (Kooiman and Bavinck 2005 in Ehrler 2012:327). In order to cope with societal and economic changes and challenges, "reforming governance has become part and parcel of the strategies that governments" develop (van Berkel and Borghi 2007:277). In this report the focus is on the development and implementation of operational policy (the organisation and management of policy-making and policy delivery), although as a number of authors have mentioned, formal policy (that is the substance of social policies) and operational policy are interlinked to various degrees and affect each other (van Berkel and Borghi 2007).

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[2] This subchapter is a short version of the theoretical approach towards the analysis of the local dimension of integrated social and employment policies in the LOCALISE project, written by Vanesa Fuertes

Through time, public sector governance has changed as a result of pragmatism (Osborne 2010), ideology, or both. These changes have been categorised by a number of scholars into 'ideal' types: each type with specific characteristics regarding its core claim and most common coordination mechanisms (Denhardt and Denhardt 2000, Osborne 2010, Martin 2010, Pollitt and Bouckaert 2011). It is recognised that governance modes are seldom found as ideal types as they tend to display a hybridisations with mixed delivery models (van Berkel and Borghi 2007, van Berkel et al. 2012b, Saikku and Karjalainen 2012). In many cases these mixed delivery models produce tensions and contradictions. Governance approaches are not only diverse but dynamic (van Berkel et al. 2012a), with changes in the design happening over time. Three of these ideal types are described in Table 1.

Table 1: Governance typology according to core claims and coordination mechanism

Key elements	Governance Types		
	Public Administration	New Public Management	New Public Governance/ Network Governance
Core claim	Public sector ethos. To provide public services from the cradle to the grave.	To make government more efficient and 'consumer-responsive' by injecting business-like methods.	To make government more effective and legitimate by including a wider range of social actors in both policymaking and implementation.
Coordination and control mechanism	Hierarchy	Market-type mechanisms; performance indicators; targets; competitive contracts; quasi-markets.	Networks or partnerships between stakeholders
Source of rationality	Rule of law	Competition	Trust/Mutuality

Source: own depiction based on Considine and Lewis 2003, Osborne 2009, amrtin 2010, Politt and Bouckaert 2011 and Künzel 2012

As already outlined above, this study identifies and compares methods and practices of integration in the governance of local integrated activation policies, bringing out the barriers to, and enablers of, integration and presenting good practice examples in achieving integration. Specifically it focuses on the integration of various policy areas, different political and administrative levels, and various stakeholders (Figure 1) during policy development and implementation. Integration is considered to be a dynamic process which refers to the development from a state of (relative) isolation to a condition of integration. In this case the study is concerned with the variables, which are likely to enhance or inhibit integration[i]. The strength of integration can range from shallow to deep[ii]. A state of *fragmentation* can be defined as when policy levels, dimensions or stakeholders do not relate to each other and work in a state of isolation. *Convergence* can be defined as policy levels, fields or actors conducting similar strategies or actions in relation to an aspect/s although with very little integration (e.g. the need for different departments to consider environmental guidelines in their operations, which is therefore a convergence towards an environmental objective). *Alignment* requires policy levels, fields or actors to conduct their actions or strategies with consideration of other levels', fields' or actors' actions or strategies, in some cases this would require some adjustment. *Cooperation* implies a higher level of integration as levels, fields or actors work together towards an objective or common purpose. The *co-production* concept has been developed mainly to mean the involvement of service users in delivery of service. In this study co-production refers to the

situation in which levels, fields or stakeholders produce strategy or deliver policies together. *Integration* would mean the highest level of coherence between levels, fields or stakeholders: a situation or process which goes beyond a one-off or project specific co-production or cooperation, towards a more sustained cohesion of shared objectives, understandings, processes and/or outcomes (e.g. when a housing provider offers employability support to unemployed tenants as part of their day-to-day operation).

Table 2: Characteristics of governance types by governance typology

Coordination	Governance Types		
	Public Administration	New Public Management	New Public Governance/ Network Governance
Multi-level	Centralised	Devolved	Decentralised
Multi-dimensional	Coordinated	Fragmented	Co-production
Multi-stakeholder	Hierarchical	Contractual	Collaborative

Source: authors' depiction partly based on Künzel 2012

In addition to its governance logics, activation policies have been classified according to the objectives they try to achieve, often in a one-dimensional approach (i.e. more support or less support). Aurich (2011) proposes a two-dimensional framework to analyse the governance of activation. The two dimensions are: a) *Incentive reinforcement*: enabling individuals to become employed; b) *Incentive construction*: influencing individual action. The first dimension can vary from Human Capital Investment to Employment Assistance, while the second dimension can vary from coercion in one extreme to voluntary action in the other. Labour market policies are then categorised according to their position within the governing activation framework (Table 2).

According to Bonoli (2010) employment assistance aims to remove obstacle to employment and facilitate (re-)entry into the labour market using tools such as placement services, job subsidies, counselling and job search programmes. Occupation aims to keep jobless people occupied; limiting human capital depletion during unemployment using job creation schemes in the public sector and/or non employment-related training programmes. Human Capital Investment is about improving the chances of finding employment by up skilling jobless people through basic education and/or vocational training. Aurich (2012) adds Counselling to the links of active labour market types.

Table 3: Active Labour Market Policy Types

Types of ALMPs			
Incentive reinforcement			
Coercive Human Capital Investment	*Coercive* Counseling	*Coercive* Occupation	*Coercive* Employment Assistance
Voluntary Human Capital Investment	*Voluntary* Counseling	*Voluntary* Occupation	*Voluntary* Employment Assistance
Alimentation			

Incentive Construction appears in the left header column spanning the reinforcement, coercive, voluntary and alimentation rows.

Source: Aurich 2012 (based on Bonoli 2010 and Aurich 2011)

To sum up, according to the theoretical approach, local activation policies are framed by three determinants: the level of integration (multi-stakeholder, multi-dimensional and multi-level), the governance type and the activation type. This study aims at analysing the inter-relation of these three in the context of different local performances regarding socio-economic and employment criteria. The hypotheses will be tested whether a low (resp. high) local performance in terms of economic and employment situation leads to higher (resp. lower) levels of integration of political levels, policy sectors and involved stakeholders, as well as to different outcomes in terms of governance and activation types. This assumption is tested through the analysis of empirical data collected in three local entities in Germany, as will be outlined below.

1. Case Selection and Research Methods

Our findings are based on in-depth qualitative research conducted in three local cases. The overall idea was to select the local entities in regard to regional performance (on the basis of inequality measures analysed in previous research) while the specific case selection is based on two dimensions: local performance and the organisational context of unemployment service provision. As to the organisational context, two different structures exist in Germany: the joint ventures and accredited districts (see below for further information). In order to better understand the reasons for these diverse institutional settings we chose our cases in a way that each urban entity would have one neighbouring accredited district.

The local performance was assessed by looking at local GDP, labour force participation and unemployment. All three indicators were measured in comparison to the national average and for the overall project three types of performance were derived: strong-performing (three indicators equal or above national average), average-performing (some indicators below, some above average) and under-performing (all indicators below national average).

Taking into account regional performance, we decided to choose an underperforming municipality from Eastern Germany as unemployment is clearly higher in the East. Secondly, we decided to choose a strong region from Southern Germany, which is the more prosperous part in a comparative national perspective. The average case was then chosen from the North of Germany. This part of Germany is not only average in regard to the chosen indicators of regional inequality, but also in regard to the structure of industry.

Due to reasons of anonymity, names and prescriptions of the local entities will not appear in the text. The acronyms NOR, EAS and SOU will be used for the northern (best-performing), eastern

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(underperforming) and southern (average) case. However, in the next section we will give as much information as possible on the political, institutional and socio-economic context in the cases.

Table 4: Case selection

Case Studies	Regional classification	Regional labour market participation	Regional unemployment rate	Regional GDP
	Compared to the National average (2008)			
SOU	Strong	Above	Below	Equal or less
NOR	Average	Equal or less	Equal or higher	Above
EAS	Under-performing	Equal or less	Equal or higher	Equal or less

The selection of the sample of interviewees followed our understanding of experts as institutionalised actors actively constructing the field of integrated social and employment policies. We chose actors from all policy fields under investigation at a certain level of institutionalized expertise (management and higher management). Furthermore, following our stakeholder approach we included all those actors participating in tripartite governance as well as other profit or non-profit organisations active in the field. In addition to choosing actors from our understanding of the policy field, we relied also on the snowball-technique assuming that our interviewees know more about the field then we do. Together both these approaches should allow us to get ‚the full picture' meaning that we will reach a degree of overview on the field that gives us necessary information for our question and not more (‚saturation of content' cf. Apel 2009).

Table 5: Sample of intervieweess

Type of actor	Organisation	SOU (strong)	NOR (average)	EAS (underperforming)
PES	Employment Agency	3	3	3
	Jobcenter	4	2	4
Public Administration	Municipal Departments (Social Affairs, Migrants, Urban Development, Economic Affairs)	6	3	3
Municipal politicians	Members of Council	2	1	-
Social partners	Local Employers' Associations /Trade Unions	2	1	1
Chambers	Local Departments of Chamber of Commerce/ of Crafts	2	2	2
Training Providers	Training institutes (for profit, social-partner related or welfare related)	2	2	2
Service providers	Welfare organisations	4	2	2
	Private (for profit) organisations	1	-	-
Beneficiaries' organisations	Unemployed self-help organisations	1	-	-
Others	Private consulting firm	1	-	-
	Local housing cooperative	1	-	-
TOTAL number of interviewees		28	16	17

The empirical part of the case study is based on document analysis and expert interviews. Based on the assumption that the organization of activation policy on the local level constitutes a social field (Fligstein and McAdam 2011), we investigate this field by looking at its institutional preconstruction (document analysis of local policy-making) and by interviewing persons actively constructing the field (expert interviews with local policy actors). We consider as experts local policy actors who because of their job/involvement have privileged access to knowledge about the activities within the field (Meuser and Nagel 2009), on the one hand, and who have the opportunity of influencing these activities (Bogner and Menz 2002), on the other. Thus not only special knowledge is required, but also some institutionalized role in the field of action.

All interviews were recorded and transcribed and content analyses was computer based (MAX QDA). For the interpretation of our data we utilize the method of qualitative content analysis (Mayring 2003). Based on the research framework, we developed a code system, which we used to analyse the contents from the interviews and the documents.

Since cases are not stated with their clear names but with acronyms, less confidentiality is necessary with regard to the association of quotes. Quotes will therefore be not anonymised completely but ascribed to the interviewees' organisation and function (without interviewees' clear names).

2. Governing Activation Policies in Germany

The German unemployment insurance system (built up in 1927, now called unemployment benefits I, UB I) has only experienced minor changes during the last decades (Barbier and Knuth 2011). It is still a relative status-maintaining system which provides earnings-related benefits for usually one year after a job loss to those who had worked in a job subject to social insurance contributions for at least two years before. However, societal and economic changes since the 1970s led to an increasing number of people not entitled to this unemployment benefit system but relying on the former unemployment assistance. Since this unemployment assistance was a tax-financed but still relative status-protecting scheme, public expenses in unemployment protection increased significantly. The Hartz-reforms 2003-2005 finally merged the unemployment assistance and the social assistance and created a new minimum income scheme for people capable of work (unemployment benefits II, UB II)[3]. It is tax financed, with infinite duration, flat-rate with relative low benefit heights and is needs-tested. The activation principle in this new unemployment assistance scheme is quite high (Dingeldey 2007). It is characterized by a mixture of demanding and enabling elements: in addition to the provision of social services and more classical active labour market measures such as job search assistance or training, we can find a number of instruments which aim at incentivising the take up of a job (e.g. wage supplements for low paid jobs) which serve as enabling factors. On the other hand, the reduction of benefit heights and duration, as well as increasing the opportunities of sanctioning non-compliance and introducing activity requirements such as integration contracts can be stated as demanding aspects of activation (cf. Eichhorst et al 2008). If we refer to the above mentioned activation types, we can both identify coercive and voluntary employment assistance as dominant types in the framework of unemployment benefits II. In unemployment insurance benefits, voluntary

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[3] For a more detailed analysis of these reforms, see (among others): Eichhorst and Marx 2011, Fleckenstein 2009.

human capital investment is the most relevant aspect. The activation principle is quite low here. With regard to the different governance types, New Public Management is the dominant type. Nevertheless, we can find elements of all types in German activation policies at the national level. Although reforms have introduced several New Public Management instruments and Germany has been classified as a 'committed marketizer' with regard to its governance of activation (van Berkel et al 2012: 269), there are still hierarchical and Public Administration related governance aspects. In addition, the strong corporatist dimensions show New Public Governance aspects as well.

The institutional context of policy-making on the local level has changed towards more local discretion. Figure 2 shows the different levels of policy-making in integrated social and employment policies in the context of the federal system in Germany. The two constitutionally defined governmental levels are the federal level and the regional level, the 'Länder'. The task of the lower level administrative units, i.e. district and municipality levels, is mostly to implement the laws decided upon the higher level. Thus, much of the operational tasks in policy implementation are devolved to the smaller units of administration.

On all three levels (national, regional, local) there are chambers of parliament dealing with their area of legislative competence. For the local level, these areas mainly concern housing, childcare and training. Recently, labour market policy has entered the local sphere of policy-making. It is now part of local policy-making, which takes place jointly with the local Employment Agencies (EA, responsible for the provision of unemployment insurance benefits, UB I). The Federal Employment Agency (FEA) has its headquarters in Nuremberg, 10 regional directorates (shall lead the Employment Agencies of their regions, but also act as initiators of regional labour market policy), 178 Employment Agencies at the local level (implementation of the tasks of the FEA, with own management and administrative committees) and about 610 branch offices. The Federal Ministry of Labour and Social Affairs (BMAS) has the legal supervision and controls the compliance with the legislation.
The local Jobcenter (responsible for provision of UB II) can be either a cooperation owned by the district and the EA (joint venture) or an organisation in the sole responsibility of the local district (accredited institution). Figure 5 in the appendix shows the local institutional background of implementation and service provision in municipalities with joint ventures. The Jobcenter is the most relevant actor in German activation policies, since it provides unemployment benefit II, a minimum income scheme which strongly links social and employment policies. Therefore, the local Jobcenters will be at the core of our investigations.

Figure 2: Institutional context of integrated social and employment policies
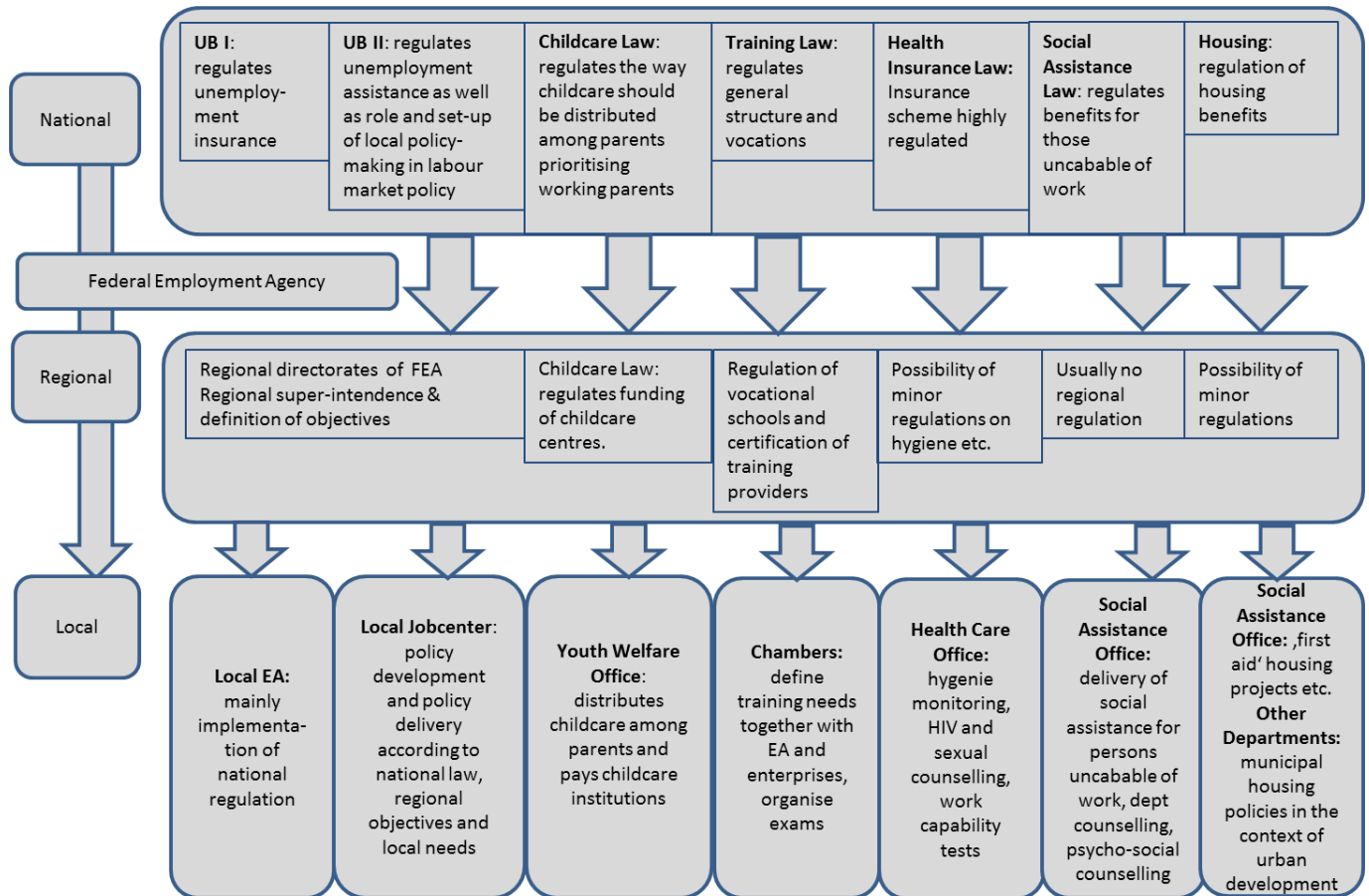
Source: own depiction

With the introduction of the new unemployment benefit (UB II, minimum income), national policy-making in the area of labour market policy has become integrated with policy-making traditionally more in local responsibility: housing, social assistance and childcare. The degree to which this co-organisation of different policy areas will result in an integrated multi-dimensional strategy in labour market policy depends on local organisation and networks. Other policy fields, such as childcare or housing also experienced some decentralisation. Especially in childcare, the national government put quite some pressure on the districts to increase their capacities. However, this decentralisation mainly concerns policy implementation, whereas policy development, for example in regard to childcare available to unemployed persons, is mainly national. As far as multi-level integration is concerned, this has also increased with the Hartz-IV-reform. The integration of national and local labour market policy delivery in one Jobcenter on the local level is an explicitly multi-level type of integration. The extent of which this will lead to actual integration, depends on contacts and exchange between the different levels. Multi-stakeholder integration has also been increased in recent years. Even though on all three levels of policy-making tripartite governance has been institutionalised for decades, the reforms encourage new kinds of cooperation between different actors. For example, the voucher system in labour market and training policy has significantly increased the degree of marketization and thus the theoretical importance of additional private actors. Furthermore, the local advisory board of the Jobcenter requires participation of different actors involved in policy delivery in the local area.

The introduction of unemployment benefits II can also be interpreted as the creation of a target group approach towards long-term unemployed persons. Although a certain number of persons receiving UB II is not long-term unemployed but for example low-paid and gets additional benefits, one crucial argument for the implementation of the UB II scheme and the creation of Jobcenters as one-stop-shops was to provide special treatment to people which are harder to place than others. Nevertheless, target group approaches are officially abandoned in national policies. Although youths receive special treatments both in UB II and unemployment insurance, and Jobcenters have special teams for disabled/rehabilitants as well as self-employed due to complex legal regulations, this is not officially perceived as a target group approach.

All dimensions of integration (multi-level, multi-stakeholder and multi-dimensional) are affected by the highly developed corporatism in Germany, as will be depicted in the next chapters. The main actors of local social and employment policies in Germany are:

- *Trade unions and employers' associations* are relevant not only in negotiations on wages and employment conditions, but also as members in committees, operational bodies or social insurance self-government. The Federal Employment Agency (FEA) is based on tripartite self-governance, where social partners play a crucial role.
- In regard to social policy, the *Free Welfare Associations* (FWAs, confessional and non-confessional) have an important and historically evolved role in the German social welfare system. They are the largest providers of welfare services in Germany.
- Whenever the offer of welfare provided by these non-governmental welfare organizations is deemed insufficient or not serving existing needs, according to the subsidiarity principle the *public authorities* are responsible for provision (Bettmer 2005). Usually the municipalities are providers of such public welfare.
- The *private (profit-oriented) sector* traditionally plays only a minor part in the German social service system, although private-public cooperation in Germany is increasing and legally supported (ÖPP-Beschleunigungsgesetz, PPP-Acceleration Act 2005). Due to increasing competitive structures, in some fields of social services, private profit-oriented actors become more important (Hoffer and Piontkowski 2007: 5).

3. Local Activation Policies

As outlined above, we chose our cases according to local performance and organisational criteria. One underperforming, one average and one strong case in terms of at local GDP, local labour force participation and local unemployment were selected. However, these three municipalities do not only show a different performance with regard to these variables, but the whole socio-economic picture is highly diverse:

The city of EA is located in the South-East of Germany. It is part of the federal state of Sachsen-Anhalt (Saxony-Anhalt) and used to be part of the former German Democratic Republic (GDR). Thus, since unification this area has changed significantly, especially in regard to economic production (industrial sector almost irrelevant nowadays). In 2010 the city had 230.000 inhabitants, but, as is often the case in East Germany, the population has decreased the last couple of years.

The economic activity rates especially for females is very high (78,2% compared to 71,8% national average). This might be explained historically with high female employment rates in the former GDR. On the other hand, unemployment and long-term unemployment rates are much higher than the national average (about 11% resp. 60% compared to 7% resp. 48%, cf. Table 16), as well as the at-risk-of-poverty-rate, which is at about 20% (cf. Table 16). The SGB II-share[4], which is a crucial indicator for the unemployment situation in a region, is very high (cf. Figure 3). The Jobcenter EAS has to deal with about 21.000 households[5] receiving unemployment benefit II. This signifies high administration efforts and high municipal spending for related services as in the other cases (especially in SOU), which might influence the organisational dimension of integrated social end employment policies, as will be depicted below.

The municipal spending for social services such as drug- or debt-counselling, psychosocial help and others is quite high compared to SOU and NOR (cf. municipal household reports 2012). Childcare rates are high (as usually in the Eastern regions due to high childcare rates in the former GDR) but suitable childcare is still a problem, as will be depicted below.

The city of NOR, the average case, is located in the Northwest of Germany. It is part of the federal state of Niedersachsen (Lower Saxony) and lies west of Bremen. In 2010 it had about 160.000 inhabitants and the population has been growing fast the last couple of years (from 150.000 in 1994). Unemployment and long-term unemployment rates are slightly below the national average, as well as the at-risk-of poverty rate. What attracts attention is the relatively high youth unemployment rate (13,4% compared to 11% national average), low levels of tertiary education (21% compared to 28% national average) and high Jobcenter spending on basic training. Additionally, we can observe high municipal spending on childcare. The Jobcenter NOR is in charge of about 9700 households (or 'beneficiaries' units, see above).

The city of SOU had about 133000 inhabitants in the year 2010. It is located in the north of the federal state of Bavaria (Bayern). Unemployment and long-term unemployment rates are quite low compared to the national average (5,2% resp. 37,51% compared to 7,1% and 47,97% national average, cf. Table 4) and a lack of skilled workers can be stated. Youth unemployment is very low as well (7,6%) and the SGB II share is at 6,8 %, which is also below the national average. In 2011, only 4100 households ('beneficiaries' units', see above) received unemployment benefits II. Nevertheless, both the share of older persons (>55) and foreigners who are capable of working but receiving unemployment benefits II are higher than in both other cases. SOU spends - compared to EA and NOR – only low sums on municipal social services and on childcare (cf. municipal household reports).

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[4] SGB II- share: share of UB II-recipients (minimum income, mostly long-term unemployed and low-paid workers) of total population under 65 years
[5] To be precisely, reception of UB II is not administered per household but per 'beneficiaries' unit'. However, in practice these units are mostly households.

Figure 3: SGB II share
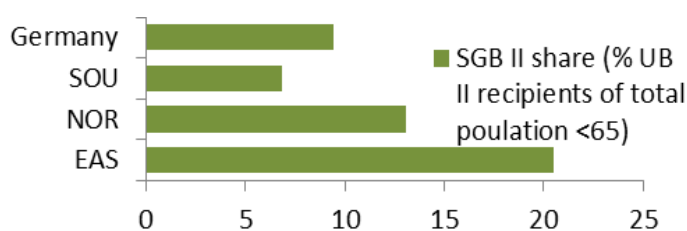
As outlined above, local integrated social and employment policies are pre-framed by national policies in the context of unemployment benefits II (minimum income). The Jobcenters, which are in charge of UB II provision, are highly relevant actors in the field of local activation policies and are at the core of this study. All Jobcenters in the selected cases are joint ventures, which means that they are governed jointly by both the municipality and the local Employment Agency. However, we can observe clear differences with regard to the administrative allocation of the municipal Jobcenter tasks within the public administration structure, which is relevant for the local perception of activation and policy integration. While in NOR and SOU the municipal tasks are in the hands of the social departments, in EAS it is allocated in the economic department. Relevant actors in EAS confirmed this as not being a coincidence but integration into the labour market is a field closely connected to economic aspects and other policy fields (see below, multi-dimensional integration):

[…] and I reasserted this point again: in the beginning, we [Jobcenter] were under the responsibility of the social department, but then there was a change and now it is the economic department. And I thought this was a signal from behalf of the municipality that they realised that we belong to this area. (CEO Jobcenter, EAS). This close connection of social and economic issues might be the expression of the given unemployment structure: EAS has a very high number of UB II recipients but several of them not hard to place but long-term unemployed due to the economic situation of the region. EAS does not have a written overall municipal labour market or integration strategy. However, activation and labour market integration are well discussed and to a great extent closely aligned issues in the municipality, as will be outline below (multi-stakeholder – and multi-dimensional integration). Therefore, a strategy does not exist explicitly but can to some extent anticipated implicitly. From a broader perspective, we can observe coercive employment assistance related elements in this implicit strategy in EAS. Nevertheless, coercion in this sense does not necessarily mean sanctions etc., but also implies the persuasion that demanding activation measures targeting employability (not only bringing people into jobs) are often the right way. On the other hand, voluntary employment assistance in the sense of motivation and support is as well strengthened.

On the other hand, in SOU Jobcenter tasks are perceived as solely social affairs. A low number of UB II recipients but with often multiple placement obstacles are to be dealt with at the Jobcenter. According to relevant actors, labour market integration is partly not possible for some of them due to crucial placement obstacles. However, occupation is mostly perceived as a form of dignity and stabilisation, while pressure and coercion is not judged as the right way in majority. Therefore, the dominant activation type in the field of unemployment benefits II can be classified as voluntary occupation. On the other hand, there is a lack of skilled workers which calls for (voluntary) human capital investment. Nevertheless, this is only true for beneficiaries of unemployment insurance

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benefits, which are provided by the local EA. In the field of unemployment benefits II this is almost not relevant due to the mentioned placement obstacles. This clear separation of the two fields of unemployment protection is as well underlined by the fact that labour market integration and social policies are far away from being at the top of the political agenda. Labour market is a mainly question of economic and urban development in SOU and not linked to social affairs. No strategy exists for the labour market integration of UB II recipients.

When it comes to the programmatic aspect of local activation policies in NOR, we can observe a similar picture. NOR does not have an explicit strategy for labour market integration; neither is there an implicit overall approach of several actors. Nevertheless, social issues including labour market integration are much more relevant than in SOU which leads to higher political and administrative activities in this field. From a broad perspective, we can observe voluntary employment assistance as the dominant type in NOR. Several actors state that there are groups which cannot be forced into the labour market, however, employment assistance should be offered. A lack of jobs for low-qualified workers is mentioned in this context, which makes it almost impossible to integrate certain unemployed persons.

While the types and strategies of activation show clear differences between the cases, we can observe several commonalities with regard to target groups at the local level. As outlined above, the official strategy in Germany does not follow a target group approach anymore. Nevertheless – and beyond the separated fields of unemployment insurance and minimum income, which is a de facto target group approach towards long-term unemployed – there are institutionalised special treatments for youths (due to the dual system of apprenticeship) and disabled/rehabilitants (due to complex legal regulations) both in the local EAs and the Jobcenters. In addition, in all investigated cases, most local actors favoured a target group approach for labour market integration. This takes expression in institutionalised special treatments both in the Jobcenters and municipal public services. However, this institutionalised treatment does not always correspond with the groups which were mostly mentioned as vulnerable. Especially in SOU, interviewees mentioned a lack of resources in the Jobcenter to establish further specialised teams for certain groups. Self-employed are target groups in all Jobcenters; however, this is mostly due to specialised legal regulations for their labour market integration.

Table 6: Activation types and local target group approaches

	EAS *underperforming*	NOR *average*	SOU *strong*
Dominant activation type	Coercive employment assistance	Voluntary employment assistance	Voluntary employment assistance/voluntary human capital investment
Local target groups (institutionalised special treatment)	• Lone parents (UB II) in Jobcenter • Self-employed in Jobcenter • Migrants in municipality	• Lone parents (UB II) in Jobcenter • Self-employed in Jobcenter • Migrants in municipality	• no real target group approach in Jobcenter due to lack of resources

After having discussed some programmatic aspects of local social and employment policies, the following subsections will focus more in-depth on the organisational side of these policies. We will outline integration among the European, the national the regional and the local level. In addition, we will discuss cross-sectorial integration among different policy fields: labour market, training, family policies/childcare, health care, social assistance/social services, housing and economic policies. We have added the last policy field during field work when our results showed that this sector is quiet relevant for local activation policies. With regard to multi-stakeholder integration, we will focus on the most relevant actors mentioned above: the Jobcenter, the local Employment Agency, the public administration, municipal politicians, social partners, chambers, welfare associations and training providers. The role of actors such as housing cooperatives, private placement offices and other will be discussed if relevant

4.1 Multi-level integration

Traditionally, social policies are a local task in Germany, while employment policies are governed at the national level. Social assistance has always been developed and provided in the municipalities and only more general issues like the height of benefits was regulated nationally. Unemployment protection as well as labour market instruments were designed at the national level, traditionally implemented at the local level by a branch of a national institution, the local Employment Agency. However, as outlined above, the Hartz-reforms brought crucial changes when introducing the (joint ventures, see above) Jobcenters as one-stop-shops in cooperation of municipalities and Federal Employment Agency. A new national-local link was established by these institutions. However, linking social and employment policies might call for other multi-level links as well, which will be discussed in this subchapter. As best-practice examples for effective multi-level integration we could identify both the regional-local integration in Bavaria and the cooperation between the municipal public administration and the (nationally governed) local Employment Agency in EAS.

Table 7: Best practice examples in multi-level integration

POLICY DEVELOPMENT	In SOU, we can observe relative high regional-local integration on the basis of working groups, roundtables etc. which are implemented by the regional level and aim at information exchange and cooperation in various issues. Especially remarkable are regional activities towards the European Union. Newsletters, roundtables, contact points etc. foster the participation of the local level in these regional activities
POLICY IMPLEMENT ATION	The delivery of unemployment assistance benefits and related services is organised in the local Jobcenters. In the case of joint ventures (see above), these Jobcenters are multi-level integration by nature, due to the cooperation of municipalities and the Federal Employment Agency. In EAS, this cooperation is highly effective, well developed and on equal footing.

Policy development

Whether we find high or low degrees of multi-level integration in policy development in a municipality depends mainly on three factors: network opportunities, types of relevant actors and the individual interest of stakeholders. In all of the three cases we would find that certain types of actors were much more involved in multi-level networks than others. Especially social partners and the chambers have more contacts to higher levels of policy making and administration than other

local actors. Local chambers and social partners are embedded in the context of well-structured and highly informed national, regional and even European representations. However, whether these networks become relevant for local policy development depends on the position of these actors in the policy development process. Both chambers and social partners are relevant actors in local labour market and economic policies. Therefore, particularly in SOU, where the link between economic policies and labour market issues is the closest, the multi-level contacts of these actors influence policy development. *We are networker […], information-broker, information-multiplier, but we are as well a connector between economy and politics - in both directions* (Head of Department on Vocational Training, Chamber of Crafts, SOU).

Especially regional contacts, but as well national networks are of crucial relevance here. In addition, in SOU the regional level provides network opportunities for information exchange, policy alignment and convergence towards national and EU policies, which leads to an increasing individual interest of other actors, for example public administration: *The working group of Bavarian EU-coordinators has been installed by the Bavarian Association of Cities. Because they had noticed that the topic is becoming quite relevant for the municipalities […]. Well, the interest is quite huge, colleagues are very interested and the topics are highly diverse. Everything which is on the EU agenda is treated [..].* (Member of Social Department, SOU). In NOR and EAS, we cannot observe such high multi-level interaction. One the one hand, both chambers and social partners are of course highly relevant actors, but especially in EAS they are not as involved in local activation policies as in SOU, which leaves out well-connected actors. On the other hand, there are less networks opportunities for multi-level contacts. To be sure, there are regional contacts, but they are mostly relevant for policy implementation. Policy development of local labour market integration is still a local game with low interaction with other levels in EAS, and as well in NOR.

Policy delivery

When it comes to multi-level integration in policy implementation, we can identify two crucial factors influencing the degree of integration: EU-funds are relevant here, and the quality of cooperation between the municipality and the local Employment Agency in the Jobcenters. Jobcenters which are organised as joint ventures are multi-level cooperation by nature: municipalities closely cooperate with local Employment Agencies, which are branches of the hierarchically structured Federal Employment Agency, a national body. In the Jobcenter board of owners and institutionalised meetings but mostly in everyday contacts, EA members and municipal stakeholders are in contact. In EAS, this cooperation in implementation and service delivery in the field of unemployment benefits II is on equal footing. The Jobcenter EAS is well embedded in the local landscape of social and employment policies, and the municipality has a strong position with regard to the local Employment Agency. On the other hand, in SOU, the municipality has a weak position in the – partly conflictive – cooperation with the local Employment Agency. As one interview partner put it: *Well, there [in the Jobcenter Board of Owners] are tough discussions from time to time, and – as already mentioned – the municipality is always the junior partner* (Head of Social Department, SOU).

In NOR, the relationship between municipality and local EA is mostly cooperative and on equal footing. The position of the Jobcenter is not as strong as in EAS but stronger than in SOU.

In addition to this institutionalised integration in policy implementation, we can observe that the amount of EU-funds a region is receiving influences the intensity of multi-level contacts not only

between the local level and the EU but especially between the local and the regional level[6]. EU-funds (in the case of social and employment policies, the European Social Fund is the most relevant one) are administered at the regional level (federal state) in Germany. Usually, a regional ministry provides certain infrastructure and manages applications and administration procedures. Applicants are therefore in close contact with these regional actors: *We had intensive cooperation with the Bundesland for designing this EU-funded project. We had contact with [welfare] associations, with other cities […]*. (Controller in Economic Department, responsible for Jobcenter, EAS). Saxony-Anhalt is a convergence-region, which means that it receives a significant higher EU funding than other German regions.

The complex application- and administration procedures are not a barrier to the use of funds in EAS, although most actors complain about them. The infrastructure towards EU-funds is well developed and mostly provided by the regional level. Regional (mostly public) actors are in charge of the funds' administration, and service providers receiving EU-funds are in close contact with them. In NOR, we can find a different picture. Here, the EU-funding is not as high as in EAS but still attractive for service providers. Nevertheless, since the funding infrastructure is partly not as well developed as in SOU, both application and administration are more demanding. Complex regulations are a barrier especially for smaller providers not to apply for the funds. In SOU, this is the case as well. Since the region does not receive many EU-funds and infrastructure towards them provided by regional actors is limited, applying for funds is not too attractive for most actors. It manly depends on individual interest whether a provider choses this option or not.

Summary

To sum up, multi-level integration both in policy development and in implementation is not very high in Germany, apart from institutionalised cooperation of national and local actors in the Jobcenters. SOU shows a higher degree of multi-level integration in policy development than NOR and EAS. Here, the dominant type both in policy development and implementation is centralised coordination due to the strong public administration. In NOR, coordination at both stages is mainly decentralised; while SOU shows devolved coordination in multi-level integration due to the higher relevance of the regional level. Relevant factors influencing the degree of integration are network opportunities, EU-funding, the type of actors and cooperation regarding joint ventures (Jobcenters), as Table 8 shows.

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[6] EU funds play relevant roles in local service delivery to some extent. Nevertheless, we will not go into detail in this study, since further research will be focused especially on the usage of European resources at the local level

Table 8: Barriers and enablers of multi-level integration

		EAS *underperforming*	NOR *average*	SOU *best-performing*
Multi-level integration	Policy development	• Chambers and other 'multi-level actors' not very relevant → barrier • Low network opportunities → barrier	• Medium relevance of chambers and other 'multi-level actors → barrier • Low network opportunities → barrier	• High relevance of chambers and other 'multi-level actors' → enabler • Higher network opportunities → enabler
	Policy implementa-tion	• Good EU funding infrastructure → enabler • JC cooperation on equal footing → enabler	• Moderate EU funding structure → barrier • JC cooperation on equal footing → enabler (limited)	• Limited EU funding infrastructure → barrier • JC cooperation as partly conflictive → barrier

4.2 Multi-stakeholder integration

Multi-stakeholder integration in Germany is traditionally high due to corporatism. However, there are 'typical' non-public actors which are more involved in employment issues (social partners, chambers, training institutes), while others are more closely connected to social affairs (welfare associations, social service providers). Public actors such as public administration, politicians and public employment services (local EA and Jobcenter) are responsible for policy development and/or policy implementation in both fields. Therefore, an analysis of multi-stakeholder integration of social and employment policies needs to focus on the one hand on interaction between the mentioned 'typical' actors of one field with typical actors of another field. On the other hand, it needs to discuss the role of public authorities: do they interact with employment- or with social actors; or are they able to build a bridge between them?

In our study, we were able to identify crucial differences within our three local cases. The design of multi-stakeholder integration both in policy development and in policy implementation is strongly related to the above outlined unemployment structure in the investigated local entities, as will be depicted in this subsection. As best-practise examples for effective multi-stakeholder integration we could identify the usage of a nationally installed board in EAS and target group cooperation in NOR.

Table 9: Best practice examples in multi-stakeholder integration

POLICY DEVELOPMENT	The nationally installed JC boards (advisory board and management board), with the aim of bringing together various stakeholders in the context of labour market policies and social policies are highly effective and relevant for policy development and implementation in <u>EAS</u>. While in the other cases (and especially in NOR) these boards remain ineffective, in EAS the boards – especially the advisory board – have been coupled to an already existing and well established roundtable ('jour fixe'), where a high number of relevant stakeholders (social partners, municipal actors, Jobcenter actors, local employment agency, welfare associations) participate
POLICY IMPLEMENTATION	In 2009 a training provider in <u>NOR</u> built up a service centre for lone parents in cooperation with the Jobcenter. Out of this cooperation another application arose and succeeded (ESF-financed), strongly focusing on networking and bringing together a wide range of local actors. In the context of the close cooperation with the training institute and an internal need for action, the Jobcenter decided recently to establish a special team for lone parents. Networking is highly relevant in this team, which might be to some extent also a benefit from the cooperation projects.

Policy development

While SOU shows a very low number of UB II (minimum income) recipients, this is quite the opposite in EAS. The most remarkable effect is the size and organisational structure of the Jobcenters: in EAS it is a large body with a high number of employees, organised in a highly professional way. In SOU it is very small and has only a few teams; and we can observe a very strong position of the local Employment Agency. As already mentioned, the municipality in SOU has been characterised as 'junior partner' with regard to Jobcenter cooperation, while the local EA is the 'senior'. Although originally responsible for policy implementation, the local EA in SOU could achieve certain influence in designing local labour market policies. Multi-stakeholder cooperation is highly framed by this dominant role of the local EA on the one hand, and on the other hand by the above mentioned 'problem perceptions'. Since unemployment is perceived mostly as a question of urban development and economic affairs, the most relevant multi-stakeholder integration in SOU can be observed between individual employers, social partners, chambers and other market actors. They build alliances and networks on several issues. With other actors such as welfare organisations or service providers, coordination is mostly fragmented in policy development.

In EAS, the large Jobcenter has a dominant position, which is also relevant for policy development. A strong public administration is closely integrated with the Jobcenter and is crucial for policy designing. In addition, the Jobcenter is well embedded in a broad number of local institutionalised networks, some of them relevant for policy development. To be sure, social partners and chambers have certain relevance in EAS as well; however, their influence is different from the one in SOU since the Jobcenter and not the local Employment Agency is their main cooperation partner.

NOR is somewhere in-between these two extremes. Social partners and chambers are highly relevant and important actors in policy development, benefitting from tripartite structures in social insurance institutions (like the local Employment Agency). Nevertheless, the Jobcenter (mainly the CEO) has achieved a relevant role in local – often informal – networks, through which it has certain influence

on policy development. In addition, some social policy actors such as welfare associations are relevant in this context.

In all cases we could observe a low relevance of local politics and a weak integration of politicians with other actors. Local politicians work on a voluntary basis: politics are a task accomplished in addition to regular jobs and therefore very time consuming. They are facing a strong, well-informed and highly professional public administration, which is often in a much stronger position. Policy development at the local level seems to be dominated by the administrations, at least in our cases. What one interviewee from NOR stated, could be as well observed in the other cases: *[...] We are not experts, we are dependent on the administration, to get ideas [...] and that concepts are developed. As politicians we say: "Yes, that is the way it may work." We all work voluntarily. [...] Most of us have jobs and have their schedule full with political events in any case. Then we have to rely on the administration, which has to give us ideas.* (Member of Council, conservative party, NOR)

Beside the relevance of the outlined influence of the unemployment structure on multi-stakeholder integration in policy development, which had influence on the types of involved actors, the dominant mode of interaction between them could be identified as relevant for the form of coordination. In NOR, interaction is mostly ad-hoc, based on informal relations, networks and trust. This can partly be a barrier to stable multi-stakeholder cooperation, which is at a medium or low level in NOR. Due to a lack of commitment and reliable regulations which could enable stronger forms of coordination, alignment of policies is the most relevant form. In SOU, the situation is partly similar. Coordination often does not go any further than alignment or convergence due to a lack of commitment. The dominant mode of interaction is consensus-shaped since actors often prefer the path of least resistance. In EAS, the situation is highly different. Interaction is strategic, institutionalised and competence based. Although not many different actors are involved in policy development due to the strong role of the public administration, multi-stakeholder integration is high between them. Here, we can find several examples for co-production and cooperation; while public administration and Jobcenter are integrated.

Policy implementation
When it comes to multi-stakeholder integration in policy implementation, we can identify three relevant factors influencing the level of integration. Firstly, the perception of nationally provided marketization instruments in the implementation of UB II and unemployment insurance benefits are relevant for coordination of the PES-actors (Jobcenter or local EA) with other stakeholders. These marketised instruments (which are on the one hand vouchers handed out to beneficiaries and on the other hand competitive contracting-out of, both in the field of training and partly other services) can be both barriers and enablers of marketization, as we can observe in the case of NOR and SOU. In NOR, actors judge competitive contracting-out differently. Here we have well established (informal) networks between Jobcenter and service providers. Competitive contracting-out limits the chances of building on these established contacts but forces purchasers and providers into new but instable relationships, as it is interpreted by some interviewees. In SOU, actors do complain about marketization due to the same reasons, but have found a way to deal with it in the framework of a specific instrument. They have established a close cooperation with a private training provider, who offers coaching services (implying all relevant social services such as drug-counselling if necessary) for hard-to-place beneficiaries, financed by the voucher system. Nevertheless, this is only one minor project.

However, cooperation in projects in general is a second crucial point in multi-stakeholder. In this context we found in all cases examples for what can be described as 'integration by project designing': jointly designed and implemented projects intensify existing partnerships or create new ones. On the basis of these partnerships further cooperation beyond one single project raises, either in new project cooperation or in different forms: *It evolved out of a housing project. […] And out of this the labour market project evolved. And this went on and in the meantime it was ESF-financed and then it was a cooperation project for homeless delinquents and now it is a totally open project […]*(Head of District Department, protestant welfare organisation, NOR).

The third relevant aspect relates to the fact who the dominant actors in service delivery beyond the public employment services (PES, local EA and Jobcenter) are. In EAS, the public administration is very strong. Since it fosters multi-dimensional integration, it is able to bring together several stakeholders such as service providers, training providers, welfare associations and others. SOU shows a high involvement of chambers, social partners, employers as well as of training providers: *Well, central actors… […] when it comes to labour market integration, to human resource development, there are the chambers. […] And of course the trade unions […]. And you shouldn't forget the churches, they are big employers here and [NAME OF CONFESSIONAL TRAINING PROVIDER] is a very relevant training provider.* (CEO local Employment Agency, SOU). Although social policy actors such as welfare associations are relevant for service delivery, the do not play an important role and integration is quite low. In NOR, we can find a similar picture regarding social partners and training providers. However, welfare providers are well connected to local networks.

Summary

To sum up, multi-stakeholder integration between actors in social policies and employment policies is the highest in EAS (with a dominance of the public administration), while SOU shows a low level of integration. In EAS, policy development in implementation are mainly hierarchically and/or collaboratively organised, while SOU shows collaborative structures as well, though they are much weaker than in EAS. NOR has high interaction between actors, but the coordination is relatively weak. Policy development and implementation are nevertheless collaboratively organised. In general, social and employment actors are better coordinated at the policy implementation level. Table 10 shows a list of barriers and enablers of multi-stakeholder integration.

Table 10: Barriers and enablers of multi-stakeholder integration

		EAS *underperforming*	NOR *average*	SOU *best performing*
Multi-stakeholder integration	Policy development	• JC as dominant PES actor due to high number of UB II-recipients → enabler • Strategic, institutionalised, competence-based mode of interaction → enabler	• Ad-hoc, informal, network and trust-based mode of interaction → barrier	• Local EA as dominant PES actor due to low number of UB II-recipients → barrier • Consensus-oriented, profit oriented dominant mode of interaction → barrier
	Policy implementa-tion	• Project-based cooperation → enabler • Strong public administration as bridge → enabler • Mostly social actors are relevant in employment issues → enabler	• Marketization leads to competition → barrier • Project-based cooperation → enabler • Social and employment actors relevant in employment issues → enabler	• Creative usage of marketization → enabler • Mostly 'employment actors' are relevant in employment issues→barrier

4.3 Multi-dimensional integration

Multi-dimensional integration in the sense of connecting social and employment issues is linked to multi-stakeholder integration to some extent. As outlined above, there are 'typical actors' for both social and employment policies. If we find interaction between these actors, we can also find multi-dimensional integration in most cases. However, there are of course cases where multi-dimensional integration takes place without multi-stakeholder integration. In general, multi-dimensional integration is strongly affected by the problem perception of dominant local actors: is activation and labour market integration at the political agenda? Is unemployment perceived as a social-policy related problem and how do local actors deal with it? Therefore, the intervention of both public administration and the Public Employment Services can be crucial for effective multi-stakeholder integration as our best-practice examples show.

Table 11: Best practice examples in multi-dimensional integration

POLICY DEVELOPMENT	The public administration in <u>EAS</u> shows a strong multi-dimensional focus. Not only within the Social Department, which aims at increasing the cooperation of several sub-departments and the interfaces between the different social code schemes (youths, unemployment, disabled…), but also between the Social Department, the Department for Economic Affairs and persons responsible for urban development, we can observe alignment and cooperation.
POLICY IMPLEMENTATION	Very recently installed regulations offer the possibility of so-called ‚placement and activation vouchers', meant as an instrument fostering competition among providers and beneficiaries' choice. Complaining about the very hierarchical and strict instruments, the Jobcenter <u>SOU</u> found a way to use these vouchers as financing instruments for a coaching programme for beneficiaries who are very hard to place. A training provider offers highly individual services for the whole household including psycho-social counselling, health support, or whatever is needed to help beneficiaries to improve the employability. Placement is not the first target, but reducing placement obstacles and a general ‚life-support' is more important. A similar approach has been offered in-house in the Jobcenter SOU, financed out of the ESF.

Policy development

As already mentioned, multi-stakeholder integration is affected by the problem perception of local actors. In policy development, this finds expression to some extent in the administrative allocation of the problem, which has already been discussed above. Although in EAS, we could observe a strong focus on social policies, the municipal responsibility for the Jobcenter is in the hands of the economic department. Here, a clear link between these sectors can be observed. This is as well strengthened by a strong public administration, which is in general very well integrated among different sectors. Youth issues, housing, urban development, training, health affairs and others are mainly well linked: *[…] we have done certain steps towards a much closer integration of these three areas: youths' policies and social assistance, job counselling, and unemployment assistance, to link them more closely […].* (Member of Social Department, SOU). Although this affects more policy implementation, the boundaries here are blurring due to the strong position of the administration, which is highly relevant for policy development. Unemployment is on the top of the political agenda.

On the other hands, in SOU, the administrative responsibility for municipal tasks is in the hand of the social department. Integration of UB II recipients is perceived as a social policy task, while the integration of unemployment insurance beneficiaries is located in the field of economic development. This clear separation can also be observed when it comes to the political agenda: while human capital investment is highly relevant, social questions are mainly not on the top of the agenda.

In NOR, unemployment in general is mostly perceived as a question of social policies. The social department has the administrative responsibility for the municipal tasks. We can observe certain multi-dimensional integration here; nevertheless it is limited since social policies are not on the top of the political agenda. Urban development is more relevant and mostly not linked to questions of employment.

Policy implementation

As already mentioned, multi-dimensional integration is linked to multi-stakeholder integration. This is especially true for policy implementation. In addition, it is relevant how these coordination structures between different actors are designed. In EAS we can find more institutionalized and formalised structures. Nationally defined structures strengthening multi-dimensional integration have been embedded in already existing local structures (see above), which made them quite successful. On the other hand, in NOR the established informal relations between stakeholders are highly relevant.: *We are small enough that all the actors know each other, and if there are any problems everybody knows which number he has to call to make it work*. (Head of Treasury Department, formerly authorized for social affairs, NOR). Corporatist structures are relevant, and are often a barrier to integration of different dimensions, since actors stick to their usual cooperation partners. Nationally defined structures to establish more multi-dimensional integration were not successful (see above). This is as well the case in SOU.

As a highly relevant aspect for multi-dimensional integration, we could identify target group approaches. Target group instruments are in most cases focused on linking several dimensions, like childcare, job-counselling, health care and others. As already outlined, we could observe target group approaches in all our cases (although their practical implementation is limited in SOU due to a lack of resources). Especially in NOR but as well in EAS, projects focusing on target groups are highly relevant for linking social services and labour market integration. Here comes as well in, what has

above described as 'integration by project designing'. The funding principles are highly relevant here. Social service providers receiving stable lump-sum payment seem to be less active with regard to multi-dimensional integration in their services than actors participating in projects. Here, partnership and target group approaches in funding principles foster multi-dimensional integration.

Although multi-dimensional integration SOU in general is low, the Jobcenter itself fosters the linkage of different services. Both in in-house provided services as in outsourced measures, multi-dimensional integration is addresses in order to offer suitable employment assistance to UB II beneficiaries which are very hard to place.

Summary

Multi-dimensional integration between social and employment policies in EAS is considerable high, especially due to a strong public administration fostering integration. In SOU, it is at the opposite: integration is very low, except Jobcenter efforts, which only affect service delivery. NOR shows a medium integration in general but higher levels in policy implementation when it comes to project-funded service delivery. Policy development in EAS is mainly coordinated, while in policy implementation co-production is dominant. SOU shows fragmented coordination structures at both stages. In NOR, we can observe fragmentation in policy development and fragmentation/coordination in policy implementation. The main influencing factors we could identify are listed in Table 12.

Table 12: Barriers and enablers of multi-stakeholder integration

		EAS *underperforming*	NOR *average*	SOU *best performing*
Multi-dimensional integration	Policy development	• Unemployment is a labour market issue but highly linked to social policies and urban development → enabler • Social policies and unemployment at top of political agenda → enabler	• Unemployment is a question of social policies, not integrated in urban development → barrier • Social policies and unemployment not on the top of the agenda → barrier	• Unemployment is to a great extent a question of economic affairs → barrier • Social policies and unemployment not at all at the top of the political agenda → barrier
	Policy implementation	• Project financing highly relevant → enabler • Target group approach relevant → enabler • Institutionalised structures of cooperation → enabler	• Project financing highly relevant • Target group approach highly relevant • Informal cooperation structures → barrier	• Target group approach not possible → barrier

4. Conclusions

As the analysis of integrated social and employment policies in the three local cases in Germany showed, we can observe different governance types, activation types and levels of integration in the three local entities. Table 13 summarizes the findings illustrated above.

Table 13: Comparison of the determinants of local activation policies

<table>
<tr>
<th colspan="2"></th>
<th>EAS
underperforming</th>
<th>NOR
Average</th>
<th>SOU
strong</th>
</tr>
<tr>
<td colspan="2">Coordination type</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td rowspan="2">Multi-level</td>
<td>Policy development</td>
<td>Centralised (strong public administration)</td>
<td>Decentralised</td>
<td>Devolved (strong regional level)</td>
</tr>
<tr>
<td>Policy implementation</td>
<td>Centralised</td>
<td>Decentralised</td>
<td>Devolved</td>
</tr>
<tr>
<td rowspan="2">Multi-dimensiona l</td>
<td>Policy development</td>
<td>Coordinated</td>
<td>Fragmented (Alignment)</td>
<td>Fragmented (Convergence)</td>
</tr>
<tr>
<td>Policy implementation</td>
<td>Co-production</td>
<td>Coordination/Fragmented</td>
<td>Fragmented/Coordination</td>
</tr>
<tr>
<td rowspan="2">Multi-stakeholder</td>
<td>Policy development</td>
<td>Hierarchical/Collaborative</td>
<td>Collaborative (Cooperation)</td>
<td>Partly collaborative but low in general</td>
</tr>
<tr>
<td>Policy implementation</td>
<td>Hierarchical/Collaborative</td>
<td>Collaborative (Cooperation)</td>
<td>Partly collaborative but low in general, contractual</td>
</tr>
<tr>
<td colspan="2">Level of Integration</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td colspan="2">Dominant Governance Type</td>
<td>Mostly Public Administration</td>
<td>Mostly New Public Governance</td>
<td>Mostly New Public Management, but not very clear</td>
</tr>
<tr>
<td colspan="2">Dominant Activation type</td>
<td>Coercive employment assistance</td>
<td>Voluntary employment assistance</td>
<td>Voluntary employment assistance/voluntary human capital investment</td>
</tr>
</table>

However, is there an inter-relation of these three determinants of local activation policies (level of integration, governance type and activation type) or are the differences just coincidences? And which role does the local performance play in this context?

Our analysis of the programmatic and the organisational dimension of local activation policies in Germany showed that the national model of unemployment benefits II in general strengthened integration at the local level in all analytical categories mentioned above (cf. Figure 1) : it fostered a closer cooperation of the national and the local level, brought together especially third sector actors and labour market actors such as chambers and social partners and linked employment more closely with social services and other policy dimensions. Nevertheless, differences between the three German regions investigated in this study are observable: While in the East German region we could observe very high levels of actors' cooperation and the integration of different services and policy programmes, the southern region is poorly integrated in these aspects. On the other hand, we could find in this case higher activities linking the different political levels integration, e.g. r networks informing the local level on regional, national and European activities.

These different patterns of integration can be explained by the local context, regional cooperation modes and specificities of the region. Table 14 summarizes all factors which could be identified as influencing integration. For example, the funding principles of delivered services have impact on actors' cooperation and the integration of political levels. Projects are organised differently than lump-sum financed social services and often bring together various actors. In addition, since they are mostly financed out of regional, national or European fund, they foster multi-level integration.

Table 14: Barriers and enablers of integration

Barriers and enablers of integration	
Cooperation modes	• Dominant mode of interaction, • cooperation JC / Employment Agency • funding principles (lump-sum, project, EU-funded)
Local context	• Relevant actors • Network opportunities • Individual interest of actors
Area characteristics	• Target groups/ unemployment structure • Economic structure/relevant actors

Source: own depiction

Nevertheless, the most relevant factor influencing integration is the unemployment structure of a region, as we can observe especially in the Southern and Eastern case. The Southern case shows a very low number of unemployment benefits II-recipients. The integration of these UB II beneficiaries is perceived solely as a question of social policies, whose integration should be achieved via voluntary employment assistance. Social actors such as welfare associations, the social assistance office and others are involved in implementation and service delivery, but the issue is almost not relevant for policy development. The very small Jobcenter is well integrated with social actors, but is almost not integrated with other stakeholders. On the other hand, the local Employment Agency, which is responsible for the provision of unemployment insurance benefits, is a dominant and well integrated actor both in policy development and implementation. 'Traditional' labour market actors such as chambers and social partners are its main cooperation partners. Unemployment in this context is perceived as a question of (voluntary) human capital investment, due to the lack of skilled workers. Employment policies are mainly discussed in the framework of urban development and economic affairs.

On the other hand, the Eastern case shows crucial differences to this. Due to the very high numbers of UB II recipients, the Jobcenter is very large, professionally organised and a dominant actor both in policy development and implementation. It is highly integrated with a large number of actors (especially welfare organisation and public actors), including the 'traditional' employment policy actors such as chambers and social partners. Nevertheless, these 'traditional actors' play a minor role. Unemployment of both UB II recipients and unemployment insurance beneficiaries in the Eastern case is perceived as a social issue which has to be dealt with in an integrated manner. It is closely linked to urban development and economic affairs. The dominant activation type is coercive employment assistance, as outlined above. Coercion would not mean that pressure is put on all beneficiaries, but the demanding elements of activation are in general judged as necessary and useful.

This shows that the relative impact of the two different unemployment protection systems is decisive for the different patterns of regional integration: A high weight of unemployment benefits II leads to more integration while a dominance of unemployment insurance system is a barrier to integration. The institutional logics (cf. Scott 2001) of unemployment insurance and unemployment assistance/unemployment benefits II differ widely. The field of unemployment benefits II is characterised by high multi-level, multi-stakeholder and multi-dimensional integration in social and employment policies, while the field of unemployment insurance still builds on a traditional linkage between employment policies (including vocational training) and economic affairs with a stronger focus on multi-level integration (regional-local) due to economic development efforts. It is organised in a hierarchical top-down manner. In addition, in unemployment benefits II we could identify a stronger activation principle and a focus on voluntary and coercive employment assistance. On the other hand, in the unemployment insurance scheme, a lower activation principle and a focus on human capital investment was observable.

These different institutional logics have crucial influence on the determinants of local activation policies. In the case of the underperforming region, the structure of unemployment leads to a dominance of the UB II-field, while the unemployment situation in the strong region strengthens the unemployment insurance field. Especially due to dominant positions of the relevant PES actors (Jobcenter respectively local EA), this has crucial effect on the levels of integration. Table 15 summarizes the different factors determining the influence of the different institutional fields on local integration.

Table 15: Institutional logics of the Two German Unemployment Protection Systems

	unemployment insurance scheme	**unemployment benefits II scheme**
multi-level	Dominated by Federal Employment Agency, hierarchically structured, low local participation	In the case of joint ventures a close cooperation between FEA and municipalities
multi-stakeholder	Employment Agency (EA) as dominant local PES actors, institutionalised coordination between EA, social partners and chambers	Dominated by local Jobcenters, institutionalised interaction with welfare associations, service providers, public authorities…
multi-dimensional integration	Institutionalised integration of vocational training	Social services integrated in delivery of UB II
Local activation types	Voluntary Human Capital Investment	Coercive Employment Assistance

In sum, the local unemployment structure has a decisive influence on local activation policies: a high share of unemployment benefits II recipients facilitates a more inclusive policy due to a strong position of the local Jobcenter which has a key role in coordinating a broad range of local actors and linking social and employment policies. On the other hand, low levels of UBII recipients lead to a weaker position of the Jobcenter and a strong economic situation strengthens the local Employment

Agency, which limits cooperation to the traditional labour market actors such as chambers and social partners and does not foster the integration of social services.

Nevertheless, individual interest, other dominant actors or modes of interaction are also relevant. Local features and historical pathways can therefore be identified as influencing integration, coordination and governance types as well. Both the strong public administration in the Eastern case and the relevance of corporatist structures in the Northern case might be examples for this, although this would need further investigation

This study on the organisational and programmatic dimension of integrated social and employment policies in Germany showed that although decentralisation is increasing and local discretion is strengthened as in several European countries (Kazepov 2011), national influence seems to be crucial in integrated activation policies in Germany. The institutional logics of unemployment schemes are highly relevant for local policies. Which of the two unemployment schemes is dominant depends on the unemployment structure of a region. However, our study only covers three local entities. Further research focussing more profoundly on the institutional logics of the two unemployment schemes could shed light on the question how local systems respond to the nationally designed unemployment schemes but as well how local features influence the development of own local logics, which are of high relevance as well. Focussing on the whole schemes and discussing their institutional logics in addition means taking an integrated perspective both on the governance dimension and the programmatic dimension of local activation policies. Since the literature has recently either concentrated on aims and programmes (e.g. Bonoli 2010) or the governance (e.g. van Berkel et al 2012) of active labour market policies, this integrated perspective might be bring further advantage on activation research from an international comparative perspective as well.

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Appendix

Additional Figures and Tables

Table 16: Socio-economic background

	Germany	EAS	NOR	SOU
Regional classification (based on unemployment, labour market participation and gdb)		*Underperforming region*	*Average region*	*Strong region*
unemployment rate (%; 2010)	7,1	11,4	6	5,2
Long-term unemployment rate (in % of total unemployment; 2011)	47,97	60,56	45,48	37,51
Youth unemployment rate (less than 25 y.; 2009)	11,2	15,7	13,4	7,6
gross domestic product (2009; euro per inhabitant)	29000	22800	35300	43600
Population 1 January (2011)	81751602	232963	162173	133799
At-risk-of-poverty rate (in % of population, 2010)	15,6	19,8	15,6	12,8
pre-primary, primary and lower secondary education - levels 0-2 (in % of the economically active pop 15y+, 2010)	13,67	7,14	15,65	14,63
tertiary education - levels 5-6 (in % of the economically active population 15 y+, 2010)	27,63	25,84	20,92	27,95
Economic activity rates (in % of active population, 15-64 years; 2011)	77,19	81,49	76,03	77,73
Economic activity rates females (in % of active population, 15-64 years; 2011)	71,78	78,2	69,42	72,46
manufacturing sector (percentage of total employment; 2008)	21,81	16,35	19,33	26,04
Industrial employment (in % of total employment, 2010)	0,28	0,29	0,3	0,33
Service employment (in % of total employment, 2010)	0,7	0,69	0,66	0,65

Source: eurostat

33

Table 17: Structure of unemployment (UB II)

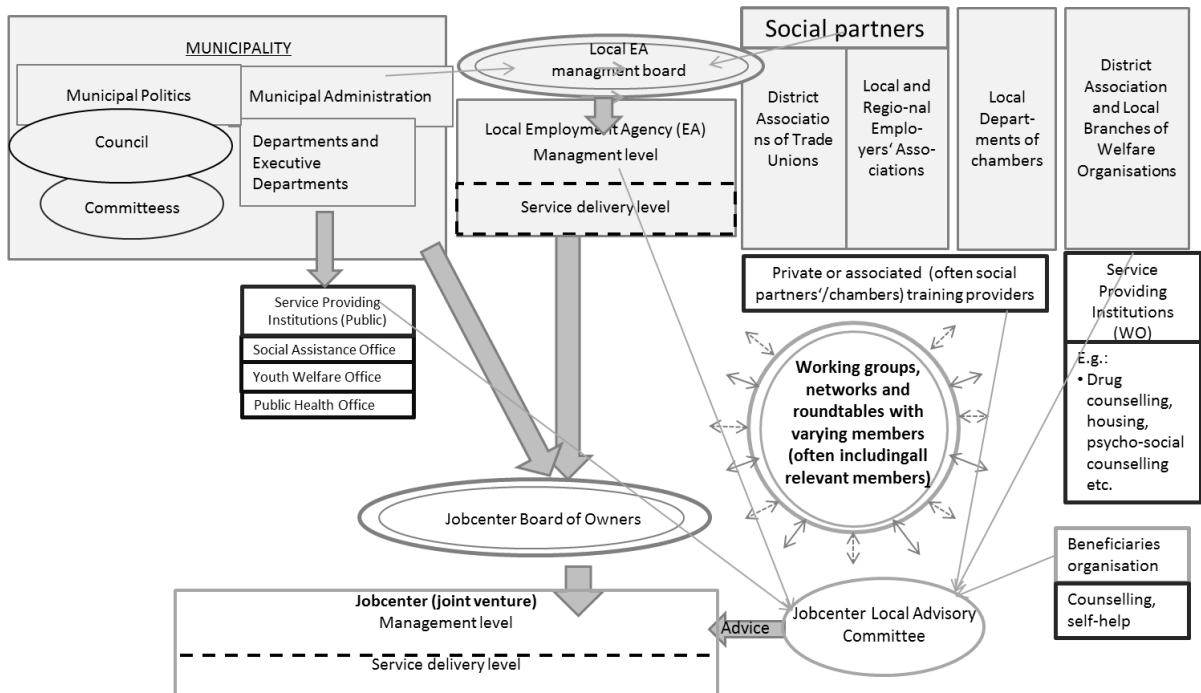| 2011	SGB II (unemployment benefit II, minimum income)			
	EAS _underperforming_	NOR _average_	SOU _strong_	Germany
SGB II share (in relation to SGB III, unemployment insurance)	20,5 %	13,1 %	6,8 %	9,4 %
Number of beneficiaries' units, mostly households (Bedarfsgemeinschaften)	21.282	9.669	4.133	3.361.602
Beneficiaries capable of work	27.386	12.552	5.267	4.519.505
Lone parents _Total and % of all beneficiaries capable of work_	3.727 (13,6%)	1.779 (14,2%)	834 (15,8%)	616.510 (13,6%)
Age < 25 _Total and % of all beneficiaries capable of work_	4.320 (15,8%)	2.432 (19,4%)	735 (13,9%)	/
Age 25-55 _Total and % of all beneficiaries capable of work_	18666 (68,2%)	8358 (66,6%)	3500 (66,5%)	/
Age > 55 _Total and % of all beneficiaries capable of work_	4.401 (16,1%)	1.763 (14%)	1.032 (19,6%)	/
Foreigners _Total and % of all beneficiaries capable of work_	2.365 (8,6%)	2.329 (18,6%)	1.458 (27,7%)	1.173.117 (25,9%)
Working beneficiaries _Total and % of all beneficiaries capable of work_	8.560 (31,3%)	4.243 (33,8%)	1.687 (32%)	/

Source: Federal Employment Agency
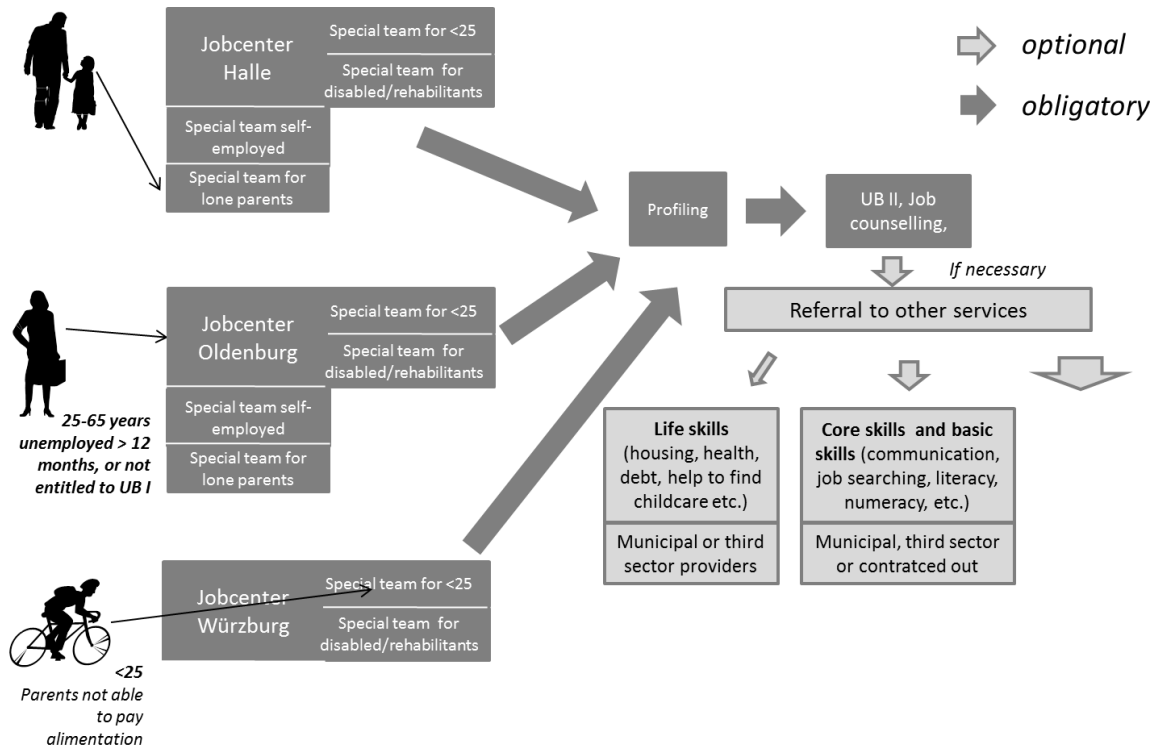
Figure 5: Local institutional background (Jobcenter as joint venture)

Source: own depiction

[i] United Nations University website [accessed 05/03/13] - http://ocw.unu.edu/programme-for-comparative-regional-integration-studies/introducing-regional-integration/what-is-integration/

[ii] United Nations University website [accessed 05/03/13] - http://ocw.unu.edu/programme-for-comparative-regional-integration-studies/introducing-regional-integration/different-forms-of-integration/

The Local Governance of Social Cohesion:

Sweden Country Analysis

Authors: Katarina Hollertz together with Christina Garsten and Kerstin Jacobsson

Contents

1. Introduction

Three Swedish case studies will be compared and analysed in relation to policy development and service implementation in the field of activation at local level. Focus will be on a) if and how policies and services for unemployed developed and/or implemented by public actors at national and local level (Swedish social insurance Agency, Public Employment Services and municipality) are integrated at local level b) if and how various policy fields (such as training, health care, child care, social assistance etcetera) are integrated at local level and c) to what extent various organisational actors (public, third sector, private) are involved at local level in the realisation of activation friendly policies.[1] Three municipalities facing varying challenges in terms of unemployment and labour market situation have been selected; Nacka, Örebro and Trollhättan.

1.1 Political and institutional

Labour market policies are by tradition a field for national policies articulated by the national government. Civil servants, employed by Public Employment Services (PES), operating in local PES offices, are responsible for the implementation of national labour market policies. Even if policies may articulate differently at regional and local levels, depending on labour market situation, the trajectories that unemployed may follow are similar throughout the country. Like PES, the Swedish Social Insurance Agency (SSIA) is a national government agency with local offices. SSIA assesses and administrate claims for benefits in the social security system and assists people on sickness leave back to the labour market. SSIA has an overall responsibility to coordinate resources around a person on sick leave to facilitate the re-entry on the labour market. Monitoring, evaluation, procurement of private service deliverers and budget are centralised matters within the structure of the national agencies. Therefore, the organisation of the work performed by local offices of the national agencies in Nacka, Örebro and Trollhättan are structured according to similar patterns.

Sweden is divided into 20 counties and 290 municipalities. Counties are responsible for health care and regional infrastructure. Counties have no role to play in development and implementation of labour market policies, but are important actors in relation to rehabilitation of unemployed and people on sick leave. Municipalities are the main deliverers of welfare services, and areas of responsibility include social services and assistance, primary and secondary education, child care and old age care. Municipalities also have a responsibility to follow up and offer individualised support to early school drop outs and persons under 20 years of age who are not either employed or in education. Optional is the municipal commitment to support the local businesses life and labour market.[2] Funding for services at local level is derived from a municipal income tax[3] and to some extent from national government grants and fees. It is a political decision at local level how financial resourses are to be distributed; however, a balanced budget must be maintained.

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[1] See appendix 1 for discussions on theoretical background.

[2] Municipalities are for example not allowed to benefit single businesses, or in an inappropriate way compete with private businesses.

[3] Nacka 18,61 %, Örebro 20,68 %, Trollhättan 20,96 % (www.scb.se)

A municipal council is elected every four years and an executive board appointed. Supplementary boards are in charge of administrative departments. The Municipal act allows for substantial freedom for municipalities to organise their political and administrative units according to local preferences (Gustafsson 1996). Nacka is run by the same political majority as the national government and has been a stronghold for the alliance parties (centre-right) since decades. Örebro is run by a coalition between Social democrats and Christian democrats. The Social democratic party has run Trollhättan municipality for almost a century.

Unemployed enrolled in labour market programs (LMP:s) are entitled to financial compensation (*activity support*). Compensation is, as well as the unemployment insurance, based on previous income with a ceiling of 79 Euro/day. For participants not qualifying for unemployment insurance, activity support is 26 Euro/day. Unemployed who do not qualify for unemployment benefits, can apply for social assistance if no other financial means are available. Social assistance is a means tested benefit administrated and financed by the municipalities. Because municipalities may end up with the financial responsibility for unemployed who do not qualify for unemployment benefits, or sick benefits, they have incentive to engage in activation, thus complementing the work of the PES.

1.2 Socio-economic

According to the index developed by the Localise-project (Heidenreich 2012), Nacka is categorised as well over average, Örebro as average and Trollhättan as under performing (see appendix). Figures in the appendix pertain not to municipal level, but to regional level. As the situation within the same region may differ between municipalities, a short overview on municipal data (table 1) is outlined below.

Table 1: Unemployment; Nacka, Örebro, Trollhättan.

	Nacka	Örebro	Trollhättan
Inhabitants	92 000	138 000	55 000
Registered individuals at local PES[4] in February 2013	2342 (49 % exceeding 6 months)	7000 (54 % exceeding 6 months)	4582 (67 % exceeding 6 months)
Registered individuals, 18-24, at local PES as unemployed (open unemployed and in LMP) in February 2013 [5]	343 (29 % exceeding 6 months)	1668 (40 % exceeding 6 months)	1085 (54 % exceeding 6 months)
Social assistance (18-24 years old)[6]	4 %	9 %	15 %
Social assistance (25-64 years old)[7]	2 %	6 %	7 %
Post secondary education[8]	36 %	26 %	20 %

Sources: www.scb.se, www.socialstyrelsen.se, municipal documents, www.arbetsformedlingen.se, http://www.socialstyrelsen.se/statistik/statistikefteramne/ekonomisktbistand

1.3 Activation policies and employability provision

National labour market policies

Over 200 local PES offices are responsible for the implementation of labour market policies, and for matching unemployed with employers.[9] Staffs at the local PES are placements officers, psychologists, social workers, physiotherapists, occupational therapists and counsellors. PES relies partly on its own organisational structure, partly on 'complementing actors' (private actors procured by PES centrally). A registration at the local PES office is required in order to be eligible for unemployment benefits.

After registration at a local PES office, unemployed are expected to search for employment independently. Computers connected to job search sites are available, placement officers can be consulted, recruitment meetings where employers and unemployed meet are organised. The local PES offices in Nacka, Örebro and Trollhättan, with some local variations, offer the same kind of services. Each unemployed has a case worker assigned who is responsible for the development of an individual action plan. These are standardised procedures and none of the services available in the initial phase of unemployment are tailored or individualised to specific needs of the individuals.

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[4] February 2013, 18-64 years old, registered at PES as unemployed (open unemployed and in LMP)
[5] February 2013 18-24 years old, registered at PES.
[6] National average, social assistance 18-24 years old, 8 %.
[7] National average, social assistance 25-64 years old, 4 %.
[8] Befolkningens utbildning 2011, SCB
[9] Annual report 2011, Public Employment Services

Services from local PES office are gradually intensified, and after a period of unemployment participation in LMPs are offered. The percentage of unemployed participating in LMPs in Nacka was 38 per cent, in Örebro 48 per cent and in Trollhättan 56 per cent early 2013.[10] The majority were enrolled in either the *Job and development program* or the *Youth job programme*; programs offered to long term unemployed.[11] Programs for long term unemployed consist of coaching, job search, rehabilitation, "on-the-job" training and occupation (Liljegren et al 2012, Martinsson 2010). No vocational training or education is made available for this group of long term unemployed.[12] Vocational training, which has previously been a corner stone in Swedish labour market policies, was offered to less than 5 per cent of those unemployed enrolled in LMPs in the three municipalities.[13] What is described above is symptomatic of the changes in Swedish labour market policies; from high cost programs to low cost standardised programs and a shift from training and education to coaching and occupation (Bengtsson and Berglund 2012, Bengtsson and Jacobsson 2013, de la Porte and Jacobsson 2012).

Municipal labour market policies

In addition to the services provided to unemployed by the local PES office, municipalities offer programs for unemployed. Nacka, Örebro and Trollhättan municipality have chosen different paths in their efforts to reduce unemployment and/or to activate unemployed. However, common trends are visible; unemployed beneficiaries of social assistance are all subject to local activation programs. Participation in these programs is a condition to receive social assistance, which is in line with the general trend of increased conditionality in welfare services (Salonen 2010, Johansson and Møller 2009).

Strategies and target groups

Five groups are pointed out in the local rhetoric as especially vulnerable in relation to the labour market; young unemployed, long term unemployed, people with (mental) disabilities, people on long term sick leave and immigrants from outside Europe. This corresponds well with groups overrepresented as beneficiaries of social assistance. [14] Target groups defined at local level follow the national discourse on vulnerable groups, and there are few differences between the three cases. Trollhättan stands out in one respect; immigrants are not articulated as a specific target group in local strategies. Reasons for this are, in part, to avoid categorisation and construction of subgroups among unemployed, thereby supporting tensions of ethnic character and increased stigmatisation in the local community.

There are clear discrepancies between the three municipalities in terms of the orientation of the activation polices, following Bonoli's (2010) distinction between

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[10] February 2013
[11] The programs are offered after 3 months of unemployment for persons below 25 years of age, and after 14 months for unemployed 25-64 years.
[12] Exit is through employment, education/training, parental leave, health related issues or similar.
[13] Nacka 2 %, Örebro and Trollhättan 4 %.
[14] The majority of those receiving social assistance are young unemployed who have not yet qualified for unemployment benefits, long term unemployed whose unemployment benefits are exhausted and people who have reached the end in the sick leave insurance. Ethnic discrimination on the labour market is well known (Carlsson and Rooth 2007), and newly arrived immigrants have difficulties in entering the labour market (Social rapport 2010).

'work first' versus 'life first'. Nacka has a work first, whereas Trollhättan leans towards a life first approach. Goals in Trollhättan are inclusion and participation of all residents and efforts are made to create a "meaningful occupation/activation" of unemployed. Meaningful in this respective refers to the assumption that being active and having daily routines enhances life, but activities are not necessarily linked to the regular labour market. In Nacka, the work first approach is expressed by promoting "healthy and entrepreneurial residents". The underlying expectations in the strategy are increased conditionality of cash benefits and quick transfer from unemployment to employment. Trollhättan and Nacka are to be considered extreme cases in the Swedish context, and policies developed in Örebro are to be found somewhere in-between these two positions.

Policy fields related to employment policy

A key interest of ours in this report is the extent to which various policy areas are coordinated and integrated at local level. Policy areas with a local responsibility will be briefly introduced here.

<u>Social assistance:</u> In the three municipalities, social assistance is a special unit within social services. Case workers assess the right to the means tested social assistance and refer unemployed recipients to local activation programs. In Nacka, unemployed clients are referred to a unit providing activation programs (called the Nacka Work Line) from the very beginning of the application procedure, whereas in Trollhättan and Örebro there is no such automatic referral (referrals are based on a professional judgement rather than standardised procedures).

<u>Adult learning</u> is a policy field for the local level; municipalities are obliged to offer adult learning to adult residents. Courses are offered on primary and secondary level, and can consist of training towards specific areas of work, for instance where there is a demand for labour at the local labour market.

<u>Child care</u> is a local responsibility, available for all children to unemployed once they reach their first birthday. For unemployed participating in LMPs or in local activation programs, there is a right to child care on the same terms as for children of employed (working hours and commuting time) in all municipalities. There is an income related maximum fee in line with national legislation; 145 Euro/month for the first child, and reduced fees for each subsequent child.

<u>Debt counselling</u> is available for all residents in the three municipalities. Debt counselling is an obligatory task for municipalities, according to national legislation, and consists of individual support and counselling in matters related to the personal budget of the individual. Clients can contact debt counselling on their own initiative, but can also be referred by social services. Counselling is given under confidentiality and debt counselling supports clients who apply for debt elimination at the national Enforcement authority.

<u>Economic policy</u>
Economic policies are a matter of discretion for national policy makers, but municipalities do invest in units working for improved economic development at local

level. In Trollhättan and Örebro, civil servants working directly under the chief politicians in special commerce and business units perform this work. These units have a strong focus on offering support for the local business life. In Nacka, this unit has been placed in the same department as the unit responsible for activation policies and adult learning.

Education
Primary and secondary education is since 1992 a field of municipal responsibility. However, it is common to talk about a "double governance structure", as national institutions have a major impact on the work at local level. An extensive regulative framework on primary and secondary education exists, as evinced in national steering documents, national systems for evaluations and follow ups, in combination with local plans and strategies.

Health care is a policy field for which county level is responsible. Private or public actors run health clinics, but funding is through public spending. In three municipalities, private actors run the majority of health care clinics. These local health care clinics are not directly involved in the implementation of employment policies, but are important actors for the municipality and SSIA/PES when unemployed suffer from health issues.

Housing benefits are administered by the national agency SSIA; households with low incomes can apply for benefits and receive benefits based on income and housing expenses. These benefits are mainly used by retired people, families with children, people on long-term sick leave, unemployed and persons below 29 years of age. The local social services can support people who are homeless by subletting flats to tenants.

Substance abuse: In the three municipalities there are specialised units within the department for social services focusing on substance abuse. The local authorities are, according the Social service act, responsible for giving individualised support for persons having problems with substance abuse. Services offered, to various extent, coordinated with the regional health care sector.

Many policy fields are closely linked to municipal organisation and the municipal self-governance is often described as a guarantee for locally adapted services. However, most municipalities offer services according to similar patterns. This isomorphism (DiMaggio and Powell 1991) can partly be seen as a consequence of the strong regulative influence by national legislation, but also a normative pressure in the field of unemployment and activation friendly policies (Hollertz 2010).

2. Research methods

2.1 Case studies selection

The three cases were selected on basis of the regional average in relation to labour market participation, unemployment rate and regional GDP. In each region, municipalities were selected that were representative for that specific region. Nacka has exceptionally low levels of unemployment, a young and educated work force and access to the expansive labour market of the Stockholm region. Trollhättan is part of a region experiencing structural changes and with a declining automobile industry, with high levels of unemployment as a consequence. Örebro is also experiencing structural changes; logistics and education increasingly have become sectors for employment.

2.2 Sample selection

Interviews have been carried out with 44 informants. Selection was made through searches on homepages and the snowball method. The semi structured interviews lasted between 45 and 120 minutes (average 90 minutes) were recorded and transcribed. All interviewees have been granted anonymity.

Table 1 – Participant organisation and number of interviews per case study

Participant organisations	Nacka (best)	Örebro (average)	Trollhättan (under)
Local government/local politician	1	1	1
Public Employment Service (National agency - Local office)	2	2	2
Swedish Social insurance Agency (National Agency – local office)	2	2	2
Local government/local politician	1	1	1
Local social services (social assistance)	1	1	2
Local unit for activation/labour market policies	2	1	1
Local unit for industry/commerce	1	1	3
Private sector providers	1	1	-
Public sector providers	-	2	1
Third sector providers	-	1	2
Coordination Union	1	1	1
Local trade unions	-	1	-
Regional expert (European social fund regional office, Coompanion[15])	-	-	2
Total	11	15	18

2.2 Data collection and analysis

Local strategies, annual plans, evaluations, minutes, project applications and other relevant documents from municipality, PES, SSIA and other relevant organisations have been gathered and analysed. This material was retrieved from the homepages, archives or handed out by the informants. In the analysis barriers and facilitators in multi-level, multi-stakeholder and multi-dimensional integration are highlighted. Bearing in mind that labour market policies are a centralised policy field in Sweden, the analysis will highlight differences in the local efforts to increase labour market participation. For an extended discussion on methodological issues and analysis, see appendix 2.

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[15] Coompanion is a voluntary organisation supporting cooperative (social) business initiatives, with regional offices throughout the country.

3. Multi-level integration

3.1 Policy development

The hierarchical structure of the national agencies SSIA and PES constitutes a major barrier for integration in policy development. There are few, if any, possibilities for the municipalities to influence policy development at national level, and the local state offices have little leeway to depart from the nationally decided policies. Nevertheless, there are several organisational structures where representatives from local, regional and national agencies meet on regular basis to discuss areas of common concerns and coordinate their work. The most important of them are the *Coordination unions*, founded in Nacka in 2011, in Trollhättan in 2009 and in Örebro one year before, in 2008.

Coordination unions have been created alongside with the introduction of time limits in the health insurance and stronger demands on activation on people on sick leave; the *rehabilitation chain.* When sick leave exceeds three months an action plan outlining the need for work rehabilitation is initiated. Case workers from the local SSIA and case workers at the local PES coordinate their work; PES has the tools for rehabilitation through LMPs and clients from SSIA can participate in work rehabilitation programs organised (and financed) by PES. After one year of sick leave, the right to sickness benefit is exhausted if the person is judged to possess any work capacity. PES has increasingly been made responsible for the reintegration of people on sick leave into the labour market, and the financial situation for people on sick leave has become increasingly unsecure. This development has placed new demands on social services, when unemployed have applied for social assistance, as a substitute for sickness benefits. The problem of clients with low attachment to the labour market who fall between the jurisdiction of SSIA, PES and social services is not new in Sweden; however, the introduction of the rehabilitation chain has increased the magnitude of this problem.

Coordination unions have been made possible by a national regulation on financial pooling in the area of work rehabilitation,[16] whereby the region and the municipality contribute with 25 per cent each, and the state agencies (PES and SSIA) with remaining per cent. Coordination includes services for unemployed who seek support from at least two of the participating organisations (Minas 2012). Boards consisting of representatives from SSIA and PES locally and politicians from municipality and region decide on policy issues and selects initiatives which will receive funding. The central idea of the Coordination unions is to organise activities that are not offered within the organisation of the participating members, but where there is a need for coordinated services.

Coordination unions are, to various extents, used as a platform to handle in a more flexible way national directives and local demands, and they can be seen as a loophole where representatives from SSIA, PES and municipality get increased space of manoeuvre in supporting unemployed. This is true in all three cases studied, but interestingly, the Coordination unions are used in slightly different ways in the three cases, following local decisions and priorities. Especially in Nacka, a flexible and

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[16] Lag 2003:1210 om finansiell samordning av rehabiliteringsinsater.

generous interpretation of the law is made when defining the tasks of the Coordination union.

The Coordination union in Nacka has a strong local support, where management from participating actors acknowledge the value of coordinated policy development. The municipality has taken a lead role in the work, and a high level of trust between the participating members has contributed to the development of an organisation where target groups and areas of work are defined broadly; unemployed, people on sick leave, individuals with a need for refocusing in relation to the labour market. In Örebro and Trollhättan, the target groups are defined as (only) residents in need of coordinated rehabilitation, in line with a stricter interpretation of the law. The strong municipal commitment to the Coordination union in Nacka has even led to a situation where actors at times have difficulties separating coordinated policies within the Coordination union, from purely municipal policy fields. One such example is the ambition from the Coordination union to work more intensively with unemployed in the age group 16-24 years old. For the 16 to 18 years old, there is a municipal responsibility to follow up and offer individualised interventions, according to the School act. By offering similar services within the Coordination union the municipality gets access to financial recourses from national actors in areas that are supposed to be covered by the local authorities. Participating organisations in Nacka do not, however, consider this a problem but rather as a sign of the mutual commitment to a "work strategy" in policy development. In Trollhättan and Örebro, coordinated policy development is more conflictual. Actors from national agencies are more attentive and ready to point out the boundaries between local responsibilities and the responsibilities of the national agencies.

The institutional support for the Coordination union is higher in Nacka than in the other two cases. This can be observed in relation to other structures for coordination and information exchange at management level. In Sweden, there are long traditions of creating arenas where management from local offices of the state agencies, and representatives from municipality meet and discuss common areas of concern related to labour market and activation policies. However, only since the creation of the Coordination unions, funding of activities and services has been made available. Other collaborative structures, such as labour market councils, local management meetings and other coordination structures at management level have been more characterized by information exchange than real opportunities for creating common (or integrated) policies. In terms of integration, these structures have had a predominantly symbolic importance, indicating to external and internal actors that coordination of national and local policy development has been considered valuable. In Nacka, these structures have been substituted by the Coordination union. In Trollhättan and Örebro, the Coordination union exists side by side with older coordinated structures; parallel structures sometime lead to conflicts and confusion over role and tasks of the different coordinated structures, and maybe in particular the role and task of the Coordination union.

To sum up, the Coordination unions have been important for promoting integrated policy development at local level in Sweden. The shared budget has led to a coordinated structure where integrated policy development has been made possible; they have enabled a development from merely alignment (and information exchange) to coordination and co-production of services. The Coordination unions have created an

added value in terms of what services are offered unemployed. Policies developed within the context of the Coordination union are explicitly described as tasks that are not performed by the participating organisations on their own. The services for unemployed offered by the Coordination unions make the selection of services available larger.

Worth noting, moreover, is that the relative freedom of manoeuvre of these unions have enabled policies to be developed which, at least partly, are in *conflict* with the ideological preferences in national and municipal policy development in the field of activation policies. For instance, many of the policies developed within the Coordination unions have placed less emphasis on a work first approach, and rather applied a softer life first approach. Demands on activation is described as lower, than in the services offered within the organisational context of PES, SSIA or municipality.

Table 2 – Best practice example in multi-level coordination in policy development

SWEDEN	Coordination unions, including financial pooling in the area of work rehabilitation. A board with representatives from national agencies (PES and SSIA), region and municipality decides on coordinated policy development. A generous definition of the law, as in the case in Nacka, leads to higher integration of policy development where more fields and target groups are covered by coordinated policies.

3.2 Policy implementation

Multi-level integration in service implementation has, in the Swedish case, to be understood in relation to processes of decentralisation and recentralisation of labour market policies.[17] During the 1990ies, there was a strong decentralisation trend in Sweden and areas of responsibility were transferred from national to local level.[18] Labour market policies were one of these areas, and municipalities increasingly became responsible for implementation of labour market policies, especially for young unemployed.[19] In the beginning of the 21st century, responsibility for the implementation was again turned over to the state agencies. Moreover, private actors were contracted to carry out many of the programs offered by PES. So, instead of devolution from national level to local level, one can se a transfer from public (local) service deliverer to private service deliverers for the PES. However, in the municipalities, new organisations had been created to implement programs for mainly young unemployed during the 90ies, acting as agents, carrying out tasks for the local PES for financial compensation. The re-centralisation of implementation of labour market programs imposed a new situation on the municipalities and the newly created labour market units. The national agencies did no longer, or not at all to the same extent as previously, request the services offered by the municipalities. Instead of offering

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[17] (As county/region is not an actor on the field of unemployment policies, the following analysis focuses exclusively on the relation between national and local (municipal) actors.)

[18] Primary and secondary education, care for elderly and, to some extent, labour market policies were all policy fields subject to a decentralisation trend.

[19] The municipalities were offered to sign contracts handing over the responsibiliity for LMP for young unemployed (Kommunala ungdomsprogram och Ungdom/Utvecklingsgarantin).

services to unemployed clients referred to the units by the PES, the local labour market units increasingly offered their services to the department of social work administrating means tested social assistance. These services offered by the municipal organisations are however seen as *complements* to services offered by the national level. Only when national agencies fail to provide services or support for unemployed, the local authorities consider municipally organised services as an option. This can be seen as a two-tier structure (Ulmestig 2007), and a differentiation between groups of unemployed. Unemployed who previously have had previous labour market experience are to higher extent subjects of interventions from national agencies, and groups with no or marginal attachment to the labour market are referred to municipal services. The municipalities end up having financial responsibility for many of them in the form of social assistance, which give municipalities an incentive to act pro-actively in relation to this group of unemployed.

Even if municipalities still, at least to some extent, act as agents in relation to local PES offices offering participants in LMPs occupation and activation, the main basis for integrated service delivery is found within the programs and services organised by the Coordination unions in the three cases for unemployed. One of the biggest challenges in relation to these structures is the strict secrecy under which each organisation operates. In order to be able to discuss clients, clients have to approve this by a written consent. It has to be said though, that there are long traditions of coordination at case worker level in Sweden; contacts between case workers at SSIA, PES, municipality and health care are often referred to as multi party talks, and constitutes an important part of regular case work within the organisations studied. The difference is that within the Coordination union, clients are offered services that are co-produced and co-financed. The coordinated services are always seen as a last resort option, only if no other solutions can be found within the regular services available within participation organisations. Many of the co-produced services offered within the Coordination union are projects run on a temporary basis, with staff from the participating organisations. In some cases, these integrated services have become a more or less permanent, considered as part of the local scene for activation and rehabilitation of unemployed.

The structures for coordinating services around one client can, of course, be seen as a way to enhance and promote integration of services delivered by national agencies and municipality. There is a strong institutional support for this, and the argument raised often concerns the aspect of providing aligned services; thus avoiding unemployed to "fall between the chairs" – or fall between the jurisdiction of PES, SSIA and the municipality. However, a motive for integrating services and closing the gap between these organisations can be expressed in terms of power and control. If integrated policy development was above described to increase the freedom of manoeuvre for organisations, integrated service delivery can, by the same token, be seen a way to reduce the space of manoeuvre for clients. When clients are demanded to sign letters of consent for representatives from PES, SSIA, municipality and health care to discuss their individual situation, valid for a limited period, sometimes as long as two years, this poses serious questions on integrity issues. It also does not take into account that citizens place, and should be able to place, different demands on for instance PES, SSIA and municipality.

Funding for *services* for unemployed is, in general, not described by the informants as a problem. In fact, the local PES office is often seen to have enough resources available for

activities, at least during the recent years. However, budget issues still constitute a barrier to integration of services. The reason for this is organisational demands to cut costs for *cash benefits* for unemployed. Problems occur when it has to be decided who is to be responsible for the cash benefit to the unemployed participant in integrated services. Is it the municipality, in the form of social assistance, or SSIA in the form of activity compensation, or PES, in the form of activity compensation? As there are demands placed on all organisations to cut costs/reduce the numbers of beneficiaries/unemployed, this is a area of dispute and constitutes a barrier to integration in the cases studied.

Table 3 – Best practice example in multi-policy coordination in policy implementation

SWEDEN	Co-production of services for unemployed within the Coordination unions, for instance rehabilitation programs for long term unemployed.

3.3 Summary

Barriers and enablers to integration are summarized in the tables below.

Barriers		Nacka	Örebro	Trollhättan
	Policy development	Re-centralisation of implementation of labour market policies. Low level of discretion for national employment service operating locally. Historic roots and a strong tradition of labour market policies as a field for national policy makers. Complicated and extensive regulative framework for national agencies (PES and SSIA). Narrow interpretation of one's field of activities – protection of organisational boundaries.		

| | | | Narrow definition of target groups and areas for common policy development in the Coordination union.

Weak or fragmented municipal organisation in relation to employment policies. | Lack of trust on management level.

Parallel coordinating structures (unclear mandate).

Narrow definition of target groups and areas for common policy development in the Coordination union.

"Force of the habit" – organisations keep doing what they have always done.

Weak or fragmented municipal organisation in relation to employment policies. |

Barriers		Nacka	Örebro	Trollhättan
Multi-level integration	Service delivery	High case load makes coordination in service delivery difficult, in spite the fact that coordination as in multi party talks are considered an essential part of case work. Differences between actors regarding views on the role and tasks of employees in co-production of services; staff as representatives of the interests of the organisations where they are originally employed, or staff as independent actors within the services. Services offered by the municipality are seen as a only complement to services offered by national agencies.		
				Constraints on local budget (high levels of unemployment and high costs for social assistance).

Table 4 – Enablers of multi-level integration and type of coordination by case study

Enablers		Nacka	Örebro	Trollhättan
Multi-level	Policy development	Flexible funding (coordination or co-production). National legislation enabling coordination unions. Municipal incentives to reduce costs for social assistance.		
		Strong local politicians	Strong local politicians and	

	and managers and in agreement on local policy.

Access to financial resourses (strong municipal economy).

Generous interpretation of regulations on Coordination union. | managers and in agreement on local policy. | |

	Enablers	**A**	**B**	**C**
Multi-level	Service delivery/ Implementation	Flexible funding (coordination or co-production). Dedicated and knowledgeable staff at case level – strong professional groups. Good relations between case workers from SSIA, PES and the municipality and shared knowledge about aligned organisations. Long traditions of coordination on case work level. Co-location. One example is staff from PES placed in the Work line unit in the municipality. Good personal relations as crucial for successful integration and coordination of services.		
		Access to financial resourses (strong municipal economy).		

4. Multi-dimensional integration

4.1 Policy development

The strong institutional support for a work strategy in Sweden is an important institutional background in relation to multi-dimensional policy development. The work strategy concept in Swedish politics has been used in political rhetoric since 1930ies. and has been institutionalised within the Swedish welfare systems, partly by connecting social rights to previous (or current) labour market participation. This means that for instance family friendly policies such as parental benefits and day care services are closely connected to labour market participation. Municipalities are, according to national legislation, obliged to offer child care for children over one year of age. Child care exceeding 15 hours is offered *only* to employed parents, or parents enrolled in labour market programs or in training/education. The recent changes in the health insurance are another example of multi-dimensional integration in policy development. The integration of services provided by the SSIA for people on sick leave with the services provided by PES is an indication of multidimensional integration, where two previously (more) separated policy fields are increasingly being integrated. Both family friendly policies and sickness insurance are policy fields of the national government, leading to similarities at local level, and in the three cases studied.

Integrated policy development taking place in the Coordination unions could be seen not only as an indication of multi-level integration (see above), but also as an example of multi-dimensional integration. SSIA, PES, social services and the region (responsible for health care delivery) are partners of the Coordination unions. Involving health care in policy development (and service implementation) within work rehabilitation is considered important at national as well as local level, but is described as a challenge in two of the three cases studied. In Trollhättan and Nacka, the health care sector is considered a missing link in policy development. One reason for the difficulties of involving health care in integrated policy development is the extent to which health care has been subject to privatisation in Sweden. The region finances health care clinics, which are the primary care institution, but services are delivered by public and private health clinics. The health clinics operating on local level have no coordinated structure internally, which constitutes a barrier for coordination in relation to other actors on the field. There is also a lack of financial incentives for actors in the health care sector to participate in coordinated structures. Health care clinics are reimbursed on the basis of client visits, and not on the basis of their degree of commitment in coordinated structures aiming to increase social cohesion. The impact of principles of new public management, such as privatization and reimbursement systems, in the health care sector constitutes a barrier to integrated policy development. In Örebro, the situation is somewhat different, and the health care sector is more committed to the policy development within the work of the Coordination union. This seems partly to be related to personal knowledge and commitment; a representative from the county with previous experiences from municipal politics has run the board of the Coordination union and union. This is one example of the importance of personal commitment in relation to multi-dimensional integration. Personal commitment and knowledge is

generally described by the informants as crucial factors for successful integration, both in relation to multi-level as well as multi-dimensional integration.

Education and training has been a corner stone in national labour market policies in Sweden, as described previously. However, education and training has been reduced radically; Sweden currently spends less on vocational training than the average of OECD countries in their labour market policies. This could be seen as an indicator of *disintegration* in policy development, where education and training has become a more peripheral policy field in national policy development. At local level, secondary education is absent in discussions on employment and activation friendly policies. There are similar patterns in the three municipalities; in none of the studied cases secondary education is mentioned as an actor in terms of integrated policy development. There are substantive evidence indicating the importance of secondary school in relation to a smooth transition from school to labour market, and youth unemployment is high on the political agenda nationally and locally. This poses important questions in relation to the absence of education in policy co-ordination at local level. There are two circumstances important to highlight in order to understand this absence of education as a policy field at local level; a) the close connection between social services/social assistance and labour market policies, b) the introduction of new public management principles in the field of primary and secondary education.

There is a close cooperation, or coordination, between local social services administrating social assistance and local labour market units organising activation programs; clients participating in the activation programs are predominantly referred by the social services. In Nacka, Örebro and Trollhättan, the organisations assessing social assistance have been merged with the units responsible for implementation of labour market programs. There are differences between the cases studied, but the underlying logic is the same. An increased focus on activation of unemployed recipients of social assistance has led to a closer connection between social services and local employment policies. This development indicates a multi-dimensional integration in relation to social services, where clients from social services receiving social assistance are to be activated. By merging labour market units with (selected parts of the) social services, it could be argued that integration has been achieved at the expense of integration with education policies at local level. Education and social services are the two policy fields which are most resource demanding at local level. In the three municipalities, education and social services are divided into separate political boards, thereby competing over resourses in a restricted budget. When local labour market policies are dealt with in the same unit as social services, a distance between labour market issues and education is created. This organisational structure and division of policy field where separate boards are in charge contributes to a manifestation of a silo culture preventing multi-dimensional integration at local level.

Primary and secondary schools have been subject to reforms of privatisation and the right to free school choice. Since the right to choose school was introduced in the beginning of the 90ies (when primary and secondary education was decentralised), public and private schools compete over potential students (Vlachos 2011). Secondary schools are not primarily judged in relation to their capacity to educate and train young people to have a successful transition from school to work; rather, they are assessed in their ability to attract pupils. There are, in fact, few financial incentives for secondary

schools or local policy makers responsible for secondary education to engage in the field of labour market policies.

There are areas of special interest for this study, where multi-level integration at local level has taken different paths in the three cases studied. This is mainly related to different internal organisational structures; some policy fields have been closer connected to labour market issues than others. For instance, adult learning is a policy field that has been merged with the local labour market unit in Nacka, but not in Trollhättan and Örebro. One of the reasons given for connecting adult learning/training with labour market units has been to be able to better answer to local labour market needs. There are for instance examples when tailor made trainings have been provided for recipients of social assistance, in order to meet a local demand for labour. This trend of tailor made solutions for specific target groups can be seen as a step away from the universal approach, where citizenship and not social situation has been the dominant selection criteria for welfare services. In Örebro, the municipal adult learning organisations are instead connected to the department of education. There is an extensive cooperation between the municipal adult learning with the University of Örebro, trade unions, local PES, local business to be able to offer trainings and educations useful for the regional labour market. Also in Trollhättan, the municipal adult learning organisation offers a range of training courses targeted at the local and regional labour market, but trainings are not designed to unemployed recipients of social assistance (only), but open for all to apply.

Municipalities do, in various ways, promote local businesses both as a way to secure jobs but also in order to attract future employers. In Nacka, this work has been connected to the local unit for labour market issues, whereas in Trollhättan and Örebro, promotion of local business and labour market units are organised as two separate policy fields with limited (or no) connection. In Nacka this development is defined as a way to work increasingly on *demand* as well as *supply* side of the labour market. One aspect of this policy is to promote local employers to become more employing, in addition to making unemployed more employable.

There are other policy fields that are not included in policy development in the three cases. One of these is substance abuse. Persons with an on going abuse are considered vulnerable in relation to the labour market, but are not identified as a target group for policy development. There is a general consensus among informants that people with an on-going drug abuse are not to be included in interventions for unemployed. Instead, rehabilitation is suggested, and once rehabilitation is completed, different kinds of labour market interventions can be an option. This gives an indication of which groups are to be "excused from work" in the local discourse. Sickness as in mental illness, broken legs or other physical impairments are not considered valid reasons for not being part of the labour force/included in the work strategy discourse. Substance abuse, however, is.

Debt counselling is available in the three cases, organised as separate organisations within the municipality. There is no need for a referral, and access is open to all residents in the municipality.

Table 5 – Best practice example in multi-dimensional coordination in policy development

SWEDEN	Access to child care for unemployed (national legislation).

4.2 Policy implementation

According to an investigation by The Swedish national board for health and social services, there is no formal structure for coordination between municipal organisations administrating social assistance and organisations in fields of abuse, local labour market interventions, PES, SSIA, health sector, psychiatry, and debt authorities, in either Nacka, Örebro or Trollhättan (Socialstyrelsen 2012).[20] However, these data reflect a situation where integration of policy fields is performed rather as an on-going work at case work level, than formulated through specific policy documents. In practice, such coordination exists in the three cases. Integration of different policy fields as a central component at case work level, and as an important part of the professional (and holistic) understanding of the tasks within SSIA, PES and the municipality.

Debt counselling, psychiatric support, education, child care, housing, health care are all seen as relevant in service delivery. However, for a successful multi-dimensional integration of policy fields in service implementation, a reliable and accessible system for the delivery of welfare services is needed. If the institutional framework delivering support for people with mental illness fails to provide adequate services, this has consequences for the integration of policy fields. Case workers are described as being a "spider in a web", supporting clients on their way back to employment. Where services are not available within the regular provisions of welfare services, targeted solutions can sometimes be created, as is for instance the case within the Coordination unions. This is described in very similar ways in the three cases studied.

Table 6 – Best practice example in multi-dimensional coordination in policy implementation

SWEDEN	Professional case workers in combination with accessible (as in universal) high quality institutions for delivery of welfare services.

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[20] Öppna jämförelser av ekonomiskt bistånd, 2012.

4.3 Summary

Table 7 – Barriers to multi-dimensional integration per case study

		Nacka	Örebro	Trollhättan
Multi-dimensional integration	Policy development	Privatisation and principles of NPM Silo cultures Complex regulative systems. Both SSIA and PES are national agencies with an extensive regulative framework as guiding tools and frameworks. Regulations in this field are complex, and often changing. It is difficult to be fully up to date with current laws and regulations, which constitutes a barrier to integration at local level.		
	Policy implementation	Privatisation and principles of NPM High case load High level of specialisation (places high demands on case workers). Related to this, albeit somewhat different, is the fact that the work around unemployed at local level is highly specialised. This is not only the case for SSIA and PES, also the municipality in Nacka is highly specialised with different units dealing with issues important for unemployed (SA, Nacka work line, social services for families, social services for substance abuse etc.). The high level of internal specialisation places high demands on the coordinating abilities of case workers. It also places high demands on clients' ability to understand how organisations are organised, in order to know where to turn for help.		

Table 8 – Enablers of multi-dimensional integration and type of coordination by case study

		Nacka	Örebro	Trollhättan
Multi-dimensional	Policy development	National legislation. Traditions. Coordination and integration of services are not viewed upon a something new. Rather, it has been an important work with unemployed at local level for decades. There is an outspoken support for coordination, from policy makers and professionals at local level.		
	Policy implementation	Professional case workers Lower case loads Extensive knowledge about rules, responsibilities and resourses within other organisations facilitate coordination.		

5. Multi-stakeholder integration

5.1 Policy development

As has been described above, public agencies such as PES, SSIA and municipality dominate the local scene in the work for reduced unemployment and activation friendly policies. The dominance of public actors would also be expected in a country classified as a social democratic welfare regime (Esping-Andersen 1990). However, in the three cases the municipalities follow different ideological paths, accentuating local differences in the field of labour market policies.

However, in *policy development*, there is a dominance of the public actors in the three municipalities. Private actors and third sector organisations are at best being informed on current issues and development in open discussion forums, but not treated as (equal) partners and involved in policy development. This follows the same patterns in the three cases studied. One argument used for not including other (external) partners in policy development is to avoid "crowding" and too big groups. This should be seen in relation to path dependency and struggles to maintain power over the construction of problems (and solutions). In Sweden, the long history of social democratic governance and ambitions to make social problems to public responsibilities has deep roots. Even if privatisation and NPM have become more dominant features in the Swedish welfare state, public actors still have a dominant position; not least since funding for service delivery is (almost) exclusively derived from tax revenues. By excluding private and third sector actors from policy development at local level, the power advantage of the public actors can be protected and maintained.

There are local policies in relation to expectations on collaboration between public, private and third sector actors, and how recourses from private and third sector can best be used in the work towards social cohesion. These policies however, are mainly based on political preferences and priorities in relation to service delivery, and not on mutually developed strategies. Örebro has to be mentioned as a role model in this context, where efforts from local authorities have been made in order to develop a policy on how to reach integration between public actors, third private sector in the field of social cohesion; a policy followed up by an agreement between third sector actors and municipality on how to promote coordination. A coordination centre for the third sector in Örebro, was established as a project involving municipality, county and the local college already in the 1980ies. The importance of well functioning structures for an improved dialogue can also be seen in relation to how the local business life is organised and represented in the local setting. One reason for not including the local business in policy development is the perceived lack of a clear structure and strong leaders.

Table 9 – Best practice example in multi-stakeholder coordination in policy development

SWEDEN	Well-established organisations promoting interests of the third sector, as a dialogue partner to the dominant public sector actors.

5.2 Policy implementation

Private sector, and private employers, are seen as important partners in the activation of unemployed. Many of the LMPs offered unemployed consist of internships, on the job training and work rehabilitation, where private employers are generally considered more suitable placements, as chances for future employment is judged to be higher. In line with national directives, LMPs for long term unemployed have been contracted out to private companies. As LMPs are decided centrally, the same patterns are visible in the three cases studied in relation to the implementation of LMPs by the local PES offices.

The privatisation of programs for unemployed has been heavily imposed in Nacka. Nacka is run by a centre-right coalition, and private alternatives have become the most important service deliverer. This municipality has taken a (if not *the*) lead position in Sweden in introducing NPM-inspired governance strategies in the production and delivery of welfare services. Elderly care, adult learning, child care, education and interventions for unemployed have all been organised according to a system based on clients' choice where clients are given vouchers that entitle to services by a selected service deliverer. Normally, when municipalities or PES uses private entrepreneurs, services are contracted out according to the Procurement act. This means, that service providers compete for contracts where services, amount of clients etc. are defined beforehand. In Nacka, there is a strong ideological support for having many (small) service deliverers, and the Procurement act is considered a major barrier for this. Powerful and resourceful companies in the field often win competition according to the Procurement act, and the voucher system is a way to limit the dominance of large companies in service delivery. This strategy has led to a variety of service delivers, operating under few restrictions and regulations. Quality issues and evaluation is based on principles of selection; if services are selected this is seen as a quality indicator in itself. However, the system raises serious questions in relation to client's ability to select service deliverer, the degree of professionalism in service delivery and risks of fragmentation. In Trollhättan and Örebro, private service deliverers in relation to municipal programs for unemployed are much more scarce. Instead, programs for unemployed recipients of social assistance are to a large extent implemented by municipal organisations (such as work stations/work shops). In Örebro, there is a stronger tradition of providing activation within third sector organisations than in Trollhättan and Nacka. However, barriers for including actors from the third sector are the perceived lack of professionalism, efficiency and transparency, in comparison to services delivered by professional groups within the public administration. In terms of lock in effects, there is a high awareness of potential risks of lock in effects in Örebro; whereas in Trollhättan lock in effects are not seen as a problem. According to the life

first approach applied in Trollhättan, a placement is considered valuable, even if it does not lead to employment.

The private sector is used in a slightly different, and quite interesting, way in Örebro than in Trollhättan and Nacka. As a way to enhance the chances of long term unemployed on the labour market, social aspects have been included in procedures of procurements, as a way to work for social inclusion of vulnerable groups. One example of this has been procurement where construction companies have had to be able to offer traineeships for long term unemployed, in order to win the procurement.

The priorities and preferences of local political majorities have an important impact on the "local worlds of activation" in relation to multi-stake holder integration. In Örebro the third sector has received much more attention than in the two other cases. Nacka has adopted market-based solutions inspired by new public management not only in the field of activation, but also in other areas of welfare delivery; private service deliverers have become dominant. Trollhättan, follows the logic of public administration where public actors play the dominant role not only in policy development, but also in service delivery.

Table 10 – Best practice example in multi- stakeholder coordination in policy implementation

SWEDEN	Social demands placed in procurement procedures. To win a contract in housing construction, demands are placed on companies to receive long term unemployed on internships, increasing opportunities for future employment.

5.3 Summary

Table 11 Barriers of multi stakeholder integration

	Barriers	Nacka	Örebro	Trollhättan
Multi-level integration	Policy development	Dominance of public sector actors. Traditions. Protection of organisational boundaries. Lack of strong networks/organisations representing local business life.		
		Lack of strong networks/organisations representing third sector.		Lack of strong networks/organisations representing third sector.

	Barriers	Nacka	Örebro	Trollhättan
Multi-level integration	Service delivery	Protection of professional "standards".		
		Protection of market based values (as a barrier to the third sector) NPM – voucher system, leading to involvement of private actors (leading to a fragmented field with many small and volatile actors.)	Protection of professional values (as a barrier to the third sector).	Protection of ideological values (as a barrier to third and private sector).

Table 13– Enablers of multi- stakeholder integration and type of coordination by case study

	Enablers	Nacka	Örebro	Trollhättan
Multi-level	Policy development			
			Strong organisations/networks representing third sector.	

	Enablers	Nacka	Örebro	Trollhättan
Multi-level	Service delivery/impl ementation			
		NPM – voucher system, leading to involvement of private actors.	Social aspects included in procurement procedures.	

6. Conclusions

National policies and legislation play important roles in policy integration in Sweden, not least in relation to policy development in multi-level and multi-dimensional integration. Multi-level integration in policy development is prevented by the hierarchical structure of national agencies operating on local level, and by limited possibilities for local actors to influence national policies. The local state agencies (PES and SSIA) have considerably less leeway for improvisation and locally adapted solutions than the municipal parties. One recent innovation in relation to policy coordination and integration is that national legislation has made financial pooling in the area of work rehabilitation possible, pooling recourses from SSIA, PES, the municipality and the health care sector (the Coordination unions). In this area, differences between the three cases become apparent. The way national directives are interpreted and used differs considerably. The presence of strong local leaders, traditions and common definitions of target groups and work strategy all influence the way Coordination unions are being used and modified to fit the local setting. Within the Coordination union, arenas are created where local considerations can be made when integrated policies are developed and where national regulations can be somewhat more flexibly implemented. The extent to, and manner in which, such potential flexibility is used thus differ in the three cases.

The Coordination unions are also important arenas for creating services that are not available, or feasible, to offer within the organisations of either PES, SSIA or the municipality. In these services a 'softer' activation approach is often applied, which is partly in contrast to the increased conditionality and stricter demands on activation within the services provided by PES. This raises the question of whether the role and use of the Coordination unions cannot in fact be seen a sign of failure of the 'regular' state policies; it is obvious that many people are not able to meet the strict activation rules and criteria and thus risk 'falling between the chairs' if more flexible and individualised solutions are not provided. For instance, people with limited work capacity are not able to participate full-time in activity, as required in for instance EU-funded projects. The municipalities need to find solutions also for these clients, either in their regular work or through the Coordination unions, which have proved useful in this respect.

Labour market policy as well as the implementation of the health insurance are centralised policy fields, in relation to which municipalities mainly play a secondary role, pertaining to clients who do not qualify for benefits and in other ways do not meet the criteria. In order to avoid too high costs for social assistance, municipalities have developed incentives to engage in coordinated activation efforts.

The variations in relation to multi-dimensional integration that can be observed between the local cases are relatively small, as the three cases follow national directives and regulations on for instance child care, debt counselling and provision of social assistance. Moreover, the high level of specialisation, both in terms of laws and regulations of the national agencies, but also within the municipal organisations (Bergmark and Lundström 2005), places high demands on coordination on case worker level in relation to multi-dimensional integration. Actors notably absent in local coordination and integration in the three cases studied are the education sector and the

health care sector. Privatisation has here led to fragmented policy fields, with little incentives for private service-delivers to participate in coordination structures.

National legislation and regulations have had less importance in relation to multi-stakeholder integration. The degree of commitment from local public actors is an important mechanism in explaining the variations between local activation programs between the cases. The outcomes are very much in line with the political preferences of the local majority. Where market solutions are preferred, as in Nacka, no room is left to voluntary organisations in service implementation. In the case were the classical principles of public administration are dominant in the municipal organisation, private entrepreneurs have no room in service delivery for local activation programs. In Örebro, on the other hand, there have been political initiatives to involve voluntary organisations. Its governance type can be characterised as 'collaborative', even though collaboration is mostly informally based.

We are thus able to discern three distinctive governance types (see table 12), emerging out of the forms of multi-dimensional, multi-level and multi-stakeholder integration at local levels. Thus, interestingly in the case of Sweden we see a combination of a highly centralised policy responsibility and local variability in forms of policy integration and predominant governance modes.

Table 12 – Local multi-level, multi-dimensional and multi-stakeholder integration types in employment policy

Coordination level		Governance Type		
		Nacka (NPM)	Örebro (PA, NPG)	Trollhättan (PA)
MULTI LEVEL	Policy development	Centralised/devolved. (Collaboration between national and local actors.)	Centralised and devolved. Alignment.	Centralised. Strong role of national agencies. Weak(er) collaboration between local and national actors. Alignment.
	Policy implementation	Centralised/devolved Coordination.	Centralised. Alignment and limited coordination.	Centralised. Alignment and limited cooperation
MULTI DIMENSIONAL	Policy development	Cooperation. Policy fields related to unemployed are integrated at local level. Strong focus on the work strategy/work line and employment.	Alignment and cooperation.	Alignment, policy fields relevant for unemployed held separately and aligned. Focus on general services for the entire population (and not specific target groups).
	Policy implementation	Coordinated.	Cooperation.	Cooperation
MULTI STAKE HOLDER	Policy development	Hierarchical. Private actors are not involved in policy development, but are informed on policies developed by public actors.	Hierarchical. Private and third sector actors are not involved in policy development, but are informed on policies developed by public actors.	Hierarchical. Private and third sector actors are not involved in policy development, but third sector is informed on policies developed by public actors.
SSSS	Policy implementation	Contractual (market based solutions, voucher system, private service deliverer and high level of competition between service deliverers, leads to fragmentation.)	Collaborative (services for unemployed provided by public, private and third sector – collaboration).	Hierarchical (services for unemployed provided mainly by public actors, clients referred to by public service deliverers).

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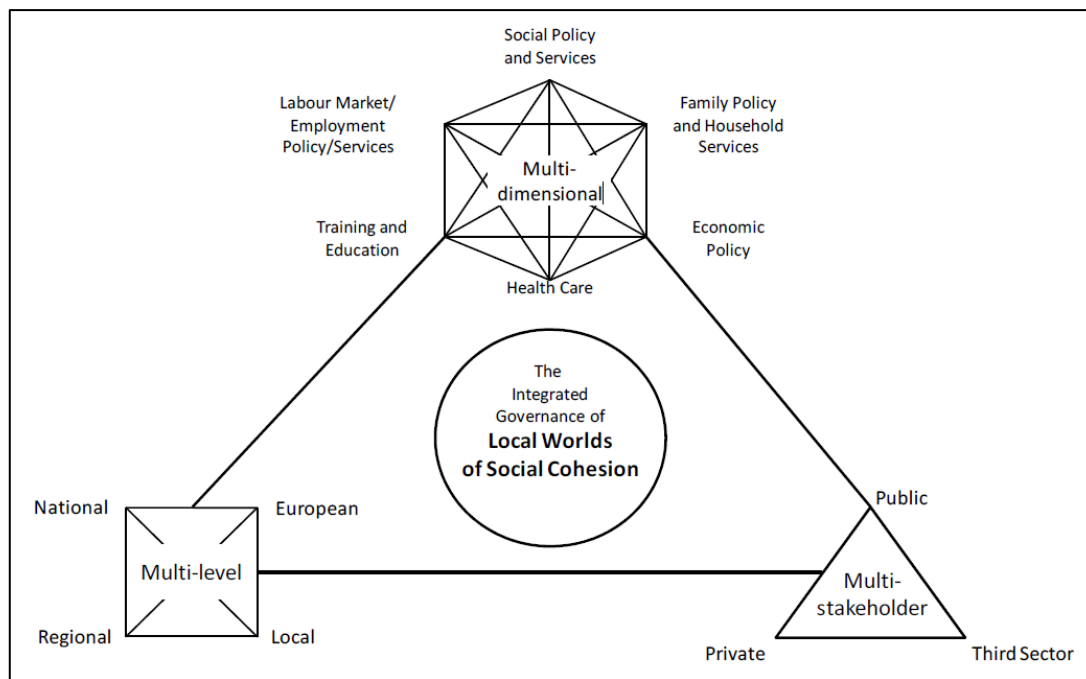
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Appendix 1 – Theoretical Background

This report identifies and compares methods and practices of integration in local governance, bringing out the barriers to, and enablers of, integration and presenting good practice examples in achieving integration. Specifically it focuses on the integration of various policy areas, different political and administrative levels, and various stakeholders (

Figure **1**) during policy development and implementation.

Figure 1 – An integrated approach towards social cohesion.

Source: Local Worlds of Social Cohesion. The Local Dimension of Integrated Social and Employment Policy. LOCALISE project proposal 2010.

The study is underpinned by a range of theoretical propositions (Fuertes 2012). These are briefly presented below:

- Employment policies, including active and passive labour market policies, are a common tool that governments use to increase employment and the participation in the labour market of economically inactive individuals.
- As a result of a number of challenges to welfare regimes, such as economic globalisation, demographic changes, labour market changes, processes of differentiation and personalisation, and reduced government expenditure (van Berkel and Moller 2002, Taylor-Gooby et al. 2004), it has been argued that a new paradigm in the approach towards social policies is emerging. This 'activation approach' seems to go beyond the increase of active labour market policies, although this is contested by some scholars who use both concepts interchangeably.

- Due to the characteristics of these changes in activation, it has been argued that to be effective, activation policies have to be joined-up and tailored to the individual's needs (McQuaid and Lindsay 2005). This requires the integration of previously separated policy fields, of different stakeholders, and of various political levels with local government playing an increasingly important role.
- The principles of New Public Management have been adopted to different degrees and in diverse forms, by governments across Europe. New Public Management is often linked to activation policies, but it has been argued that new approaches and governance methods are necessary in the governance of activation, such as in New Public Governance.
- It is the theoretical proposition that: (a) integration of relevant social policy fields is of benefit to the effectiveness of activation policies; and (b) that some aspects of New Public Management may inhibit such integration.

Governance of public policies

Countries across Europe have dealt with the challenge of social cohesion through different state traditions and various modes of public governance. Governance is defined as "public and private interactions taken to solve societal problems and create social opportunities, including the formulation and application of principles guiding those interactions and care for institutions that enable them" (Kooiman and Bavinck 2005 in Ehrler 2012:327). In order to cope with societal and economic changes and challenges, "reforming governance has become part and parcel of the strategies that governments" develop (van Berkel and Borghi 2007:277). In this report the focus is on the development and implementation of operational policy (the organisation and management of policy-making and policy delivery), although as a number of authors have mentioned, formal policy (that is the substance of social policies) and operational policy are interlinked to various degrees and affect each other (van Berkel and Borghi 2007).

Through time, public sector governance has changed as a result of pragmatism (Osborne 2010), ideology, or both. These changes have been categorised by a number of scholars into 'ideal' types: each type with specific characteristics regarding its core claim and most common coordination mechanisms (Denhardt and Denhardt 2000, Osborne 2010, Martin 2010, Pollitt and Bouckaert 2011). It is recognised that governance modes are seldom found as ideal types as they tend to display a hybridisations with mixed delivery models (van Berkel and Borghi 2007, van Berkel et al. 2012b, Saikku and Karjalainen 2012). In many cases these mixed delivery models produce tensions and contradictions. Governance approaches are not only diverse but dynamic (van Berkel et al. 2012a), with changes in the design happening over time. Three of these ideal types are described in

Table 13 below.

In *Public Administration* the role of government is that of 'rowing' by designing and implementing policies. It has been characterised as a governance mode that focuses on administering a set of rules and guidelines, with a split between politics and administration *within* public administrations, and where public bureaucracy had a key role in making and administering policy but with limited discretion. Universality is the core claim of service delivery. Coordination between actors is mainly based on a system of fixed rules and statutes with legislation as the primary source of rationality. Bureaucratic organisations use top-down authority with agencies and there is central regulation of service users.

In the late 1970s and 1980s, Public Administration was criticised as inefficient and unresponsive to service users, gradually leading to the rise of *New Public Management*. One argument was that the state should be an enabler rather than provider of services, hence the role of government was seen as 'steering' rather than as a provider of services, with an emphasis on control and evaluation of inputs and outputs through performance management. Regulation by statute, standards and process requirements are largely replaced by competition, market incentives or performance management. This is combined with administrative decentralisation and wide discretion in order to act 'entrepreneurially' to meet the organisation's goals. The introduction of market-type mechanisms, private-sector management techniques and entrepreneurial leadership has been, and is, justified in many European countries as a way to increase choice, create innovation, and deliver improved efficiency and value for money (McQuaid and Scherrer 2009, Davies 2010). Although marketisation in public services is often used, it encompasses differences from conventional markets as the state remains involved in the financing of services, providers are not necessarily private and consumers are not always involved in purchasing (van Berkel et al. 2012b) – as a result Le Grand (1991) refers to such public service markets as quasi-markets. Although most European countries have adopted many of the principles of New Public Management, approaches to both policy development and policy implementation vary (Pollitt et al. 2007, Ehrler 2012).

It has been argued that, as a result of the realisation that New Public Management had had some unintended consequences and was not delivering the expected outcomes, and due to changing socio-economic conditions, the governance of labour market policies is changing towards the adoption of a new mode of governance inspired by partnership working and synonymous with *New Public Governance* or *network governance* (Osborne 2009). It is influenced by partnership working and characterised by a highly decentralised and more flexible form of management, and is thought by some to be more appropriate for the coordination of multi-actor or multi-dimension systems. The role of government is seen as that of 'serving' by negotiating and brokering interests and shared values among actors. Instead of fixed organizational roles and boundaries, the notions of joint action, co-production or cooperation play a major role, with leadership shared internally and externally within collaborative structures. Discretion is given to those administering policy but it is constrained and explicitly accountable. In this model the beneficiaries and other stakeholders[i] may have a greater involvement in the development and implementation of the policies or programmes.

Table 13 – Governance typology according to core claims and coordination mechanism

Key elements	Governance Types		
	Public Administration	New Public Management	New Public Governance/ Network Governance
Core claim	Public sector ethos. To provide public services from the cradle to the grave.	To make government more efficient and 'consumer-responsive' by injecting business-like methods.	To make government more effective and legitimate by including a wider range of social actors in both policymaking and implementation.
Coordination and control mechanism	Hierarchy	Market-type mechanisms; performance indicators; targets; competitive contracts; quasi-markets.	Networks or partnerships between stakeholders
Source of rationality	Rule of law	Competition	Trust/Mutuality

Source: own depiction based on Considine and Lewis, 2003, Osborne 2009, Martin 2010, Pollitt and Bouckaert 2011, and Künzel 2012.

According to Saikku and Karjalainen (2012:300), the need for New Public Governance is the result of activation policies which have transformed the paradigm of the welfare state "from a purely sector-based 'silo' to a multi-sector, joined-up service delivery with its respective governance" and which requires new modes of governance in the more operational sense (van Berkel and Borghi 2007).

Following from the literature above, it is expected that coordination at each of the levels that the study looks at (multi-level, multi-dimensional and multi-stakeholder) would be different according to governance types as illustrated in **Fel! Hittar inte referenskälla.** below. This assumption is tested through the analysis of empirical data collected.

Table 14 – Characteristics of coordination by governance typology

Coordination	Governance Types		
	Public Administration	New Public Management	New Public Governance/ Network Governance
Multi-level	Centralised	Devolved	Decentralised
Multi-dimensional	Coordinated	Fragmented	Co-production
Multi-stakeholder	Hierarchical	Contractual	Collaborative

Source: authors' depiction partly based on Künzel 2012

Labour market policy: towards activation

'Traditional' welfare regimes are experiencing a number of challenges: economic globalisation, demographic changes, labour market changes, processes of differentiation and personalisation, and reduced government expenditure (van Berkel and Moller 2002, Taylor-Gooby et al. 2004). As a result of these pressures, the governance of social policies is changing (e.g. by changing the support given to people who are at risk of unemployment or other inactivity, tightening entitlements, or 'transferring' responsibilities). There is discussion of a new era in labour market policy: one where active labour market policies (focused on active labour market inclusion of disadvantaged groups) are increasingly linked to previously passive measures (social protection and income transfers) and where incentives (sanctions and rewards) to take part in active labour market policies are increased[ii]. According to Van Berkel and Borghi (2007:278) activation has five distinct characteristics: redefinition of social issues as lack of participation rather than lack of income; a greater emphasis on individual responsibilities and obligations; enlarged target groups; integration of income protection and labour market activation programmes; and individualisation of social interventions. Nevertheless some scholars equate activation to active labour market policies. As a result of this shift towards activation, it has been said that the governance of labour market policies requires the following:

a) The integration of different policy fields in order to deal more effectively with employability issues that affect disadvantaged groups; and as a result the need for integration of different service providers. This has had an impact on organisational infrastructure and relationships between social services.

b) The greater use of conditionality such as the need to take part in active policies in order to receive passive policies (welfare payments).

c) The increased role for the local level in order to target policies to local specificities.

Therefore it would seem that activation desires integration of different political territorial levels (multi-level), across a number of policy fields (multi-dimensional), and between several actors (multi-stakeholders). This need for integration affects how policies and services are developed and delivered, and therefore is changing the governance of labour market policies. Partnerships, coordination and integration, which will be discussed in the following section, seem central to the effective governance of activation policies.

Activation policies have been classified according to the objectives they try to achieve, often in a one-dimensional approach (i.e. more support or less support). Nevertheless Aurich (2011) proposes a two-dimensional framework to analyse the governance of activation. The two dimensions are: a) *Incentive reinforcement*: enabling individuals to become employed; b) *Incentive construction*: influencing individual action. The first dimension can vary from Human Capital Investment to Employment Assistance, while the second dimension can vary from coercion in one extreme to voluntary action in the other. Labour market policies are then categorised according to their position within the governing activation framework (

Figure **2**).

According to Bonoli (2010) employment assistance aims to remove obstacle to employment and facilitate (re-)entry into the labour market using tools such as placement services, job subsidies, counselling and job search programmes. Occupation aims to keep jobless people occupied; limiting human capital depletion during unemployment using job creation schemes in the public sector and/or non employment-related training programmes. Human Capital Investment is about improving the chances of finding employment by up skilling jobless people through basic education and/or vocational training. Aurich (2012) adds Counselling to the links of active labour market types.

Figure 2 – Active Labour Market Policy Types

	Types of ALMPs			
Incentive Construction	**Incentive reinforcement**			
	Coercive Human Capital Investment	*Coercive* Counseling	*Coercive* Occupation	*Coercive* Employment Assistance
	Voluntary Human Capital Investment	*Voluntary* Counseling	*Voluntary* Occupation	*Voluntary* Employment Assistance
	Alimentation			

Source: Aurich 2012 (based on Bonoli 2010 and Aurich 2011).

Within this framework, active support (human capital investment; occupation; employment assistance and counselling) could be geared more towards a life-first approach (in which human capital is the priority) or a work-first approach (in which work participation is the priority). Within the work-first approach there are also differences or departures from the basic job outcome (i.e. moving into a job) to a more sustainable outcome, in which being able to remain in 'sustainable' employment for a long period is the priority (we can call this 'employment-first', especially when career progression is also included).

It could be argued that effective activation will need a relatively longer perspective in labour market participation, if sustainability of outcomes is an aim. Some types of active policies deliver a greater number of job outcomes in the short-term but have less long-term sustainability. Therefore activation seems more suited to high support initiatives which are either life-first or 'employment-first' approaches, both of which will likely require multi-dimensional and multi-stakeholder integration.

Integration of activation friendly policies

It has been argued that the aim of integration in activation is to be able to tackle multiple problems that individuals face, through achieving joined-up and seamless services. Partnership theory can be used to describe the benefits that could be achieved through multi-level, multi-dimensional and multi-stakeholder integration and the barriers that can be encountered. Partnerships according McQuaid (2000, 2009) and Lindsay and

McQuaid (2008) can (but will not necessarily): deliver coherent, flexible and responsive services; facilitate innovation and the sharing of knowledge, expertise and resources, improving efficiency and synergy, avoiding duplication, and increasing accountability; and encourage capacity building and legitimisation. A number of limitations to partnerships are also highlighted by these authors, such as differences in philosophy amongst partners, institutional and policy rigidities, imbalance of resources and power, conflict over goals and objectives, lack of accountability, and lack participation and therefore legitimacy issues. Powell and Dowling (2006) compile a number of partnership models found in the literature that can function alongside each other: in terms of what they do, partnerships can be facilitating, coordinating or implementing; in terms of the relation between partners they can be principal-agent relationships, inter-organisational negotiation, and systemic coordination; in terms of the intention or achievements they can be synergy (resource or policy), transformation (unidirectional or mutual) or budget enlargement.

The focus of this study is on integration, and partnerships are one way to achieve this integration. There seems to be no clear definition of integration, but it is commonly studied as an outcome, a process or both. It can be tentatively defined as a state of increased coherence. In this study integration is considered to be a dynamic process which refers to the development from a state of (relative) isolation to a condition of integration. In this case the study is concerned with the variables, which are likely to enhance or inhibit integration[iii]. The strength of integration can range from shallow to deep[iv]. A state of *fragmentation* can be defined as when policy levels, dimensions or stakeholders do not relate to each other and work in a state of isolation. *Convergence* can be defined as policy levels, fields or actors conducting similar strategies or actions in relation to an aspect/s although with very little integration (e.g. the need for different departments to consider environmental guidelines in their operations, which is therefore a convergence towards an environmental objective). *Alignment* requires policy levels, fields or actors to conduct their actions or strategies with consideration of other levels', fields' or actors' actions or strategies, in some cases this would require some adjustment. *Cooperation* implies a higher level of integration as levels, fields or actors work together towards an objective or common purpose. The *co-production* concept has been developed mainly to mean the involvement of service users in delivery of service. In this study co-production refers to the situation in which levels, fields or stakeholders produce strategy or deliver policies together. *Integration* would mean the highest level of coherence between levels, fields or stakeholders: a situation or process which goes beyond a one-off or project specific co-production or cooperation, towards a more sustained cohesion of shared objectives, understandings, processes and/or outcomes (e.g. when a housing provider offers employability support to unemployed tenants as part of their day-to-day operation).

Within the same type of integration strength there could be a number of differences: a) regarding the aims of integration, for example alignment could aim at making sure that policies do not interfere with each other, or could seek some complementarity; b) with regard to integration instruments, for example integration can be achieved by bringing different units together in networks or partnerships, by creating new units or bridging agencies, or by merging agencies; c) regarding the approaches to integration, for example cooperation can be imposed by top down rules in public administration, or through contractual requirements in new public management.

Appendix 2 – Research Methodology

For the individual case studies, 'description' was chosen as the general analytical strategy due to the different political, institutional, and socio-economic contexts in each country. Nevertheless, these descriptions aim to identify casual links to be analysed (Yin 2003). A research framework was developed with a clear description of the information that needed to be collected, but with enough flexibility to allow each partner to develop interview schedules appropriate to their context. A template for writing the case, which followed the themes and subthemes of the research framework, was established.

The specific analytical technique used to produce the comparative case studies national report was explanation building: 1) having initial (although very tentative) propositions; 2) comparing the findings of an initial (descriptive) case against such propositions; 3) revision those propositions; 4) comparing these revisions with the finding of more cases; 5) and finally producing a cross-case analysis. This iterative mode of analysis has potential problems, which are even more acute in comparative and international analysis. One of them is drifting from the original aim. To minimise drifts from the original topic and initial tentative theoretical propositions, as well as to keep everyone on the same path of explanation building, a first meeting to develop the theoretical and research framework took place before the first case study was conducted, and a second meeting was arranged after the first case study was finished. This meeting had the purpose of: discussing the results from the first case study; revising the propositions; building common understanding and propositions for the next two case studies; and developing the aim, framework and template for the cross-case comparison, as well as for the international comparison. A third meeting took place in which the cross-case and international templates were discussed (by this time two case studies per country were completed). In this meeting the templates for analysis and report were reviewed and agreed.

This coming-together on research aims, frameworks, and strategies for analysis and reporting had to also allow enough flexibility for adaptation to the country and local context, to guard against one of the common weaknesses of comparative and international analysis: rigidity and imposition of concepts and understandings to different settings.

The study does not look at integration success (either of the process or the outcomes); it looks at the achievement (and the strength) of integration, and identifies the barriers and enablers of integration during policy development and implementation amongst different political levels, policy dimensions, and stakeholders.

In order to achieve the aims of the study, a research framework was developed with a clear description of the information that needed to be collected (Appendix 5). It had enough flexibility to allow each partner to develop interview schedules appropriate to their context. Open-ended questions about the existence of integration (or coordination) were asked to participants who had experience and an overview of the situation at local level. The questionnaire was divided into different sections which separated questions on policy development and policy implementation. Questions in each section were classified as focused on goals, actors or instruments. These questions explored the existence of multi-level, multi-dimensional, and multi-stakeholder integration. The data

collected was based on participants' knowledge, experience and opinion on these issues. Care was taken to interview a wide range of actors within each case study to make sure different opinions and experiences were gathered. This knowledge-based primary data was explored and complemented by the analysis of documents (policy and strategic documents, annual reports, academic papers, etc.). The objective of the exploratory research framework was to build a picture of local practices and identify barriers to, and enablers of, integration. Elements that were expected to be either barriers or enablers of integration are presented below. These were part of the study's theoretical framework and questions in the research framework aimed to understand the role of these and explore the role of other factors at the local level.

Possible barriers/enablers of integration
- Governance types
- Local context: institutions; past experiences; control and power; informal relations
- Type of activation
- Funding
- Area characteristics: socio-economic & size
- Organisational issues: culture & trust
- Target group: characteristics & size
- Data sharing

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[i] This approach may be more consistent with Sen's Capability Approach when the beneficiaries/ clients of a programme are given greater input into the policy development and implementation (Sen 2009, Bonvin and Moachehon, 2009).

[ii] It can also be argued that in some ways (in some countries) we are moving back to earlier (pre-1980) situations when the level of e.g. those on passive, incapacity benefits were much lower before the rapid increase in the 1980s and 1990s.

[iii] United Nations University website [accessed 05/03/13] - http://ocw.unu.edu/programme-for-comparative-regional-integration-studies/introducing-regional-integration/what-is-integration/

[iv] United Nations University website [accessed 05/03/13] - http://ocw.unu.edu/programme-for-comparative-regional-integration-studies/introducing-regional-integration/different-forms-of-integration/

The Local Governance of Social Cohesion:

UNITED KINGDOM Country Analysis

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Introduction

This report is part of the Seventh Framework European Commission programme: Local Worlds of Social Cohesion (LOCALISE). LOCALISE is focused on the organisational challenges of integrating social and employment policy, partly in response to the radical changes in the local governance of social cohesion across many Member States of the European Union. The programme brings together six European countries[1] and develops a common theoretical and methodological approach that guides the research in each of the work packages[2].

This report is a comparative analysis of three UK case studies: Edinburgh, Cardiff and Newcastle. Each case explores the levels and types of integration of employment policy at local level. The focus is on three types of integration, those between: various policy areas (such as employment, training, health, housing, childcare and social assistance); different political and administrative levels (national, regional, and local); and various stakeholders (public, private and third sector organisations[3]). These three types of integration (Figure 2) and the theoretical background and hypothesis underpinning this report are explained in more detail in Appendix 1.

The report describes and compares the forms, approaches and modes of integration in each case study. It also aims to identify barriers to, and enablers of, integration at local level during policy development and implementation. The report is divided into six sections. The first section compares the political, institutional and socio-economic context in Edinburgh (Scotland), Cardiff (Wales) and Newcastle (England). The research methods are explained in Section 2. Sections 3, 4, and 5 compare each of the integration levels (multi-level, multi-dimensional, and multi-stakeholder) across the three cities. Finally Section 6 presents the conclusions of the report.

1. Context

This section compares firstly the political and institutional context in Cardiff, Edinburgh and Newcastle. It then focuses on their socio-economic characteristics, and ends by looking at employability provision and activation policies in each city.

The term 'national' will be used to refer to the devolved administrations in Scotland and Wales and to the English-only components of UK government, while the UK will refer to cross-UK (or cross-Great Britain) policies.

1.1 Political and institutional

Employment policy is a UK government reserved matter. The Department for Work and Pensions (DWP) is responsible for welfare and pension policy (DWP nd a), with Jobcentre Plus being the public employment service responsible for income protection (income transfers) and activation (employment services). The provision of services for the short-term unemployed is the responsibility of Jobcentre Plus, which, as well as directly providing some services for this group, contracts out services (such as training and placements or specialist provision) to other organisations. Services for the long-term unemployed are largely contracted out by the Department for Work and Pensions to private, public or third sector providers.

The UK has three devolved administrations: the Scottish government, the Welsh government and the Northern Ireland Executive. Each administration has devolved responsibilities for a number of policy areas. This study focuses on Scotland, Wales and England. Some of the devolved policy areas directly relevant to this study are: education and skills, housing, health (and social work), social welfare, economic development, transport, and local government. Policies on devolved issues are set up by each of the administrations. In Scotland, legislative powers are conferred and legally defined by the 'reserved power' model, while in Wales they are defined by legislative competences. Devolved administrations are financed mainly by the UK Government through a block grant via the Departmental Expenditure Limit in a 3-year calculation over an inherited budget. They can raise Self-financed Expenditure through borrowing, and through non-domestic rates and council tax in Scotland; nevertheless the UK treasury can decide to adapt the Departmental Expenditure Limit accordingly. Reforms to the constitutional settlement for Wales are currently being reviewed. Some stakeholders mentioned that these planned reforms would give the Welsh Government more control in legislative and fiscal matters, and according to some this would provide a more cohesive and rounded settlement.

In Scotland, regional councils were abolished in 1996, which created the current 32 local authorities (a single tier system of council areas). Wales is organised into 22 local authorities (again a single tier system of unitary authorities). England is organised into 9 regions under which there is a mixture of single tier (unitary) and two tier authorities[4]. See Appendix 2 for

a map of UK regions and local authorities. Regional institutions or bodies in England, such as the Regional Development Agency, were mostly abolished in 2010 by the Coalition Government. Local authorities have many powers in a range of issues and are responsible for providing front-line services such as social services, economic development, housing, etc. There are local government Acts that set out the relation between central and local government: in Scotland the relationship is based on the Concordat[5] and the Local Government in Scotland Act 2003; The Welsh Local Government Association (WLGA) represents the interests of local government and is the link between central and local government. In Scotland some services, such as health, are still organised using the old regional boundaries (but while police and fire services used to be organised on old regional boundaries they were merged into single Scottish services in 2013).

1.2 Socio-economic

This section presents an overview of the labour market in the three case areas, compared to the average for Great Britain. The tables for the statistics cited are presented in Appendix 3. According to the ONS Annual Population Survey, the population of Newcastle was 292,200, for Cardiff 341,100, and for Edinburgh 486,100 (Table 12) (2010 figures). The percentage of the population aged 16 to 64 in these cities was around 69 or 70 per cent of the total, which is up to 5 percentage points higher than the average for Great Britain. The economic activity rate for Great Britain in 2012 (76.5 per cent) was only slightly higher than Edinburgh's (76.1 per cent), but considerably higher than in Cardiff (72.1 per cent) and Newcastle (70.1 per cent). Edinburgh had the highest employment rate (71.6 per cent), while Newcastle had the highest unemployment rate (10.3 per cent) (Table 12 and Figure 1).

The proportion of economically inactive in 2012 (Table 13) was highest in Newcastle (29.9 per cent). The reasons most mentioned for inactivity were taking part in education (greater percentages in Newcastle and Cardiff), followed by those looking after family/home and the long-term sick (for which the proportions were higher in Great Britain and Edinburgh compared to Newcastle and Cardiff). In terms of wanting a job, Edinburgh had the highest proportion of inactive people who do not want a job (85.3 per cent compared to 76.1 in Great Britain).

Edinburgh had the lowest percentage of total claimants and claimants of out-of-work benefits; this is the case for all benefits except 'bereaved' (Table 14). It is interesting that although Newcastle's unemployment and inactivity rates are higher than Cardiff's, the percentage of people claiming benefits in Cardiff is slightly higher than in Newcastle (or Great Britain), with the exception of lone parents and disabled (both of which can be considered inactivity benefits). This could be due to Newcastle having a higher percentage of inactivity due to education and retirement. Newcastle in July 2012 had, in general, the highest proportion of people receiving Jobseekers Allowance (in all age group but 18-24), followed by Newcastle, Great Britain and Edinburgh (Table 15).

Figure 1 - Population and Labour Market Information by City
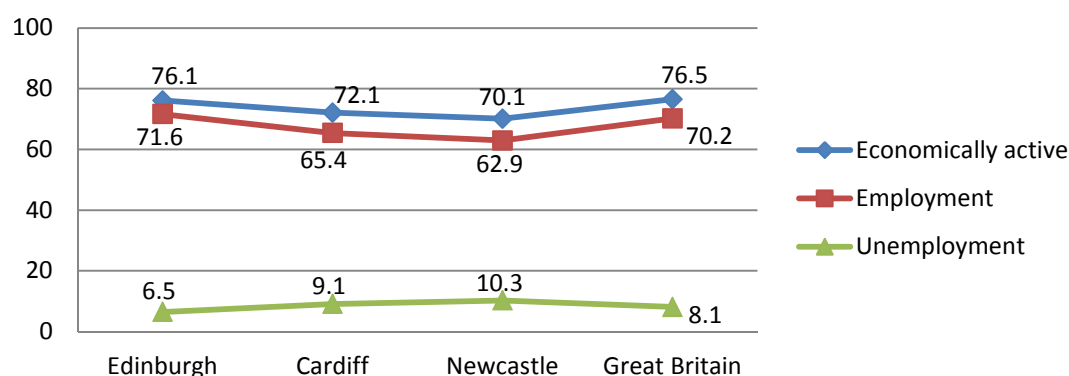
Source: ONS annual population survey

Edinburgh had the highest percentage of people in professional occupations and associated professional & technical occupations. Newcastle and Cardiff had a higher percentage of sales and customer service occupations. Newcastle had more people in elementary and skills trades occupation, while Cardiff had slightly more in caring, leisure and other service occupations, and slightly more managers, directors and senior officials than Edinburgh and Newcastle (Table 16). Compared to Great Britain, Edinburgh had more people qualified at all levels, and around 20% more people qualified at NVQ4 level and above (Table 17).

1.3 Activation policies and employability provision

From the 1990s, active labour market policies[6] have increased in the UK, and these have usually been consistent with Work-First approaches (Sol and Hoogtanders 2005; Lindsay et al. 2007). Active labour market policies aim to get unemployed people back into work through providing pre-employment services, advice and support, and by making benefits conditional on improving employability and seeking work (OECD 2002). The Labour administration (1997-2010) arguably favoured labour market deregulation and limited state interventions over the traditional neo-Keynesian approach, which promote demand-side intervention in order to achieve economic growth (Taylor-Gooby et al. 2004). For those claiming benefits capable of undertaking some form of work, activation meant greater support, and compulsion through the threat of sanctions, to find employment (Lindsay and Dutton 2012). The New Deal programmes introduced in 1998 were at the heart of the welfare-to-work agenda. Activation programmes were coupled with programmes that sought to make work a more financially appealing option than unemployment and welfare payments. In 2002 the Benefits Agency and the Employment Service were amalgamated into the local Jobcentre Plus offices and the regional benefit processing centres (Contact Centres and Benefit Delivery Centres).

The current UK Coalition Government's welfare policies have continued, and in some cases accelerated or expanded, some of the previous administration's welfare policies, and have introduced major new reforms. A number of 'Get Britain Working' measures[7] or welfare-to-work programmes have been established, the majority of which are supply-side measures,

with several demand-side interventions such as wage subsidies and incentive payments. All of those receiving income transfers are required to attend Work Focused Interviews with Jobcentre Plus. Those in receipt of out-of-work benefits (Jobseeker's Allowance and Employment Support Allowance) are required to attend Jobcentre Plus at regular intervals and take part in welfare-to-work activities. Jobcentre Plus and the individual formalise a Jobseeker's Agreement: the individual receives direct Jobcentre Plus services, such as job search advice and support, and will also be referred to a number of initiatives provided by external organisations. After a period of time a number of benefit claimants are mandatorily referred to the Work Programme[8]. Other benefit claimants can voluntarily be referred but once taking part they would not be able to abandon it (DWP, nd b).

Although employment policy is a UK Government reserved matter, local government funds employability provision in each of the cities studied. The local authority delivers some of these services; others are contracted out through grants, negotiation or competitive tender to the public, private and third sector. Employment provision is also funded through other bodies such as the Scottish and Welsh Governments, through European funding, and through other organisations such as the Big Lottery. There are, in each of the cities in the devolved administrations, Scottish and Wales national programmes. The Scottish Government also funds skills policies partly through Skills Development Scotland[9], while in Wales and England this is funded by the Funding Skills Agency[10].

National UK employment provision tends to be mandatory, and increasingly non-compliance can result in benefit sanctions. In some cases benefit recipients can access initiatives on a voluntary basis, but in most cases actions will be mandatory. There are different types of activation initiatives: for the short-term unemployed these are work-first services mostly focused on placements, job search support and vocational training; while for the long-term unemployed, programmes can include other support. In the current payment-by-sustained-job-outcome Work Programme, providers – through the 'black-box' approach[11] - have total discretion over services. It could be argued that the Work Programme's financial model[12] signals a departure (started to an extent with previous programmes) from work-first approaches, towards an 'employment-first' approach[13]. On the other hand, an individual's participation in local and national devolved provision is voluntary and seems to focus on tackling barriers to employment, although there is an increased focus on job outcomes and employability in a number of policy areas, e.g. skills. As shown in Figure 3 in Appendix 1, national employment provision combines elements, although it tends to be more coercive than voluntary and it is skewed towards employment assistance rather than human capital investment, while local and national devolved provision is voluntary and tends to revolve more around human capital investment and counselling. Appendix 4 shows the typical path of an unemployed individual in each of the cities.

Strategy and target groups

Improving the quality of employment is seen as a route out of poverty and as a way to increase people's wellbeing, and there was recognition that to achieve this, a number of people require intensive and multiple support, with 'quick fixes' and 'short-termism' unable to achieve sustainable outcomes. The perception, not shared by all, was that national employment strategy is focused on getting people off benefits while local strategy tends to look at getting people into employment, thus taking a more holistic approach towards the individual.

Youth unemployment is a priority nationally and in the three case studies, with specific initiatives targeted to young people, such as apprenticeships. Aside from young people, there is a tendency to have generic strategies although approaches are refined in relation to specific demographic groups. National initiatives can be categorised to some extent into the following target groups: young people, those with disabilities, short-term unemployed and the long-term unemployed (including those with disabilities or ill-health). Within Jobcentre Plus offices there are disability and lone parent advisors, but there is not a specific package of provision for specific groups. The Work Programme does not seem to have specific packages of provision for different groups, other than differential payments-by-results to providers depending on the type of benefit the individual claims (although the prime contractors of the Work Programme may segment types of clients). Type of benefit could therefore influence service provision, although it was stressed that grouping people in this manner does not seem pragmatic or suitable for identifying how far away people are from the labour market. There seems to be a move by national and local initiatives and providers away from 'pigeon-holing' individuals in terms of what they need according to some characteristics, towards a stated better practice of looking at people's barriers to employment and the distance from the labour market.

Service providers refer to individuals using their services as customers, clients, claimants, service users or beneficiaries. It is argued that the level of compulsion on individuals using provision determines the most adequate label. Service users will be used in this report, as it is more neutral with regard to the choice that individuals have on using services.

2. Research methods

This section explains the reasoning behind the selection of Edinburgh, Cardiff and Newcastle as case studies; the sample selection; and data collection and analysis procedures. Appendix 5 has more detail on the research methodology for the entire work package, and Appendix 6 shows the framework for research and analysis.

2.1 Case studies selection

Case studies were selected following the analysis conducted for LOCALISE Work Package 3 by CETRO (German partners in this consortium). Work Package 3 ranked NUTS-II[14] regions within the six nation-states according to the level of social inequality in order to identify best, average and under-performing regions. This classification was based on three variables[15].

Following the classification produced it was decided to select two 'regions' with devolved administrations (Wales – code UKL – and Scotland – code UKM) and one region in England (North East England – code UKC). Choosing cities within each of the national regions in Great Britain was thought important in order to ascertain the impact of devolution and of different institutional arrangements on the three types of integration. Within these three regions three cities were chosen representing the regions' classification of very strong, average and under-performing: Edinburgh, Cardiff and Newcastle, respectively (Table 1). Edinburgh and Cardiff are the capital cities of the devolved administration of Scotland and Wales, and Newcastle is an important city within England. These three cities were chosen as they have similar population and similar percentage of people aged 16 to 64 (Table 12 in Appendix 3).

Table 1 – UK city selection based on work package 3 NUTSII classification

Cities chosen	Regional classification/ Economic health	Compared to the National UK average (2008)		
		Regional labour market participation	Regional unemployment rate	Regional GDP
Edinburgh	UKM25 Very strong	Above	Below	Above
Cardiff	UKL22 Average	Equal or less	Equal or higher	Above
Newcastle	UKC22 Under-performing	Equal or less	Equal or higher	Equal or less

2.2 Participants

Participants were selected in order to meet the agreed parameters (Appendix 5). Contact was made by selecting possible organisations that meet the criteria, and in only a few instances snowballing was used in selecting the sample. Contact by email with senior staff was followed, if necessary, by phone calls. The Edinburgh case study was the first to be conducted, followed by Cardiff and finally Newcastle: data collection spanned from April 2012 to January 2013[16]. Some organisations in Cardiff and Newcastle were selected to reflect Edinburgh's selection and in some cases Edinburgh case study's participants provided

names of similar stakeholders in the other cities. Interest in the project was high and only on a few occasions did the stakeholders approached not respond to our request. The target was to interview between 15 to 20 stakeholders per city. Table 2 shows the number of organisations that participated, and interviews conducted, by city. All the stakeholders interviewed hold senior posts within the organisation, but due to anonymity assurances their role will not be disclosed.

Table 2 – Number of organisation and interviews classified by type of organisation and sector

		Edinburgh		Cardiff		Newcastle	
		Org	Int	Org	Int	Org	Int
Government	National devolved government	1	1	1	1	-	-
	Local government Economic Development	1	1	-	-	1	1
	Local government Adult Services	-	-	1	1	1	1
	Local government Education Department	-	-	1	2	-	-
	Local government Children's Services	-	-	-	-	1	1
	Local government Housing and Welfare	-	-	-	-	1	1
Public Agencies	Public Employment Service	1	2	1	1	1	1
	National Agencies	-	-	1	1	1	2
	National Devolved Agencies	1	1	-	-	-	-
	Regional Agencies	-	-	-	-	1	1
	Local Agencies	1	1	-	-	-	-
Service Provider	Private sector providers	2	3	2	3	2	2
	Public sector providers	1	1	2	3	1	2
	Third sector providers	5	8	4	4	4	6
Federations & experts	Third sector federations	-	-	1	1	2	3
	Chambers of Commerce	-	-	-	-	-	-
	Employer's federations	-	-	1	1	2	3
	Trade Unions federation	-	-	1	1	1	1
	Experts	3	3	1	1	-	-
	Total	*16*	*21*	*17*	*20*	*19*	*25*

Org = organisation that participate / Int = interviews conducted

2.3 Data collection and analysis

Information and findings presented in this case study came from analysing available strategic and official documents, and from semi-structured interviews. Interviews were face to face and lasted between 45 minutes and two hours: longer interviews were conducted in Edinburgh as it was the first case study. All the interviews but four (two in Edinburgh, and one in Cardiff and Newcastle) were recorded and transcribed or partly transcribed. Interviews in Edinburgh were analysed using NVivo[17], while thematic analysis (Braun and Clarke 2006) was used for the Cardiff and Newcastle interviews (it followed codes developed through NVivo and the framework for research - Appendix 6). The analysis was underpinned by the theoretical background (Appendix 1). Quotes have not been attributed in any way due to confidentiality.

2.4 Limitations

The study does not look at integration success (either of the process or the outcomes); it looks at the achievement (and the strength) of integration, and identifies the barriers and enablers of integration during policy development and implementation amongst different political levels, policy dimensions, and stakeholders (more details in Appendix 5).

The data collected was based on the participants' knowledge, experience and opinions on these issues. Care was taken to interview a wide range of actors within each case study to account for different opinions and experiences. Nevertheless the scope and timing of the study makes it a partial and time-constrained perspective, which does not analyse in depth many issues and side-lines others and which, by the nature of the area of study, will be superseded relatively quickly by events. Nevertheless some of the findings presented would not be time bound.

3. Multi-level integration

This section describes the degree and type of multi-level integration (Appendix 1) in each of the three cities during policy development and implementation. It explores barriers to and enablers of integration, and presents good practice examples.

Summary

Local strategies to deal with worklessness are different in each of the case studies and local policy was said to be very much constrained by national UK policy and funding. There seems to be a general a lack of coordination between territorial levels during policy development with national UK policies unable to be tailored fully to local needs. Integration seems to occur around particular issues, specific initiatives and at specific times. Even when collaboration and co-production take place, it can be limited in some cases due to bureaucracy, lack of discretion or inflexible funding streams.

3.1 Policy development

There are a number of national and local actors involved in policy development at local levels. Since employment policy is centralised, national UK policy is implemented locally via Jobcentre Plus and though DWP contracts with public, private and third sector organisations. These services are usually designed centrally (UK government) with limited local discretion, albeit with a few exceptions.

Local authorities have a number of responsibilities, amongst which are reducing poverty and social exclusion. Local councils plan and deliver or contract out employability interventions, usually through Economic Development departments. Although the three cities believe that dealing with unemployment is key to tackling poverty and social exclusion and to encouraging economic growth, local planning is different in each of them. Edinburgh's employment strategy seems to be more coherent, compared with Newcastle and Cardiff, due in part to two organisations that have a strategy development role and aim to achieve an Integrated Employability Service based on a 'skills pipeline' (Good Practice 8).

Local policy in the three cities was said to be very much constrained by national UK policy and funding. If national UK and local level policies at best align themselves, it is due to the local level adapting its strategy, initiatives and target groups to national policy, in order to avoid duplication. This fragmentation and disconnection creates confusion, duplication and inefficiencies, and gaps in provision are often apparent during policy implementation.

> *"The notion had always been that we locally will wrap around whatever was available nationally, so fill the gaps. So the menu at national level changed significantly so the wrap around has changed significantly … I don't think we control all the levers sufficiently for us to call it a genuinely [local] employment strategy."*

This lack of coordination is even more acute in devolved administrations which have responsibility for policy areas highly interlinked with employment policy, such as education

and skills. This duality of governance (centralised and devolved) has created a situation in which Work Programme service users are unable to access provision, including skills provision, funded by the devolved administrations (with some exceptions in Wales). Pragmatism (achieving additionality and avoiding duplication of funding) was cited for this decision of the devolved administrations, although different approaches to activation and contractualisation (which influences instruments and pace of interventions) and political affiliations were also mentioned:

> *"The* [UK] *government chose to award the contracts for the Work Programme to private sector providers and some public bodies don't feel that they want to provide programmes that would help people get jobs and therefore a profit being made by private sector providers."*

Centralisation was said to result in one size fits all policies that are unable to be tailored to local needs. Local authorities in Scotland seem to enjoy greater level of decentralisation party linked to an explicit agreement ('Concordat') between the Scottish Government and local authorities, while at the same time local policy tends to align with overall national Scottish targets through the Single Outcome Agreements (agreed outcomes that local authorities seek to achieve and that are in line with Scottish Government priorities). At the same time, local boundaries seem too restrictive for some initiatives that affect, and are affected by, a greater territorial level than local authorities, for example travel to work areas. Newcastle and Wales were looking at developing strategies at a level higher than local authorities through institutions or around strategies.

Although there does not seem to be many examples of integration during policy development, when it occurs it is around particular issues where there is not national UK established policy, for example, around employer support. The Job Match initiative in Cardiff is an example of this integration (Good Practice 1).

Good Practice 1 – The Job Match Initiative (multi-level integration during policy development)

The Job Match Initiative[18] brings together Jobcentre Plus, the Education Department in Cardiff Council, and employers, to match the skills needs of employers to skills frameworks. The skills framework is part of the Welsh Baccalaureate. If an individual's skill set matches the employer's skills needs, employers will guarantee an interview to a young person. This initiative has already been tried in Oxfordshire in England.

"The idea there is that if you take a skills agenda and eventually match it to what employers' skills demands are, and the two come together and the young person can produce evidence against the employers' skills set, then they will be guaranteed an interview for a job, and so that is the sort of plan out there."

Table 3 presents a summary of barriers to, and enablers of, multi-level integration during policy development.

Table 3 – Barriers to and enablers of multi-level integration during policy development

	Edinburgh	Cardiff	Newcastle
Enablers	- Flexible funding (coordination or co-production)	- Flexible funding (coordination or co-production) - Issues or initiatives where national UK policy is not set	
Barriers	- Centralisation: lack of resources, lack of local influence - Little discretion from national employment service operating locally - Different political affiliations		
	- Different priorities in activation (work first vs. human capital)	- Little discretion for local authorities - Different priorities in activation (work first vs. human capital) - Lack of structures / guidelines to coordinate Welsh Government initiatives with local council strategies - policies planned by those holding resources around resources	- Different philosophy (outcome vs. needs) - Abolition of Regional Development Agency - Different approaches - Local boundaries

3.2 Policy implementation

Multi-level integration during policy implementation is in most instances alignment. Local authorities offer their own employability services, and in most cases these are not integrated with the national offer but are complementary to it (also a finding from Lindsay and McQuaid 2008). There are multiple boards or cross-partner groups through which this alignment of policies during implementation is achieved in the three cities. These groups involve key partners in multi-level governance such as Jobcentre Plus, the City Council, skills funding agencies, etc. However, there are examples of confusion and difficulties as a result of strategies not being coordinated during development and also during implementation. Coordination and local flexibility in national policies was stressed as extremely important because although some characteristics of unemployment are similar for individuals, the context could be, and in many cases is, different.

Actors involved in policy development are also present in implementation, and there seems to be more coordination achieved at this operational level. In some instances organisations at different levels (such as Jobcentre Plus, local government, and other providers) coordinate around projects (for example when finances allow it through pooling money together to provide or contract out services), at specific times (when big developments are taking place), or around specific initiatives such as employer engagement. In some cases this coordination avoids duplication and achieves complementarity, while in others creates service provision. The Employment Offer developed in Edinburgh is a good example of multi-level cooperation at operational level around a particular issue (Good Practice 2).

Good Practice 2 – The Employer Offer (multi-level integration during policy implementation)

The Edinburgh Employer Engagement subgroup, part of the Joined Up For Jobs Strategy Group, is presented as a step towards the aim of bringing forward the employer engagement strategy across Edinburgh and bringing it under what is called the 'Employer Offer', delivered through Joined Up For Jobs. The employer engagement strategy ensures that where stakeholders[19] can work together they will do, avoiding duplication. When partners work with an employer they are aware of other organisations' offers across Edinburgh and they represent the partnership, so employers get the same offer across the city via a first point of contact. The Employer Offer happened at some points, for example, when Primark opened in Edinburgh, Amazon relocated to Waverley Gate, and as a result of recruitment in relation to home care. Partners in the group include Jobcentre Plus, Capital City Partnership and City of Edinburgh Council. As part of this employer offer there is an online directory of all the services for employers provided by organisations on the Joined Up For Jobs Directory

One interesting and unusual example of coordination of different policy levels is Newcastle Futures. It is a 'hybrid' that brings together Jobcentre Plus and Newcastle City Council (Good Practice 3). Although it could be an example of integration or co-production, the reality of limited discretion by Jobcentre Plus creates more a form of limited cooperation between these two bodies.

Good Practice 3 – Newcastle Futures (multi-level integration during policy implementation)

Newcastle Futures is an interesting example of multi-level policy coordination. It was set up by the council around 2007 as a strategy to deal with worklessness, through a not-for-profit business. It is very much a delivery organisation, although there are some indications that it could develop a more strategic role. It is a 'hybrid', with Newcastle City Council and by Jobcentre Plus aligning resources to work jointly. It combines council policy and Jobcentre Plus national UK policy on employment. Jobcentre Plus systems do not allow for flexible support, but Newcastle Futures permits more flexibility in the delivery of services and ways of client engagement, and it introduces innovation, for example through engaging with services users via social media.

There seems to be an increase in working together between different levels of policy, but in some cases even when this multi-level coordination takes place collaboration seems to still be limited by bureaucracy, lack of discretion, and inflexible funding streams. The UK Government has recently given more flexibility to Jobcentre Plus districts through the Flexible Support Fund[20]. Cooperation, and in some cases even co-production, with other agencies could be possible at implementation level through this flexible funding stream.

> *"Jobcentre Plus is an organisation, they have their own drivers, and … Jobcentre Plus district managers will sit with us and agree with us one thing and mean it. And sometimes that just changes, and they said 'I am really sorry but we can't do that anymore', that is part of the difficulties of working, or trying to align national drivers and local drivers."*

Lack of multi-level governance coordination during implementation in the devolved administrations, translated in disjointed services for individuals:

"There is still some tension between national provision through Jobcentre Plus or DWP [the Department for Work and Pensions] *programmes and the more local provision, so our integration or lack of it with Work Programme providers locally for example is a challenge."*

Table 4 presents a summary of barriers to, and enablers of, multi-level integration during policy implementation.

Table 4 – Barriers to and enablers of multi-level integration during policy implementation

	Edinburgh	Cardiff	Newcastle
Enablers	- Boards, cross-partner groups, etc. (alignment with some complementarity) - Project and practical needs (collaboration within limits) - Formalised systems for collaboration - Similar priorities (co-production) - Interest in specific initiatives: leadership, relationships, interest (cooperation) - Flexible funding (coordination or co-production)	- Similar priorities (co-production) - Project and practical needs (collaboration within limits) - Boards or groups (alignment) - Institutional creations (limited cooperation) - Flexible funding (coordination or co-production)	
Barriers	- Centralisation - Rigid funding streams - Bureaucracy - Limited discretion from national employment service operating locally - Different priorities (activation, targets, etc.)		- Little discretion from national employment service operating locally

4. Multi-dimensional integration

This section describes the degree and type of multi-dimensional integration (Appendix 1) in each of the three cities during policy development and implementation. It explores barriers to and enablers of integration, and presents good practice examples.

Summary

There seems to be a lack of coordination between departments at national and local level, with 'silos' being a result of policy fields' different priorities and aims, boundaries, and streamed funding. Coordination amongst different policy fields differ in strength and convergence towards employability in some instances seems to be the result of employability focused contracts. Budget reductions or efficiency savings were seen as bringing opportunities and threats to integration. At implementation level there are some good examples of coordination due to tactical operational needs and facilitated by a number of factors.

4.1 Policy development

Multi-dimensional coordination is seen as important to create efficiencies and synergies, and to ensure coherence between policy areas (McQuaid and Lindsay, 2005). Policies are developed at national UK or devolved national level through the various ministries. There seems to be a lack of coordination between departments at national level. Lack of coordination within central government has been recognised since the 1970s (NAO, 2013) and according to some authors, fragmentation has increased due to further departmentalisation and boardisation of policy (Wilks, 2007).

Local government has a number of statutory responsibilities regarding public services and develops policy accordingly. Centralisation could inhibit integration between policy fields, due to lack of local level powers.

> *"You can get partners sitting in a room talking to each other about what they would like to do, when the reality is that they have got no resources to do anything, because the power lies elsewhere".*

Nevertheless decentralisation, which in some instances has taken or currently takes place, was not seen as a forthright solution, because cultural and structural factors (such as lack of leadership and authority vacuums) and lack of resources inhibit coordination. The three cities had strategies at local level regarding employment, education and skills, housing, and economic development. There are partnerships and/or boards that bring departments and partners together and focus on specific areas such as health, housing, employability etc. in Newcastle, Cardiff, and Edinburgh. Partnership governance in Newcastle especially seems to have weakened since 2010 as a result of the abolition of the Local Strategic Partnerships (which were similar to Community Planning Partnership in Scotland and Local Service Boards in Wales).

However, the join-up of services 'in practice' is not as effective as expected, and when those links happen they seem to be a result of *particular projects*, due to *operational and tactical needs*, to *the existence of historical relationships*, or due to *leadership* taking coordination forward.

> *"Integration happens more in spite rather than because of the system"*.

'Siloisation' was said to be a result of *policy fields' different priorities and aims*, sometimes just due to *boundaries*, and also encouraged by *narrow streamed funding* which is both defused and centralised at the same time and which discourages partnership working. Departmental budgets were said to increase the possibility of protectionism and the planning of services around budgets rather than individuals' needs and the need for coordination. Therefore a solution mentioned could be central budgets. Although even when funding is non-ring-fenced, such is the case for local governments in Scotland, allowing *"for a more cohesive policy to be developed"*, budgets are still allocated on a departmental basis.

In some cases multi-dimensional integration in local government is sought *through mergers and transfers* or by *bringing contracts together* between different departments such as in Edinburgh, by *bringing multiple partners around a common objective* as in Newcastle around the City Deal, or by *creating boards and groups* as mentioned above. *Changes in administration* affect integration due to rescheduling and terminating programmes and initiatives from the previous administration, and in some cases creating new ones.

It was stressed that a solution to siloisation could be the development of shared objectives, or to a lesser extent a shared framework. This would mean that interventions would follow a path with a common direction, even if interventions were from different policy areas and intervened at different points on that path. This shared objective could create alignment, collaboration or co-production of services towards a recognised shared outcome. This could also be achieved by having a core focus, such as an initiative, programme or policy, around which other policies areas coordinate. However, lack of intelligence on service users and on successful paths to a better situation can be a barrier to achieve this. This resonates with Edinburgh's development of a shared 'employability' framework within which diverse policy areas incorporate (Good Practice 4).

> *"We are hoping to influence these services to recognise employability as an important part of their holistic plan for their client, but we also need to make sure that* [employability] *services are accessible, flexible and relevant enough to be ready and to be available when that happens."*

> *"Some people would be very far from the end aim but as long as the direction is right, interventions will be aimed towards the end objective"*.

Good Practice 4 – The Skills and Employability Pipeline (multi-dimensional integration during policy development)

The skills pipeline in Edinburgh is a five-stage pipeline which represents a client's journey from initial engagement, where they might have a number of substantial barriers, to the final stage of in-work after care (see figure below).
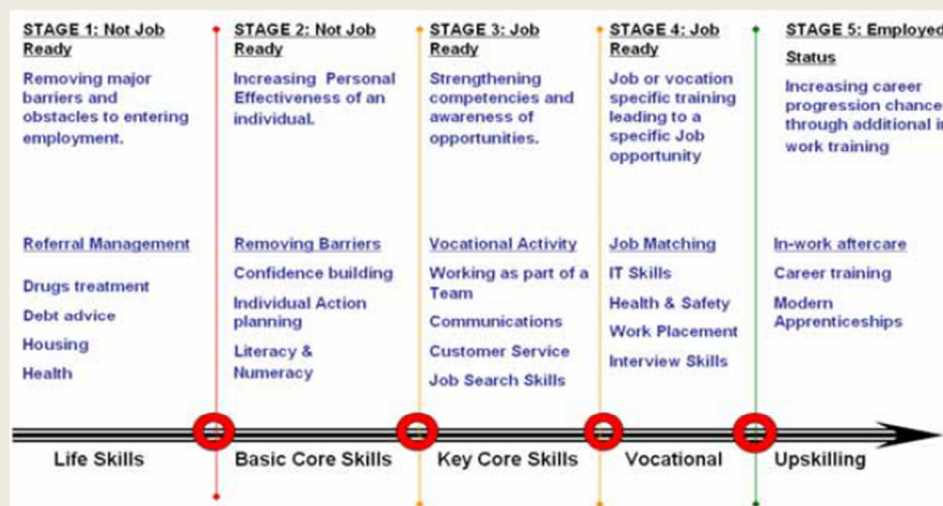
Source: *the City of Edinburgh, Integrated Employability Service Commissioning Strategy 2012-2015 (21 June 2011) Consultation Draft, The City of Edinburgh Council*

The strategy across the city is to use the pipeline as a way of analysing the position of different service providers along it. The Hub Contract is trying to help service users to navigate that pipeline, making sure that the client is in the best place for them at the right time. The idea is that agencies would then refer the client back to the Hub, where the client would be case managed onto the next stage of the pipeline.

"[The pipeline is a] *kind of Maslow hierarchy you know, you need to get stage 1 sorted because these are fundamental things, I mean so for example if someone has a drug habit and a very chaotic lifestyle, you are not going to be able to expect him to go straight into college to do a skills development programme without getting some of the other stuff sorted first, so there is a kind of progression if you like. So it is based on that."*

There seems to be a tendency at local level, and recently at national level, to create case management organisations (similar to one stop shops) that are vehicles for multi-dimensional coordination. Coordination is achieved by linking to other organisations in different fields, or by brining in-house services from different policy areas.

Policy fields

Coordination amongst different policy fields differs in strength. Although policy strategies in some cases have an employment subset on them, the level of development of the subset varies. The coordination of the various policy fields explored in the study (as explained in Appendix 1) is detailed below:

Health and childcare seem to have weaker links with employment, and their strategy and funding seems to lack an employment perspective. Childcare can be a barrier to enter or sustain employment in some circumstances and therefore coordination between these two areas would be beneficial (in Cardiff childcare was not mentioned as a barrier[21]). It is not only supply and affordability of childcare that is an issue; also crucial is when the supply is available, and childcare provision does not seem to have adapted to changes on the 'traditional' hours/days of employment (also found by McQuaid et al. 2010). Also highlighted was lack of knowledge and cultural barriers to childcare use. In Edinburgh the link with childcare was somehow stronger due to *previous initiatives* (such as the Working for Families Fund and links employability areas links to childcare partnerships).

Employment and skills seems to be more closely linked to employment than other policy areas. One reason for this is that most of the funding from the Skills Funding Agency has to be linked to economic and employment goals. However there are areas where employment and skills are unconnected, which creates a number of problems: (1) lack of knowledge of future skills needs, and a lack of 'selling' those careers opportunities; (2) the mismatch between the skills needed in the economy and those being offered by providers (in many cases, courses are offered based on demand rather than need); (3) a missing-link between the skills needed in the economy and the need for entry-jobs was mentioned, which could be addressed by low level training with a progression route into those high-level professions; (4) lack of a funding model that recognises the effectiveness of training providers in terms of employment; (5) lack of focus on employability skills and not enough focus on accessibility of skills provision; (6) lack of commitment to training by businesses, according to stakeholders as a result of the a lack of incentives and within-sector coordination. These issues seem to be more of a problem in Newcastle, where high-level skills shortages affect economic growth. In Edinburgh and Newcastle there were concerns regarding the lack of soft employability skills (such as team work and communication skills) at the younger end of the age scale. Performance management information and steering of providers were mentioned as solutions to lack of coordination.

The positive contribution that business and employers should make to the skills and education agenda was highlighted. In Cardiff, a skills framework has been developed which brings education and skills and employment closer together (Good Practice 5).

Good Practice 5 – Skills Framework (multi-dimensional integration during policy development)

The Welsh Baccalaureate[22] is an overarching qualification into which young people put their normal exams, like GCSEs or A levels. On top of that, a range of core activities, such as Essential Skills Wales[23] and the wider key skills[24], have to be included and passed. There are talks between the Education Department in Cardiff City Council and Jobcentre Plus to make sure that those skills frameworks can be matched to the needs of employers, through a process[25] that has already been tried in Oxfordshire.

Recent developments to link training providers' funding to employment outcomes (or job outcome achievement payments) at national UK and Scottish level appear to be a

mechanism to encourage integration of employment and skills. It was highlighted however that short-termism in the skills strategy, which in some cases was said to occur, would be unable to deliver the aims of achieving a high-skill and knowledge economy:

> *"The bar is being raised in skills, and for people to be able to participate in that economy more investment, and a different pace, is needed"*

Centralism in the skills strategy in England and Wales[26] was said to be detached from local labour markets' needs, and seemed to encourage overcrowding and lack of local coherence in skills supply. Regional institutions, such as the Regional Development Agency in Newcastle before its abolition, seemed to have provided some limited coordination between employment and skills. The North East Local Enterprise Partnership is expected to have some coordinating role in skills and employability, and perhaps a task of simplifying the skills arena. Nevertheless it was mentioned that in many cases even when decentralisation occurs, there is a lack of ownership and leadership to take policy forward. This was said to be perhaps a result of past top-down culture in policy, or due to lack of clarity on responsibilities and accountability.

Housing and employment coordination seemed weak in Edinburgh and Cardiff. In Newcastle on the contrary, the link is well developed. It was initiated by Newcastle Futures which placed employability workers with Your Homes Newcastle (Good Practice 6). In this case both policies integrate in a practical way in terms of focusing on employability of council tenants.

Good Practice 6 – Your Homes Newcastle (multi-dimensional integration during policy development)

Your Homes Newcastle is an Arms-Length Management Organisation responsible for managing council homes on behalf of Newcastle City Council. It has developed an employability strategy for their tenants. The Skills to Work strategy looks at *"how to harness the best approaches out there, and add value to that from what works best for us".* From this strategy, an employability manager position was created, and when the Future Jobs Funds was stopped, they set up a budget of around £172,500 which funds the manager and a number of apprenticeships (around 30 hours a week for 6 months). Around half of apprentices get a job with them or with a third party organisation. Currently work experience and progression routes (of up to a year in white and blue collar posts) are being brought into this. The process has been given more structure (application process and screening). The training, apprenticeship, work shadowing and the Skills to Work strategy which is relatively new (this year is the end of our first year of apprenticeship) is continually evolving. Although the work experience and work shadowing are open to everyone, there is a priority given to tenants. Your Homes Newcastle has started encouraging partners to take their apprentices or to take apprenticeships because *"no one single agency can resolve the issue of unemployment in Newcastle".*

There seems to be a lack of strategy in the three cities with regard to the link between employment and the level of housing benefits (national UK policy) and the housing offer (amount, location and affordability). Housing factors affect the possibility of entering and/or

sustaining employment. This lack of coordination is to some degree a result of centralisation of policy areas, and also siloisation and lack of strategic thinking.

Economic development was not a policy area considered at the beginning of this study, but stakeholders mentioned it as fundamental when considering employment policy:

> *"The real thing we need is a strategy for creating jobs in a lot of areas – it's relatively easy to work with people, to provide them with additional skills and employability … but* [if] *there aren't enough jobs for people to get into them – that work becomes redundant in a sense."*

It was said that coordination between economic development and employment policy was weak in the three cities. This is apparent for example by: the lack of policies to support small and micro businesses, which were considered vital for employment and economic growth; a lack of emphasis on enterprise and entrepreneurship in the curriculum and careers services; and the lack of a link between opportunities brought into the city and opportunities for those unemployed to benefit from them. The latter relates to a lack of coordination between opportunities and skills development training and support, and to poor careers advice and information.

In Wales the lack of economic development strategy was said to be a result of the disappearance of the Welsh Development Agency. The Welsh Government has been keen to develop procurement as part of its employment policy, by influencing through it the creation of work experience, training opportunities, apprenticeships, and increase training through a training bond.

Transport arose in the interviews as an important policy area which seems to be weakly linked to employment policy. Transport issues mentioned that affect employability were availability and affordability (in Newcastle and Cardiff). In Cardiff there is a proposal to have an integrated Metro as part of the City Regions.

Local government departments have experienced in most cases a *reduction of budgets* and/or a need to make *efficiency savings*. In some cases this seemed to be an opportunity for policy departments to work in a more integrated way, however it also seems to have repercussions on the level of service provision and the groups that would be the recipients of these services: i.e. less, and more targeted, provision. Economic necessity could push all departments towards performance output, which in turn could result in increased coherence and shared aims (employability seen as a key aim) therefore driving forward multi-dimensional integration. At the same time is was pointed out that cuts or efficiency savings will mostly come from central services or back office roles, which could mean that structures needed for coordination would not be in place.

As a result of *contractualisation* and *outcome-based payments* with a focus on employability by national and local government strategies, there appears to be a convergence towards employability objectives. For example, this has occurred slightly in social care, and more in learning and adult education.

Table 5 presents a summary of barriers to, and enablers of, multi-dimensional integration during policy development.

Table 5 – Barriers to and enablers of multi-dimensional integration during policy development

	Edinburgh	Cardiff	Newcastle
Enablers	- Cross-department partnerships (alignment: avoid duplication) - Arms-length council organisation (alignment) - Outcome-based contracts (convergence or integration) - Creation of case management organisation (alignment/collaboration)	- Cross-department boards - Embedding employability aspect in housing organisation (integration) - Outcome-based contracts (convergence or integration) - Coordination around projects - Central budgets and a stronger role of value for money projects - National actions e.g. around procurement	- Lack of resources - Around an issue: with help of historical relationship; due to leadership; or pressing need (cooperation)
Barriers	- Duality of centralisation & devolution: employment & skills - Lack of employment perspective / lack of strategic link - Siloisation: different priorities, aims, ethos and funding streams with narrow outcomes - Culture and lack of leadership = e.g. stream funding - Lack of client's information - Lack of labour market information	- Siloisation: Boundaries between departments, rules and etiquette - Lack of detail about tackling specific issues - Separate budgets - Historical silo managing - Lack of focus around which policy areas coordinate - Lack of resources/structures to enable coordination	- Stream-funding - Lack of employment perspective / lack of strategic link - Siloisation: different priorities, aims and funding - Lack of understanding of successful paths - Changes in administration - Lack of performance outputs

4.2 Policy implementation

The need to integrate and to avoid 'silo' cultures was seen as necessary to have effective policies. Stakeholders seem to agree that bespoke approaches to service delivery with flexibility and consistency in the coordination and wrap-around of welfare services is a model to aspire to. Partnerships and/or boards that bring departments and partners together during policy development also have an overview of policy implementation. A cross-partner panel in Edinburgh helps to align policies and avoid duplication within the council, by looking at bids and tenders across departments.

At implementation level there are some good examples of coordination due to *tactical operational needs* and facilitated by *relationships*, *funding streams*, and/or *contractual arrangements*. In many cases, this coordination is unsystematic and ad-hoc because policy and funding dimensions are not being effectively joined up. This lack of strategy and funding coordination means that gaps in provision occur and initiatives are less effective as a result. Gaps in provision are sometimes filled by various funding streams such as the Big Lottery funding etc., and it was mentioned that national UK policies are being subsidised by local services; a situation that it was said causes fatigue in the system and a distorted picture.

Implementation was seen to be improving due to a shared understanding that moving individuals towards employment requires an assessment of their individual barriers, and that to achieve sustainability it is necessary to deal with those barriers along the way, including links with employers, and client and employer post-employment support. Links with employers for example are seen as vital by Cardiff Council Education Department (Good Practice 7), which builds on the development of the Skills Framework (Good Practice 5).

Good Practice 7 – Employer Guarantee (multi-dimensional integration during policy implementation

Cardiff Council Education Department is working with a number of schools in Cardiff, in order to better integrate education and employment. It aims to create links between employers and schools in order to increase young people's information about business in Cardiff, increase the chances of work experience, etc. Building links with employers is vital to this initiative, and a trial with one employer involves a guarantee to recruit a specific number of young people a year, directly from school. This business guarantees an absolute minimum a year (in this trial, currently 4 young people a year) and depending on how the business performs this figure could increase.

"If we could multiply [the employer guarantee] *up with a couple hundred other companies in Cardiff, then we are thinking that it will generate a lot of interest for young people."*

There is also a level of convergence of services from different policy areas towards employability (or employment policy) as a result of *outcome-based contracts* requiring services to focus on participation on the labour market, whether the outcome sought is employment or a step on the path towards employment (this was also found by Osborne et al. 2012). This is the case in Edinburgh via the Hub Contract and the Employability and Skills pipeline part of the Hub Contract (Good Practice 8), in Newcastle as a result of Newcastle Futures, and in Cardiff through some Welsh programmes such as Communities First.

Good Practice 8 – The Hub Contract (multi-dimensional integration during policy development)

Edinburgh's employability and skills strategy will be implemented via the Hub Contract. The Hub Contract is a substantial contract to a consortium to deliver a client focused service and to link to non-employment services that are working with the same client (money advice, housing services, etc.). It has been described as a framework for integration, trying to join up provision and break down protectionism amongst providers, and aiming to provide rounded holistic support. It was put in place on the 1st of May 2012 and is not geographically restricted.

The Hub contract will be able to offer a platform for other services to join-in, with four physical locations in North Edinburgh, East Edinburgh, West Edinburgh and South Edinburgh. Community education teams, community literacy and numeracy workers, will also be based at the hubs. The aim is that it will become a kind of operating method which will provide a rounded holistic support.

Operationally it works on a case management basis, where advisers take responsibility for the client. There has been work carried out both at organisational level but also at strategy level with the aim of providing advisers with as much information about current provision as possible.

Lack of resources was said to be a barrier to coordination, and the need for organisations to justify themselves through narrow outcomes encourages silo mentalities and approaches. Also lack of leadership, communication and openness to accept others' ideas seemed a barrier to coordination. Data sharing was mentioned as very important to encourage coordination and efficiency.

> *"We could help more people if there was better sharing of information from central government, particularly from DWP* (Department for Work and Pensions)*: information when they provided benefits of some kind and we provide support like the social fund, crisis loans... we could make better use of that public money to help more people"*

Table 6 presents a summary of barriers to, and enablers of, multi-dimensional integration during policy implementation.

Table 6 – Barriers to and enablers of multi-dimensional integration during policy implementation

	Edinburgh	Cardiff	Newcastle
Enablers	- Operational or tactical needs: with help of historical relationship; funding; due to leadership; or pressing need (cooperation or in some cases co-production) - Cross-partners panel for bids, tenders and grant agreements (alignment) - Contractual agreements (convergence or cooperation) - Case management organisations (alignment or cooperation)	- Operational or tactical needs: with help of historical relationship; funding; due to leadership; or pressing needs (cooperation or in some cases co-production) - Contractual agreements (cooperation) - Case management organisations (cooperation)	- Recognition of the need for coordination - Funding
Barriers	- Lack of awareness - Lack of resources & competition - Lack of data sharing		- Lack of strategic planning and funding - Narrow outcomes - Lack of coordination at national UK level affect coordination at local level - Lack of data sharing - Lack of leadership, communication and openness

5. Multi-stakeholder integration

This section describes the degree and type of multi-stakeholder integration (Appendix 1) in each of the three cities during policy development and implementation. It explores barriers to and enablers of integration, and presents good practice examples.

Summary

There are some examples of policy development which aim to encourage multi-stakeholder coordination, but not many where stakeholders come together to develop policy. Different ethos and drivers, lack of awareness and trust and lack of that sharing and tracking were mentioned as important to coordination. Collaboration between service providers happens at an operational level often in an informal way and as a result of practical needs, initiatives, contracts, and tenders. Competition and lack of resources can discourage coordination and in some cases innovation.

5.1 Policy development

Lack of cohesion, coordination or cooperation between providers, to provide a smooth journey for service users, means that in some cases the journey is slower and less effective. There are nevertheless examples of coordination due to funding or strong local relations.

> *"There are good examples of coordination in specific areas, for particular groups in society … particularly when funding, either coming through Europe or national lottery, has been dependent or conditional on bringing stakeholders together".*

There are also some examples in the three cities of policy development, either at local or national level, which aim to encourage multi-stakeholder coordination, but not many where stakeholders come together to develop policy. Forums that bring together stakeholders seem more about opportunities to exchange information and make connections rather than influencing or creating policy. These policy strategies to encourage integration are usually developed around *contractual arrangements* initiated by local or national government, such as the Hub Contract in Edinburgh, Newcastle Futures in Newcastle, and Welsh programmes such as Communities First in Cardiff. In some cases, such as in Edinburgh, stakeholders are organised around a skills and employability pipeline framework, while in others they are organised around a project with service delivery objectives. Not all the provision in the area is brought into these arrangements but in some cases, as in Edinburgh, there is an effort to create an *awareness* of local provision amongst all stakeholders in the area as a way to encourage coordination.

In Edinburgh and Newcastle there was a feeling that the third sector was not being considered fully in policy development and strategic implementation, while in Cardiff the third sector seemed to be more represented than the private sector. In Cardiff, the Wales Social Partners Unit was created by the Welsh Government to improve coordination between the social partners (employer organisations and unions) and the government (Good Practice 9).

Good Practice 9 – Wales Social Partners Unit (multi-stakeholder integration during policy development)

The Wales Social Partners Unit is an example of good practice in Wales. It brings together unions and businesses. It is chaired by the Welsh Government First Minister, and aims to *"improve the engagement of the business representative bodies in Wales and the Wales TUC (the social partners) with the Welsh Government and the National Assembly for Wales"[27]*. According to a stakeholder it is capable of playing an important role in times of crisis or emergency responses, such as Pro-Act and Re-Act[28] policies, but the aim would be to establish a relationship of long-term policy development even if difficulties are recognised, such as the government having its own priorities.

"It is very much a European project that has been experimented in Wales. I think in Germany it has been used to an extent … it is a test of how good it works."

The *number of funding actors* at different levels creates a situation where strategic stakeholder coordination is difficult. Due to funding being disjointed, duplication and ineffective use of resources could occur. Rationalisation of provision with fewer agencies and more coordination were seen as desirable, although at the same time it was recognised that having a variety of organisations, rather than mono-cultures, is beneficial to encourage engagement, specialisms and different ways of working.

> *"In all this the client has been to some extent lost in the process, by not having a coherent system, for example around young people and learning".*

Contractual models can influence integration of stakeholders, with some discouraging and other encouraging coordination. National UK initiatives such as the Flexible New Deal from the previous administration and the Work Programme from the current administration are contracted to single prime provider organisations which are expected to have a supply chain of subcontractors. This expected coordination of service providers by the prime did not happen to the extent expected in the Flexible New Deal. The Work Programme has some novel features, and due to lack of published information is difficult to assess the level of coordination between providers at strategic level. However the recent Department for Work and Pensions evaluation report (Newton et al. 2012) hinted at the low use of 'paid-for spot providers', either as a result of low participant numbers with specialist needs or due to providers minimising external cost. Reports from different stakeholders nevertheless mentioned a lack of strategic planning in the Work Programme. Newcastle seems to be innovative in the sense that there is a regional Work Programme Board, perhaps unique in England. Stakeholders stated nevertheless that the board is not resourced adequately, has narrow confines and very little influence on the practicalities of the Work Programme.

Specific issues, such as employer engagement (Good Practice 2) bring stakeholders together at strategic level. Although factors such as *different ethos and drivers* can discourage coordination, therefore building trust and increasing awareness was said to be very important. In a time of *scarce resources* coordination could suffer due to stakeholder wanting to keep service users.

Lack of data sharing seems to be one of the important barriers to coordination, which could create duplication and inefficiencies. Data sharing and data tracking were mentioned as vital in order to wrap services around individual needs, and in order to develop a clear understanding of what methods work in assisting individuals at any stage. The latter would help to develop common understandings and will aid integration. In Edinburgh, the Caselink management information system is a good example of data sharing and tracking (Good Practice 10).

> *"It is not one size fits all, and I agree with that, but equally you know there may be only four or five sizes that fit 99 per cent of the people."*

Good Practice 10 – Caselink Management Information System (multi-stakeholder integration during policy development)

Caselink in Edinburgh is a tool developed at strategic level to make the tracking of a client easy for organisations, by sharing data via a web-based management information system. Caselink is a management information system, but also a client management system. The system aims to allow services to wrap around the individual, making services seamless and easy to access, not only for the service user but also for organisations that refer service users and/or get referrals. Data can also be aggregated and disaggregated by project, area, etc. to know how many people are achieving outcomes and to ascertain service performance. The system could also be a step towards rationalising the provision landscape.

"[Caselink] will begin to tell us along a pipeline, what is the level of provision we have in each stage of the pipeline, what we need, where are the gaps, and at what stage provision starts to work, how quickly it starts to work … I think we don't interrogate [the data] *enough."*

Table 7 presents a summary of barriers to, and enablers of, multi-stakeholder integration during policy development.

Table 7 – Barriers to and enablers of multi-stakeholder integration during policy development

	Edinburgh	Cardiff	Newcastle
Enablers	- Formal structures: partnerships of stakeholders (awareness) - Contracts or bids (cooperation or potential co-production) - Specific issues	- Contracts or bids (cooperation or co-potential production) - Institutional structures (co-production)	- Funding (contracts or bids) - Strong local relations
Barriers	- Multiple funding actors - Overcrowding of providers landscape - Lack of data sharing - Lack common understandings and lack of evidence-based information - Different ethos and drivers: therefore need for trust and awareness		- Multiple funding actors - Lack of data sharing - Lack common understanding - Scarce resources and increase focus on meeting targets

5.2 Policy implementation

Proper integration at implementation level requires strategic planning, and although this is recognised as difficult it was also mentioned as vital. Collaboration during implementation

seems to happen often in an *informal way* and a*s a necessity* if programmes are to be successful: for example where a provider is offering drug treatment services, and needs childcare or housing solutions. Some of these services would be funded by the provider seeking them, some would be available already, and some others would be negotiated. There are a number of examples of coordination, around practical needs, initiatives, contracts, and tenders between service providers in all three cities. Increasing collaboration seems to be taking place between employers and service providers, including education and training institutions (e.g. moves towards university techno-colleges, Good Practice 7). This collaboration seems to be in part fuelled by the increase in *outcome-based contracts*, where service providers have to achieve job outcomes and coordination with employers is therefore crucial.

Coordination of stakeholders is sought by the creation of *case management organisations* through contractual arrangement, as mentioned previously. It is an attempt to coordinate a number of providers via cooperation or alignment, but not the entire local provision. Case management was also mentioned as a way of supporting people in their journey, building trust, seamless services and continuation of support. In Newcastle and Edinburgh both Newcastle Futures and the Hub Contract act as case management organisations, with a service provision model in the first case base in the individual at the centre and in the second based in the skills and employability pipeline (Good Practice 8 and 4).

> *"Normally you have an individual which is receiving support from a number of agencies … and in each, there is a case manager (key worker, case worker, social worker, etc.). The idea would be to have one case worker that deals with an individual's needs and refers to, or puts in place, other support for this individual. So there is only one point of contact."*

It is interesting that *contractualisation* is being used to achieve coordination of providers and/or policies.

> *"It seems … that you will get far more actual on-the-ground integration from a contractual arrangement that from another 10 years' worth of encouraging collaboration, and part of that was about reducing the actual and most cases in my view the perceived conflicts around the outcomes payments and transferring people over and all that kind of stuff."*

Overcrowding (i.e. too many organisations providing services to different beneficiaries) was mentioned as a barrier to coordination, creating confusion and duplication. This has been linked to disjoint funding that overlaps and duplicates. A solution could be rationalisation of provision; nevertheless, a fine balance was stressed as necessary, as having a variety of organisations is also beneficial to encourage engagement, specialism and different ways of working. Some national initiatives due to their scope and size could be seen as an attempt to rationalise provision and encourage coordination through case management by prime providers. The Work Programme could be an example of this, although it has been highlighted that in previous programmes prime contractors did not build a supply chain and therefore did not coordinate with local providers. The danger of this could be the creation of a 'mono-culture' or hyper-primes in the delivery of national employability services. While

Work Programme contractors outsourced some of the provision, providers and others stressed that there is no sufficient subcontracting (Newton et al. 2012); this was said to be leading in some cases to the reduction of local provision. At the same time it was stressed that other events have also influenced the decrease in funding for the third sector locally, such as the abolition of the Working Neighbourhood Fund, other regeneration funding, and change towards outcome-based funding. This type of coordination nevertheless is likely to develop more into a principal-agent relationship than coordination or co-production of services between equal partners. For one stakeholder, even local case management organisations (such as the Hub Contract or Newcastle Futures) were seen as too generalist, and there was concerns of 'one size fits all' approaches developing.

At the same time that contractualisation can create coordination, it can also deliver the opposite. *Fewer in quantity and bigger in size contracts* appear to be a barrier to coordination as there is less chance for organisations to collaborate. This trend in contracts is also a barrier to participation for small and in some cases medium size organisations. Consortia could be a solution, but the need for resources and the timescales for tendering make participation difficult. Local government policies in some cases are contracted via grant payments or negotiations rather than tendering. There seems to be a tendency nevertheless to tendering contracts more often, which is an issue for local small organisations that often do not have the resources to tender, or on some occasions the opportunity is not worth the resources. This situation could affect the variety and specialisation of provision at local level. At the same time it could be argued that this would rationalise the providers' landscape and therefore solve overcrowding, which was seen to make coordination difficult.

Lack of money, *competition*, and the increasing use of *outcome-based contracts* could discourage coordination, referrals, and partnership working. Organisations could also become conservative, with fewer tendencies to innovation. Initiatives to encourage integration are seen as necessary but not without tensions, as most providers will be in competition with each other most of the time. For example the Employer Engagement Group in Cardiff is not delivering the expected results due to the amount of interested parties and the competition amongst them.

> *"People are not so keen to share things because they have been pushed into competing with each other, if there is less money people are less likely to work cooperatively and collaborate".*

> *"The rhetoric of partnership can be there but the way the market operates is competitive".*

The Hub Contract for example could not function as a proper coordination model if outcome-based funding is based on job entries, as this would most likely lead to providers' protectionism. Therefore it is not just about aligning service providers along an employability pipeline framework, but making sure *"that the overall contractual provision is joined up and working effectively"*. It was stressed that in a pipeline framework some

providers would not achieve job outcomes. Longer funding provides continuity for small third sector organisations and more sense for those commissioning (Hudson et al. 2010), while short-term funding could discourage integration, and could compromise the effectiveness of interventions. The Work Programme funding period (up to seven years) could be seen as an attempt to tackle short-termism in funding.

It was mentioned that *lack of understanding* between sectors and stakeholders leads to a lack of trust, which stands in the way of coordination. Services' remits (for example between mental health and substance abuse), and lack of leadership were also mentioned as barriers to coordination. Data sharing seems to be one of the important barriers to integration between stakeholders.

Lack of awareness was highlighted as a barrier to coordination, and in many cases coordination efforts start by raising awareness of services available. In Edinburgh an online directory has been created. It aims to increase awareness of the local offer amongst providers, providing more effective support, and supporting coordination (Good Practice 11). A similar directory with all the services for employers provided by organisations on the Joined Up For Jobs Directory has been developed as part of the Employer Offer (Good Practice 2).

Good Practice 11 – Online Directory (multi-stakeholder integration during policy implementation)

The online directory[29] has data on the services, programmes and organisations in Edinburgh that provide support to people seeking work. The aim is to try to make sure that advisers have as much information about current provision as possible. Most providers are included and the directory has various search functions to try to get to the right provider for the client that any organisation is working with at the time. The directory has a number of search options, with data on the services, programmes and organisations in Edinburgh

Table 17 presents a summary of barriers to, and enablers of, multi-stakeholder integration during policy development.

Table 8 – Barriers to and enablers of multi-stakeholder integration during policy implementation

	Edinburgh	Cardiff	Newcastle
Enablers	- Practical needs (cooperation and alignment) - Creation of case management organisation (cooperation or alignment)	- Practical needs (cooperation and alignment) - Projects or issues to rally around - Creation of case management organisation (cooperation)	- Lack of funding and competition
Barriers	- Lack of funding and competition - Job outcome-based funding in some cases - Lack of data sharing - Short-term funding	- Lack of leadership - Competition - Number of providers - Lack of understanding - Limited number of contracts	- Lack of funding and competition - Lack of data sharing - Number of providers

6. Discussion and Conclusions

While the governance of employment policy, which is centralised at national UK level, needs to balance effectiveness and efficiency in supporting activation, it currently it appears to somewhat hinder multi-level coordination during both policy development and implementation. There is very limited local level discretion, except in instances allowed by national UK government (e.g. Youth Contract support for 16 and 17 year olds NEETs, Flexible Support Fund). Alignment of policies and initiatives takes place often in a bottom up approach, even when partners come together in boards or partnerships, by local strategies and initiatives wrapping around national policy: alignment either avoids duplication, achieves complementarity, or both. Co-production or integration seems difficult due to funding and instruments rigidities, the lack of local level influence, and different priorities in terms of policy aims and instruments.

Local government presents a picture of multiple partnership groups and cross-departmental boards, across policy areas, policy levels and bringing a number of stakeholders together. Nevertheless these partnerships do not seem to have the expected effects in practice, where policy is fragmented. Perhaps this is due to the fact that although partners and actors come together there are still structural barriers to integration, and perhaps there is also a lack of vision, leadership or share objective.

Different priorities and funding rigidities seem to keep policy areas working in 'silos'. National and local government has adopted New Public Management characteristics in the governance of public services. In some cases it would seem that, if not properly planned to avoid unintended consequences, competition and performance management (central to New Public Management) could discourage coordination between policy areas and service providers; thus creating fragmentation, even if convergence is observed. At the same time examples can be observed where contractualisation encourages collaboration and co-production between policy fields and service providers: in some cases as one-off project-based integration, in others as a framework for service delivery around shared understandings and common objective/s. Case management is a way to coordinate policy areas and/or providers. Coordination based on case management or frameworks for service delivery can achieve seamless services and continuation of support, potentially increasing effectiveness and reducing service users' disengagement. Nevertheless the creation of mono-cultures should be avoided, according to stakeholders.

Local contexts play a role in the level of alignment or cooperation between policy levels, fields and stakeholders. This happens through local government institutional creations (e.g. Newcastle Future, Edinburgh's Capital City Partnership), informal relations which bring actors together, past initiatives and experiences (Working for Families Fund in Scotland, Your Homes Newcastle) and the use of power by local and devolved administrations on issues indirectly related to employment policy. For example, in the devolved

administrations, lack of multi-level coordination is even more acute, as devolved skills policies can either coordinate or not with national employment policy. The Work Programme is a case in point, where devolved administrations have used devolved powers in a way that has created a policy environment for the Work Programme quite different compared to England. It was said that politics play a role in multi-level coordination, as having different administrations (different aims and priorities) at various levels could be a barrier to coordination. Changes in administrations can also hinder coordination. Local context also influence the level of coordination between policy areas, with some areas such as Newcastle having greater integration between employment and housing, Edinburgh between childcare and employment, and Cardiff between employment and education.

Funding is important as a barrier to or enabler of coordination between policy level, policy fields and stakeholders. Departmental-based funding and narrow outcomes encourages silo working between levels and policy fields. Multiple and disjointed funding streams create duplication and overcrowding of the provision landscape, and although rationalisation seems desirable, the threat of creating mono-cultures has to be taken into account, as it would affect service user engagement, and specialist provision availability. Fewer and bigger in size contracts seem to encourage rationalisation of the provision landscape, and perhaps coordination, but this could be creating 'hyper-primes' and a situation where competition is reduced, which seems to go against New Public Management principles. It was also said that, at a time of scarce resources and when outcomes are focused primarily in job-outcomes, competition seem to hinder coordination.

On the ground there are many instances of cooperation and co-production as a result of tactical operational needs and specific initiatives, but lack of strategic and funding coordination means that gaps in provision occur and initiatives are less effective as a result. The current reduction in budgets and/or a need to make efficiency savings in some cases seems an opportunity for policy departments to work in a more integrated way, however it also seems to have repercussions on the level of service provision and the groups that would be the recipients of these services: i.e. less and more targeted provision.

Issues such as lack of data sharing and lack of service user data (evidence based data on what works) are barriers to coordination. Lack of trust, openness and past experiences also contribute to disconnect between level, policy fields and stakeholders.

The report presents a number of good practices in integration at each of the levels during policy development and implementation; there will be many more examples that have not been covered here. The report also presents a number of common barriers to integration and a number of factors that seem to enable integration (Appendix 7). The study did not find vast differences between the three cities. Local context and devolution arrangements did influence the level of integration. The report argues that lack of cohesion, coordination or cooperation between policy level, fields, and providers, results in inefficiencies, duplication, and lost opportunities.

Table 9 describes local multi-level, multi-dimensional and multi-stakeholder integration types in employment policy. This is based on Table 11 in Appendix 1, which shows expected coordination types at each level according to governance types. Table 9 shows similarities in the three cities which tend to display New Public Management characteristics in the governance of public services.

Table 9 – Local multi-level, multi-dimensional and multi-stakeholder integration types in employment policy

Coordination level		Governance Type		
		Edinburgh (mostly NPM, NPG)	**Cardiff (mostly NPM, PA, NPG)**	**Newcastle (mostly NPM)**
Multi-level	Policy development	Centralised / Devolved	Centralised / Limited Devolved	Centralised
	Policy implementation	Centralised / Alignment and Limited Coordination	Centralised/ Alignment-Limited Coordination	Centralised/ Alignment and Limited Cooperation
Multi-dimensio	Policy development	Fragmented / Cooperation and Alignment	Fragmented / Alignment and Cooperation	Fragmented / Alignment
	Policy implementation	Fragmented / Cooperation and Convergence	Fragmented	Fragmented / Cooperation
Multi-stakehold	Policy development	Contractual (local pipeline)	Contractual	Contractual (local collaboration)
	Policy implementation	Contractual (cooperation / alignment)	Contractual	Contractual (cooperation)

Appendixes

Appendix 1 – Theoretical Background

This report identifies and compares methods and practices of integration in local governance, bringing out the barriers to, and enablers of, integration and presenting good practice examples in achieving integration. Specifically it focuses on the integration of various policy areas, different political and administrative levels, and various stakeholders (Figure 2) during policy development and implementation.

Figure 2 – An integrated approach towards social cohesion.

Source: Local Worlds of Social Cohesion. The Local Dimension of Integrated Social and Employment Policy. LOCALISE project proposal 2010.

The study is underpinned by a range of theoretical propositions (Fuertes 2012). These are briefly presented below:

- Employment policies, including active and passive labour market policies, are a common tool that governments use to increase employment and the participation in the labour market of economically inactive individuals.
- As a result of a number of challenges to welfare regimes, such as economic globalisation, demographic changes, labour market changes, processes of differentiation and personalisation, and reduced government expenditure (van Berkel and Moller 2002, Taylor-Gooby et al. 2004), it has been argued that a new paradigm in the approach towards social policies is emerging. This 'activation approach' seems to go beyond the increase of active labour market policies, although this is contested by some scholars who use both concepts interchangeably.

- Due to the characteristics of these changes in activation, it has been argued that to be effective, activation policies have to be joined-up and tailored to the individual's needs (McQuaid and Lindsay 2005). This requires the integration of previously separated policy fields, of different stakeholders, and of various political levels with local government playing an increasingly important role.
- The principles of New Public Management have been adopted to different degrees and in diverse forms, by governments across Europe. New Public Management is often linked to activation policies, but it has been argued that new approaches and governance methods are necessary in the governance of activation, such as in New Public Governance.
- It is the theoretical proposition that: (a) integration of relevant social policy fields is of benefit to the effectiveness of activation policies; and (b) that some aspects of New Public Management may inhibit such integration.

Governance of public policies

Countries across Europe have dealt with the challenge of social cohesion through different state traditions and various modes of public governance. Governance is defined as "public and private interactions taken to solve societal problems and create social opportunities, including the formulation and application of principles guiding those interactions and care for institutions that enable them" (Kooiman and Bavinck 2005 in Ehrler 2012:327). In order to cope with societal and economic changes and challenges, "reforming governance has become part and parcel of the strategies that governments" develop (van Berkel and Borghi 2007:277). In this report the focus is on the development and implementation of operational policy (the organisation and management of policy-making and policy delivery), although as a number of authors have mentioned, formal policy (that is the substance of social policies) and operational policy are interlinked to various degrees and affect each other (van Berkel and Borghi 2007).

Through time, public sector governance has changed as a result of pragmatism (Osborne 2010), ideology, or both. These changes have been categorised by a number of scholars into 'ideal' types: each type with specific characteristics regarding its core claim and most common coordination mechanisms (Denhardt and Denhardt 2000, Osborne 2010, Martin 2010, Pollitt and Bouckaert 2011). It is recognised that governance modes are seldom found as ideal types as they tend to display a hybridisations with mixed delivery models (van Berkel and Borghi 2007, van Berkel et al. 2012b, Saikku and Karjalainen 2012). In many cases these mixed delivery models produce tensions and contradictions. Governance approaches are not only diverse but dynamic (van Berkel et al. 2012a), with changes in the design happening over time. Three of these ideal types are described in Table 10 below.

In *Public Administration* the role of government is that of 'rowing' by designing and implementing policies. It has been characterised as a governance mode that focuses on administering a set of rules and guidelines, with a split between politics and administration

within public administrations, and where public bureaucracy had a key role in making and administering policy but with limited discretion. Universality is the core claim of service delivery. Coordination between actors is mainly based on a system of fixed rules and statutes with legislation as the primary source of rationality. Bureaucratic organisations use top-down authority with agencies and there is central regulation of service users.

In the late 1970s and 1980s, Public Administration was criticised as inefficient and unresponsive to service users, gradually leading to the rise of *New Public Management*. One argument was that the state should be an enabler rather than provider of services, hence the role of government was seen as 'steering' rather than as a provider of services, with an emphasis on control and evaluation of inputs and outputs through performance management. Regulation by statute, standards and process requirements are largely replaced by competition, market incentives or performance management. This is combined with administrative decentralisation and wide discretion in order to act 'entrepreneurially' to meet the organisation's goals. The introduction of market-type mechanisms, private-sector management techniques and entrepreneurial leadership has been, and is, justified in many European countries as a way to increase choice, create innovation, and deliver improved efficiency and value for money (McQuaid and Scherrer 2009, Davies 2010). Although marketisation in public services is often used, it encompasses differences from conventional markets as the state remains involved in the financing of services, providers are not necessarily private and consumers are not always involved in purchasing (van Berkel et al. 2012b) – as a result Le Grand (1991) refers to such public service markets as quasi-markets. Although most European countries have adopted many of the principles of New Public Management, approaches to both policy development and policy implementation vary (Pollitt et al. 2007, Ehrler 2012).

It has been argued that, as a result of the realisation that New Public Management had had some unintended consequences and was not delivering the expected outcomes, and due to changing socio-economic conditions, the governance of labour market policies is changing towards the adoption of a new mode of governance inspired by partnership working and synonymous with *New Public Governance* or *network governance* (Osborne 2009). It is influenced by partnership working and characterised by a highly decentralised and more flexible form of management, and is thought by some to be more appropriate for the coordination of multi-actor or multi-dimension systems. The role of government is seen as that of 'serving' by negotiating and brokering interests and shared values among actors. Instead of fixed organizational roles and boundaries, the notions of joint action, co-production or cooperation play a major role, with leadership shared internally and externally within collaborative structures. Discretion is given to those administering policy but it is constrained and explicitly accountable. In this model the beneficiaries and other stakeholders[30] may have a greater involvement in the development and implementation of the policies or programmes.

Table 10 – Governance typology according to core claims and coordination mechanism

Key elements	Governance Types		
	Public Administration	New Public Management	New Public Governance/ Network Governance
Core claim	Public sector ethos. To provide public services from the cradle to the grave.	To make government more efficient and 'consumer-responsive' by injecting business-like methods.	To make government more effective and legitimate by including a wider range of social actors in both policymaking and implementation.
Coordination and control mechanism	Hierarchy	Market-type mechanisms; performance indicators; targets; competitive contracts; quasi-markets.	Networks or partnerships between stakeholders
Source of rationality	Rule of law	Competition	Trust/Mutuality

Source: own depiction based on Considine and Lewis, 2003, Osborne 2009, Martin 2010, Pollitt and Bouckaert 2011, and Künzel 2012.

According to Saikku and Karjalainen (2012:300), the need for New Public Governance is the result of activation policies which have transformed the paradigm of the welfare state "from a purely sector-based 'silo' to a multi-sector, joined-up service delivery with its respective governance" and which requires new modes of governance in the more operational sense (van Berkel and Borghi 2007).

Following from the literature above, it is expected that coordination at each of the levels that the study looks at (multi-level, multi-dimensional and multi-stakeholder) would be different according to governance types as illustrated in Table 11 below. This assumption is tested through the analysis of empirical data collected.

Table 11 – Characteristics of coordination by governance typology

Coordination	Governance Types		
	Public Administration	New Public Management	New Public Governance/ Network Governance
Multi-level	Centralised	Devolved	Decentralised
Multi-dimensional	Coordinated	Fragmented	Co-production
Multi-stakeholder	Hierarchical	Contractual	Collaborative

Source: authors' depiction partly based on Künzel 2012

Labour market policy: towards activation

'Traditional' welfare regimes are experiencing a number of challenges: economic globalisation, demographic changes, labour market changes, processes of differentiation and personalisation, and reduced government expenditure (van Berkel and Moller 2002, Taylor-Gooby et al. 2004). As a result of these pressures, the governance of social policies is changing (e.g. by changing the support given to people who are at risk of unemployment or other inactivity, tightening entitlements, or 'transferring' responsibilities). There is discussion of a new era in labour market policy: one where active labour market policies (focused on active labour market inclusion of disadvantaged groups) are increasingly linked

to previously passive measures (social protection and income transfers) and where incentives (sanctions and rewards) to take part in active labour market policies are increased[31]. According to Van Berkel and Borghi (2007:278) activation has five distinct characteristics: redefinition of social issues as lack of participation rather than lack of income; a greater emphasis on individual responsibilities and obligations; enlarged target groups; integration of income protection and labour market activation programmes; and individualisation of social interventions. Nevertheless some scholars equate activation to active labour market policies. As a result of this shift towards activation, it has been said that the governance of labour market policies requires the following:

a) The integration of different policy fields in order to deal more effectively with employability issues that affect disadvantaged groups; and as a result the need for integration of different service providers. This has had an impact on organisational infrastructure and relationships between social services.

b) The greater use of conditionality such as the need to take part in active policies in order to receive passive policies (welfare payments).

c) The increased role for the local level in order to target policies to local specificities.

Therefore it would seem that activation desires integration of different political territorial levels (multi-level), across a number of policy fields (multi-dimensional), and between several actors (multi-stakeholders). This need for integration affects how policies and services are developed and delivered, and therefore is changing the governance of labour market policies. Partnerships, coordination and integration, which will be discussed in the following section, seem central to the effective governance of activation policies.

Activation policies have been classified according to the objectives they try to achieve, often in a one-dimensional approach (i.e. more support or less support). Nevertheless Aurich (2011) proposes a two-dimensional framework to analyse the governance of activation. The two dimensions are: a) *Incentive reinforcement*: enabling individuals to become employed; b) *Incentive construction*: influencing individual action. The first dimension can vary from Human Capital Investment to Employment Assistance, while the second dimension can vary from coercion in one extreme to voluntary action in the other. Labour market policies are then categorised according to their position within the governing activation framework (Figure 3).

According to Bonoli (2010) employment assistance aims to remove obstacle to employment and facilitate (re-)entry into the labour market using tools such as placement services, job subsidies, counselling and job search programmes. Occupation aims to keep jobless people occupied; limiting human capital depletion during unemployment using job creation schemes in the public sector and/or non employment-related training programmes. Human Capital Investment is about improving the chances of finding employment by up skilling jobless people through basic education and/or vocational training. Aurich (2012) adds Counselling to the links of active labour market types.

Figure 3 – Active Labour Market Policy Types

Incentive Construction	Types of ALMPs			
	Incentive reinforcement			
	Coercive Human Capital Investment	*Coercive* Counseling	*Coercive* Occupation	*Coercive* Employment Assistance
	Voluntary Human Capital Investment	*Voluntary* Counseling	*Voluntary* Occupation	*Voluntary* Employment Assistance
	Alimentation			

Source: Aurich 2012 (based on Bonoli 2010 and Aurich 2011).

Within this framework, active support (human capital investment; occupation; employment assistance and counselling) could be geared more towards a life-first approach (in which human capital is the priority) or a work-first approach (in which work participation is the priority). Within the work-first approach there are also differences or departures from the basic job outcome (i.e. moving into a job) to a more sustainable outcome, in which being able to remain in 'sustainable' employment for a long period is the priority (we can call this 'employment-first', especially when career progression is also included).

It could be argued that effective activation will need a relatively longer perspective in labour market participation, if sustainability of outcomes is an aim. Some types of active policies deliver a greater number of job outcomes in the short-term but have less long-term sustainability. Therefore activation seems more suited to high support initiatives which are either life-first or 'employment-first' approaches, both of which will likely require multi-dimensional and multi-stakeholder integration.

Integration of activation friendly policies

It has been argued that the aim of integration in activation is to be able to tackle multiple problems that individuals face, through achieving joined-up and seamless services. Partnership theory can be used to describe the benefits that could be achieved through multi-level, multi-dimensional and multi-stakeholder integration and the barriers that can be encountered. Partnerships according McQuaid (2000, 2009) and Lindsay and McQuaid (2008) can (but will not necessarily): deliver coherent, flexible and responsive services; facilitate innovation and the sharing of knowledge, expertise and resources, improving efficiency and synergy, avoiding duplication, and increasing accountability; and encourage capacity building and legitimisation. A number of limitations to partnerships are also highlighted by these authors, such as differences in philosophy amongst partners, institutional and policy rigidities, imbalance of resources and power, conflict over goals and objectives, lack of accountability, and lack participation and therefore legitimacy issues. Powell and Dowling (2006) compile a number of partnership models found in the literature that can function alongside each other: in terms of what they do, partnerships can be

facilitating, coordinating or implementing; in terms of the relation between partners they can be principal-agent relationships, inter-organisational negotiation, and systemic coordination; in terms of the intention or achievements they can be synergy (resource or policy), transformation (unidirectional or mutual) or budget enlargement.

The focus of this study is on integration, and partnerships are one way to achieve this integration. There seems to be no clear definition of integration, but it is commonly studied as an outcome, a process or both. It can be tentatively defined as a state of increased coherence. In this study integration is considered to be a dynamic process which refers to the development from a state of (relative) isolation to a condition of integration. In this case the study is concerned with the variables, which are likely to enhance or inhibit integration[32]. The strength of integration can range from shallow to deep[33]. A state of *fragmentation* can be defined as when policy levels, dimensions or stakeholders do not relate to each other and work in a state of isolation. *Convergence* can be defined as policy levels, fields or actors conducting similar strategies or actions in relation to an aspect/s although with very little integration (e.g. the need for different departments to consider environmental guidelines in their operations, which is therefore a convergence towards an environmental objective). *Alignment* requires policy levels, fields or actors to conduct their actions or strategies with consideration of other levels', fields' or actors' actions or strategies, in some cases this would require some adjustment. *Cooperation* implies a higher level of integration as levels, fields or actors work together towards an objective or common purpose. The *co-production* concept has been developed mainly to mean the involvement of service users in delivery of service. In this study co-production refers to the situation in which levels, fields or stakeholders produce strategy or deliver policies together. *Integration* would mean the highest level of coherence between levels, fields or stakeholders: a situation or process which goes beyond a one-off or project specific co-production or cooperation, towards a more sustained cohesion of shared objectives, understandings, processes and/or outcomes (e.g. when a housing provider offers employability support to unemployed tenants as part of their day-to-day operation).

Within the same type of integration strength there could be a number of differences: a) regarding the aims of integration, for example alignment could aim at making sure that policies do not interfere with each other, or could seek some complementarity; b) with regard to integration instruments, for example integration can be achieved by bringing different units together in networks or partnerships, by creating new units or bridging agencies, or by merging agencies; c) regarding the approaches to integration, for example cooperation can be imposed by top down rules in public administration, or through contractual requirements in new public management.

Appendix 2 – Maps

United Kingdom
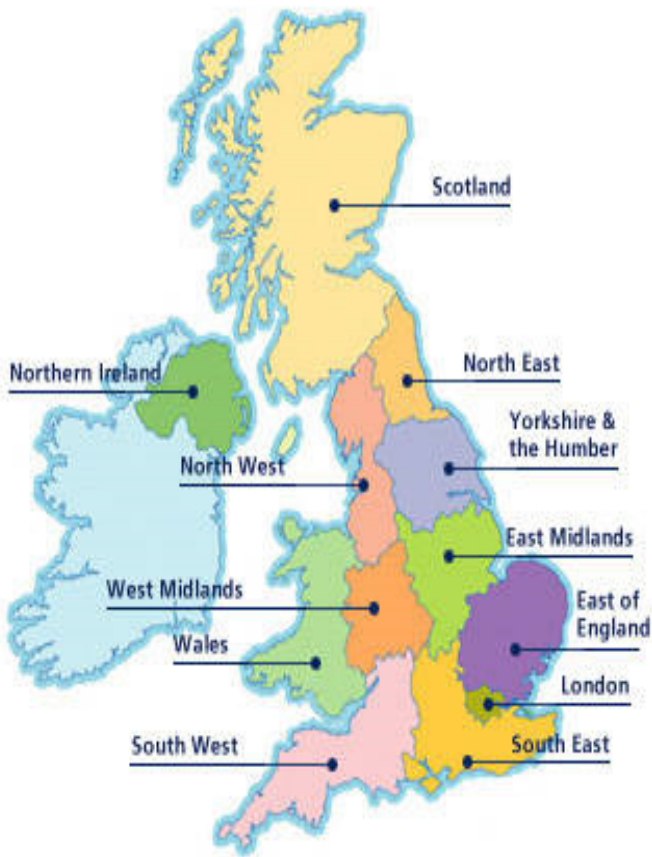
Edinburgh (Scotland)

Newcastle (North East England)

Cardiff (Wales)

Appendix 3 – Socio-Economic and Labour Market Statistics

This appendix presents the data mentioned in Section 1.2.

Table 12 – Population and percentage of 16-64 years-old (2010); percentage of economically active, employed and unemployed (April 2011 – March 2012); and job density by City

| | 2010 | | Apr 2011-Mar 2012 | | | |
	POPULATION	16-64	Economically active rate [1]	Employment rate[1]	Unemployment rate[2]	Job density[3]
Edinburgh	486,100	70.8	76.1	71.6	6.5	0.96
Cardiff	341,100	69.0	72.1	65.4	9.1	0.89
Newcastle	292,200	70.1	70.1	62.9	10.3	0.91
Great Britain	60,462,600	64.8	76.5	70.2	8.1	0.77

Source: ONS annual population survey; [3]
Notes: [1] percentage of people aged 16-64; [2] percentage of 16-64 economically active; [3] density figures represent the ratio of total jobs (includes employees, self-employed, government-supported trainees and HM Forces) to population aged 16-64.

Table 13 – Economic Inactivity (% of 16-64 years-old), reason for inactivity and desire for a job (% or economically inactive)

| | | April 2011 – March 2012 | | | |
		Edinburgh	Cardiff	Newcastle	Great Britain
	Total	23.9	27.9	29.9	23.5
Reasons for inactivity	Student	34.3	38.9	39.3	24.8
	looking after family/home	22.0	20.7	22.3	25.1
	temporary sick		4.9		1.9
	long-term sick	21.0	18.1	19.3	22.2
	discouraged				0.9
	retired	14.4	10.1	11.2	16.7
	other	6.8	7.3	4.1	8.4
	wants a job	14.7	23.5	23.4	23.9
	does not want a job	85.3	76.5	76.6	76.1

Source: ONS annual population survey

Table 14 – Benefit claimant (% of 16-64 resident population) by type

		February 2012			
		Edinburgh	Cardiff	Newcastle	Great Britain
	Total claimants	12.4	16.7	16.5	15.0
Type of benefits	Job seekers	3.5	4.8	4.7	4.1
	ESA and incapacity benefits	6.0	7.2	7.1	6.5
	Lone parents	1.0	1.7	1.8	1.5
	Carers	0.7	1.3	1.1	1.2
	Others on income related benefits	0.3	0.5	0.4	0.4
	Disabled	0.8	0.9	1.1	1.1
	Bereaved	0.2	0.1	0.2	0.2
	Key out-of-work benefits†	10.7	14.3	14.1	12.5
	JSA claimants per unfilled jobcentre vacancy[1]	3.1	5.7	4.7	4.4

Source: DWP benefit claimants - working age client group; [1] Source: Jobcentre Plus vacancies - summary analysis

Note: Key out-of-work benefits includes the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits.

Table 15 – Jobseekers Allowance benefit claimants (% of age group resident population) by length of time claiming benefits

Age	Time length	July 2012			
		Edinburgh	Cardiff	Newcastle	Great Britain
16-64	Total	3.3	4.5	4.7	3.8
	Up to 6 months	1.9	2.4	2.3	2.0
	Over 6 and up to 12 months	0.7	0.9	1.1	0.8
	over 12 months	0.8	1.2	1.2	1.0
18-24	Total	4.9	5.8	5.2	7.5
	Up to 6 months	3.4	3.5	3.0	4.6
	Over 6 and up to 12 months	0.9	1.3	1.4	1.6
	over 12 months	0.6	1.0	0.8	1.2
25-49	Total	3.4	5.0	5.4	4.0
	Up to 6 months	1.8	2.6	2.6	2.0
	Over 6 and up to 12 months	0.7	1.0	1.3	0.8
	over 12 months	0.9	1.4	1.6	1.2
50-64	Total	2.2	2.7	3.1	2.2
	Up to 6 months	1.1	1.2	1.3	1.0
	Over 6 and up to 12 months	0.4	0.5	0.7	0.4
	over 12 months	0.7	1.0	1.1	0.8

Source: ONS claimant count - age duration with proportions

Table 16 – Employment by occupation (% of 16+ years-old in employment)

Occupations	April 2011- March 2012			
	Edinburgh	Cardiff	Newcastle	Great Britain
Managers, directors and senior officials	7.6	8.8	7.4	10.0
Professional occupations	25.4	25.0	22.3	19.2
Associate professional & technical	19.5	14.3	9.7	14.0
Administrative & secretarial	10.6	10.5	11.6	11.1
Skilled trades occupations	7.5	6.7	10.6	10.8
Caring, leisure and Other Service occupations	8.3	9.8	9.1	9.1
Sales and customer service occupations	8.6	11.3	10.8	8.1
Process plant & machine operatives	3.4	4.4	6.5	6.4
Elementary occupations	8.8	8.7	12.1	10.9
Total	99.7	99.5	100.1	99.6

Source: ONS annual population survey

Table 17 – Level of qualification (% of 16-64 population) by case study city

	January 2011- Dec 2011			
	Edinburgh	Cardiff	Newcastle	Great Britain
NVQ4 and above	51.2	38.9	32.8	32.9
NVQ3 and above	69.9	58.5	57.3	52.7
NVQ2 and above	80.9	74.7	70.7	69.7
NVQ1 and above	87.1	84.7	81.7	82.7
Other qualifications	4.6	5.5	5.1	6.7
No qualifications	8.3	9.8	13.2	10.6

Source: ONS annual population survey

Appendix 4 – Typical Journey of an Unemployed Individual through Local Provision

These graphs show in a basic manner the typical journey of a 25-64 year-old unemployed individual in receipt of Jobseeker's Allowance in Edinburgh, Cardiff and Newcastle. They show national and local provision. Red arrows signify mandatory paths to service provision which is generally national UK programmes; arrows with spots mean possible support given or sought by mandatory service providers for clients; while arrows with forward slashes meant non-mandatory paths to accessing service provision, either local, national devolved and national UK provision;

Edinburgh
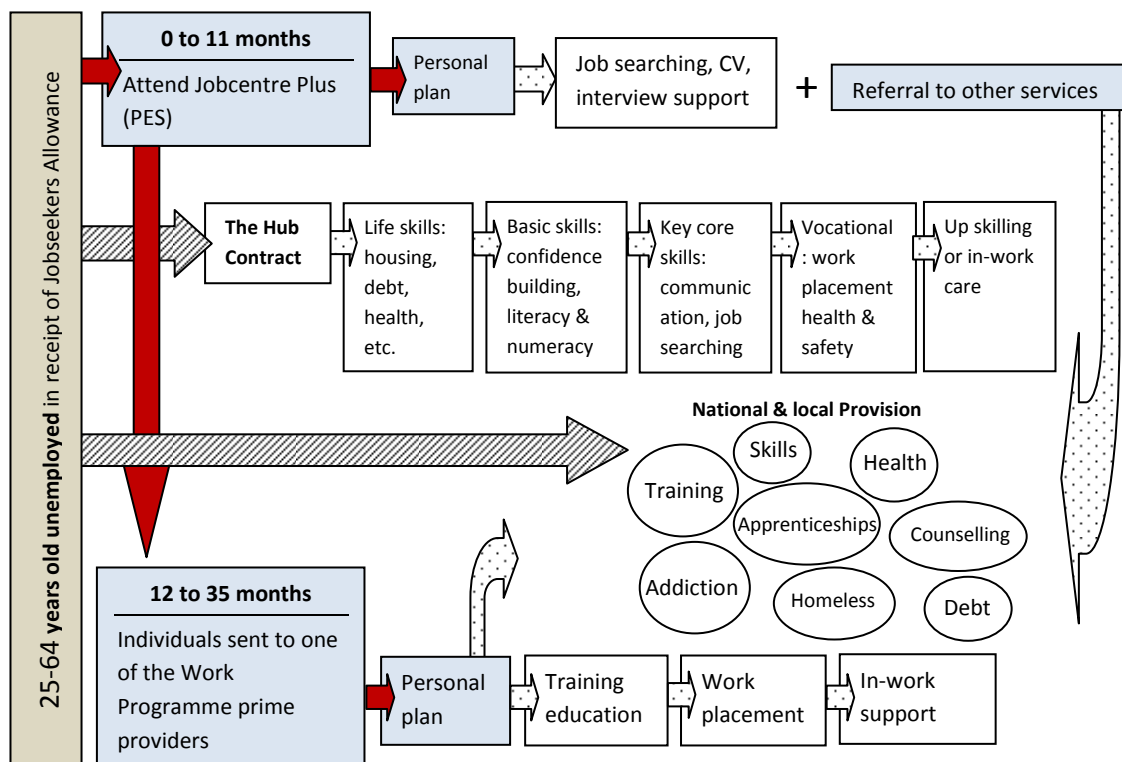
Cardiff
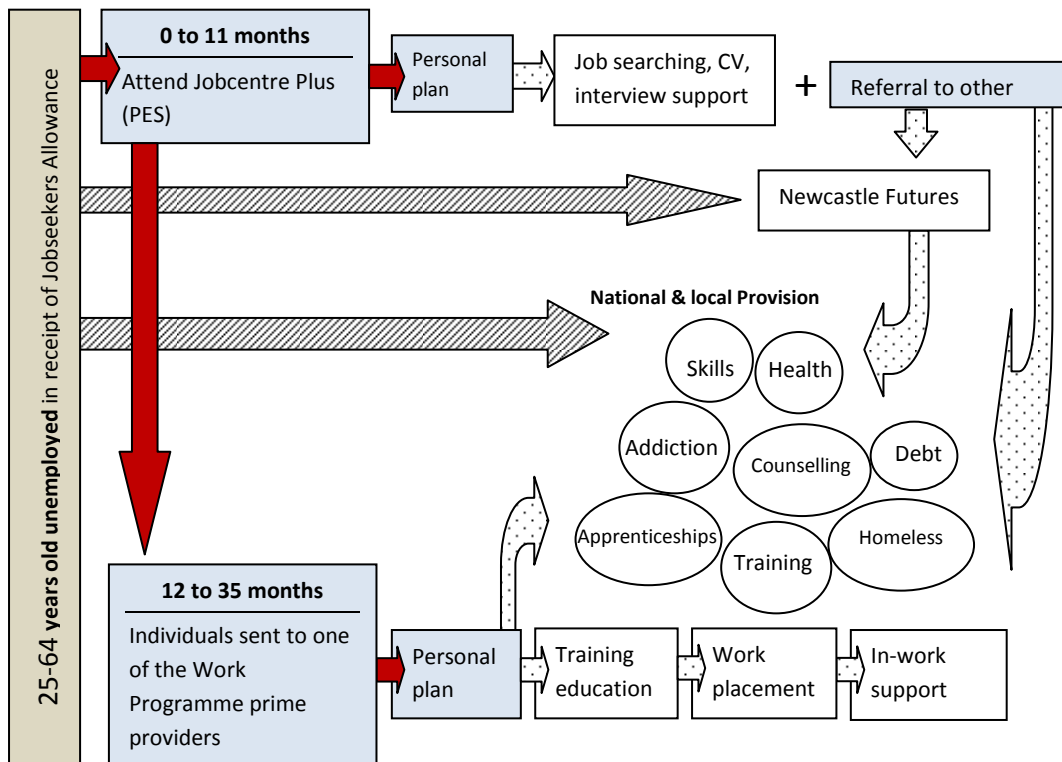
Newcastle

Appendix 5 – Research Methodology

For the individual case studies, 'description' was chosen as the general analytical strategy due to the different political, institutional, and socio-economic contexts in each country. Nevertheless, these descriptions aim to identify casual links to be analysed (Yin 2003). A research framework was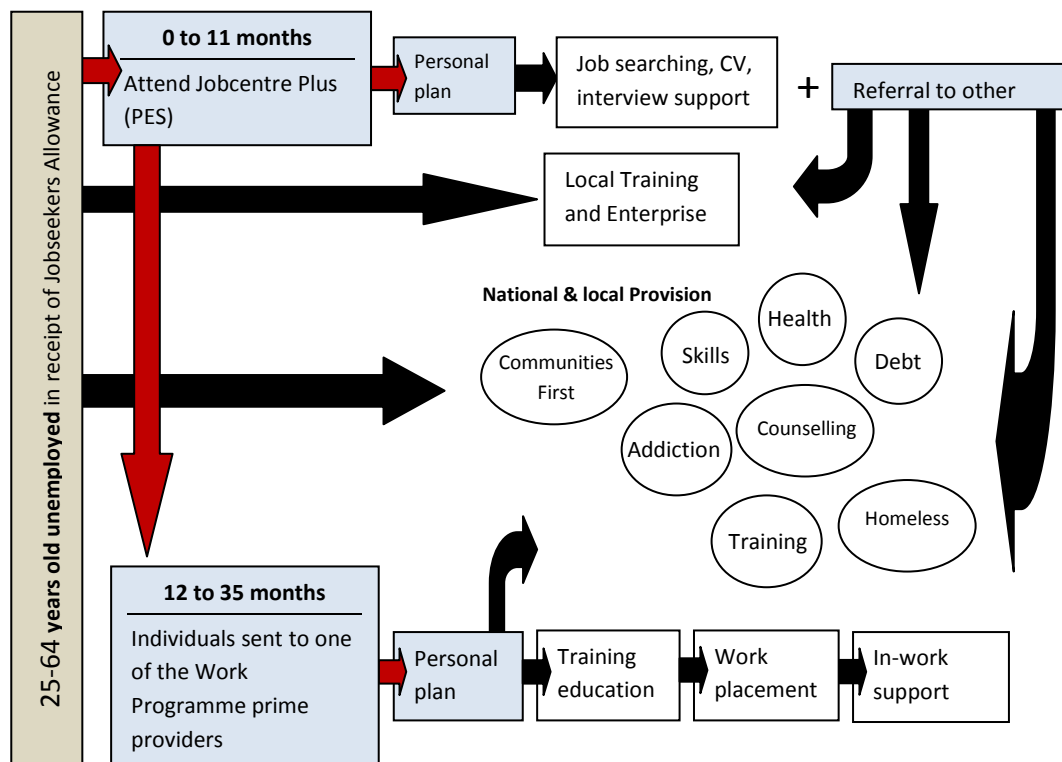 developed with a clear description of the information that needed to be collected, but with enough flexibility to allow each partner to develop interview schedules appropriate to their context. A template for writing the case, which followed the themes and subthemes of the research framework, was established.

The specific analytical technique used to produce the comparative case studies national report was explanation building: 1) having initial (although very tentative) propositions; 2) comparing the findings of an initial (descriptive) case against such propositions; 3) revision those propositions; 4) comparing these revisions with the finding of more cases; 5) and finally producing a cross-case analysis. This iterative mode of analysis has potential problems, which are even more acute in comparative and international analysis. One of them is drifting from the original aim. To minimise drifts from the original topic and initial tentative theoretical propositions, as well as to keep everyone on the same path of explanation building, a first meeting to develop the theoretical and research framework took place before the first case study was conducted, and a second meeting was arranged after the first case study was finished. This meeting had the purpose of: discussing the results from the first case study; revising the propositions; building common understanding and propositions for the next two case studies; and developing the aim, framework and template for the cross-case comparison, as well as for the international comparison. A third meeting took place in which the cross-case and international templates were discussed (by this time two case studies per country were completed). In this meeting the templates for analysis and report were reviewed and agreed.

This coming-together on research aims, frameworks, and strategies for analysis and reporting had to also allow enough flexibility for adaptation to the country and local context, to guard against one of the common weaknesses of comparative and international analysis: rigidity and imposition of concepts and understandings to different settings.

Research Framework

The study does not look at integration success (either of the process or the outcomes); it looks at the achievement (and the strength) of integration, and identifies the barriers and enablers of integration during policy development and implementation amongst different political levels, policy dimensions, and stakeholders.

In order to achieve the aims of the study, a research framework was developed with a clear description of the information that needed to be collected (Appendix 5). It had enough flexibility to allow each partner to develop interview schedules appropriate to their context.

Open-ended questions about the existence of integration (or coordination) were asked to participants who had experience and an overview of the situation at local level. The questionnaire was divided into different sections which separated questions on policy development and policy implementation. Questions in each section were classified as focused on goals, actors or instruments. These questions explored the existence of multi-level, multi-dimensional, and multi-stakeholder integration. The data collected was based on participants' knowledge, experience and opinion on these issues. Care was taken to interview a wide range of actors within each case study to make sure different opinions and experiences were gathered. This knowledge-based primary data was explored and complemented by the analysis of documents (policy and strategic documents, annual reports, academic papers, etc.). The objective of the exploratory research framework was to build a picture of local practices and identify barriers to, and enablers of, integration. Elements that were expected to be either barriers or enablers of integration are presented below. These were part of the study's theoretical framework and questions in the research framework aimed to understand the role of these and explore the role of other factors at the local level.

Possible barriers/enablers of integration
- Governance types
- Local context: institutions; past experiences; control and power; informal relations
- Type of activation
- Funding
- Area characteristics: socio-economic & size
- Organisational issues: culture & trust
- Target group: characteristics & size
- Data sharing

Appendix 6 – Framework for Research and Analysis

Introduction

Explain aims of research, etc.

Background information

Ask about interviewee's role, area of work, length in post etc. This will help with the research questions below.

I - Integration

1. Does an overarching 'integrated' strategy between employment and other social policy areas exist   for supporting disadvantaged groups locally? Is this the case for long-term unemployed (LTU), youth unemployment (YU) and X (the third group chosen)?

> What things are integrated: policies (which ones?), people (who?), resources (which ones), service delivery, programmes)?
> How does this integration work in practice?
  (e.g. a) Alignment; b) Co-commissioning; c) Resource pooling; d) Seeding; e) co-production)
> What are the aims of this integration? Which aim is most important?
> At what level is this integrated strategy set (national, regional, local)?
> Who contributes or controls significant resources (which type: e.g. staff, finances)?
> Are there any barriers to this integrated strategy?
> What are the results of this integration?
> Has there been any change in the past years towards a more integrated approach to dealing with LTU, YU and X? What has changed (policies, target groups, etc.)? Why has this happen?
> What political level influences this strategy (National, Regional, Local)? How? Since when? How has done this? Would this integration occured anyway?

2. For which vulnerable groups does an 'integration' strategy exist at the local level?
> What are the most important target groups? Why?
> How is this decided? By who? What is the influence of (national, regional, local)?
> What is the scale of the strategy: in time and territory (geographical area covered)?

II – Policy Development

Goals

3. Which are the main policies for LTU, YU and X at the local level? At which level are these policies decided (Europe, national, regional, local)?
> What are these policies trying to achieve (what is their aim)? How? Where is this aim coming from (European, National, Regional, Local level)?
> Is there a shared thinking on the best way to deal with LTU, YU and X? What is it? Do you share this? *(e.g. a) Work- first; b) Human capital; c) Social assistance)*
> What are the main outcomes that policies have in these three target groups?
  e.g. a) Attain employment; Increased b) chances for permanent employment; c) employability; d) financial security; c) Enhanced life situation
> Which outcome is most important? What is the balance between them?
> Are there any outcomes missing? How would these be achieved (services, benefits)?

Actors

4. Which actors are important in terms of policy development for Long Term Unemployed (LTU), Youth Unemployed (YU) and X (the third group chosen) at the local level?
> Are those important and influential at national level?

> What is their role in the development process? Explain the process of developing policy.

> Which actors initiate action *(e.g. leadership or co-leadership)*?

> Which actors are missing and why?

> Which actors control resources (finances, staff) and what are the implications of this?

> Are beneficiaries involved in policy development? Why and how?

5. Are you able to influence policy development? At what level (national, regional, local)? How?

> How much can the local level influence policy development? Why? How is this done?

> For your organisation what level would be more useful to influence? Why?

Instruments/tools

6. Are there any formal coordination structures for developing policy at local level? Which are these?

> What is their aim? Are these permanent or have a time frame?

> What levels they bring together (national, regional, local)? Do they included
various departments (which ones)? Do they include different actors (which ones)?

> How were these created? What has influenced their creation (influence of National or
European level)? Why?

> Do you take part on those? What are the main positive and negatives effects achieved?

> Are there any barriers to coordination? What are those (finances, conflict, leadership)?
How are they resolved?

> What are the successes of coordination (enablers of cooperation)? Explain.

> Could cooperation between these actors (and with external actors) be improved? How?

> Have there been any changes to coordination structures? What has changed and why
(influence of National, Regional, Local level)? What are the results?

7. What are the power relations between actors at local level?

> What is the balance of power vertically (national, regional, local), horizontally (various
departments and policy fields), multi-agency (amongst various agencies/actors)?

> How are decisions taken? *(e.g. Top-down; Bargaining; Best argument decides)* give an example.

> What influences decisions? Who has most influence on which decisions? Who sets the
rules and how? Is this an effective approach? Why?

> What influence has the National level on decisions? Why?

> What role, power or influence do beneficiaries (and/or their representatives) have?

8. Do informal exchanges play a role in policy development at local level? Explain and give example

> What form does this takes (explain)? ask for an example

> Do you take part? What are the main positive and negatives effects achieved?

9. Do policies for LTU, YU and X tackle the problems those groups faced? How? If everything was at your
disposal and there were no barriers, how will your ideal policy for LTU, YU and X look like? (key elements: aims,
content, target, outcomes, governance)

> What specific problems/issues would you want to overcome?

> Why would that be the ideal?

> What percentage of the ideal exits in reality (what key elements)?

> Why do the other elements do not exist (lack of political commitment, resources, etc.)?

III – Policy Implementation

Actors

10. Which local actors are important in terms of implementing policies for the LTU, YU and X?
**IF 'IMPLEMENTATION AND STRATEGY' OR 'IMPLEMENTATION AND SERVICE DELIVERY' ARE THE SAME GO
TO 'SECTION IV - DELIVERY'**

> How able is the local level to take part in and influence implementation? Why and how?

> Why are they important? What is their role?

> Are beneficiaries involved in implementation? Why and how?

Instruments

11. How are policies implemented at the local level?

> Are there any formal structures for coordination in implementation? Which are those? How were they created? Are they permanent?

> How are decisions taken? Who sets the rules? Is this an effective approach? Why?
   e.g. a) Top-down; b) Bargaining; c) Best argument

> Are there any barriers to effective and efficient policy implementation? Could cooperation between these actors (and with external actors) be improved? How?

IV - Service delivery

Goals

12. Can you describe what local service delivery for LTU, YU, and X consists of?

> What is the main aim of service delivery for these three groups?
   (e.g. a) Work- first; b) Human capital; c) Social assistance)

> What has influenced this aim (influence National, Regional, Local)

13. At which level (national, regional, local) is local service delivery planned and decided?

> How is this done?

> How able is your organisation to influence service delivery? At what level (National, Regional, Local)? How? What level would be more useful to influence?

> How able is the local level to influence service delivery? Why? Is it effective?

> Has this change over time? Why (National, Regional, Local level)?
   Why? What are the consequences of changes?

Actors

14. Which actors are involved in local service delivery for the LTU, YU and X?

> How are they selected? Ask to describe and give an example.
   e.g. a) Tendering process (what are the relevant criteria for selection?); b) Direct selection (by who?) c) Trust and mutual agreements (how?); d) Other (describe etc.)

> Why is selection done this way, what is the rationale behind it? Who controls the selection?

> How is the financing organised? *(e.g. a) Structural financing; b) Lump-sum; c) Outcome-oriented)*

> How does the way projects are funded affect programme development, delivery and outcomes? Are there any integration contracts for service delivery? How do they work?

Instruments/tools

15. How are services for LTU, YU and X organised at local level? Does service delivery require coordination between actors?

> Are there any formal structures? Explain. Are these permanent or have a time frame?

> What levels they bring together (European, national, regional, local)? Do they included various departments (which ones)? Do they include different actors (which ones)?

> What is the aim of coordination? How does coordination work in practice? Example
   (e.g. a) Alignment; b) Resource pooling; c) Co-commissioning; d) Seeding; e) Co-production)

> How were these structures created? What has influenced their creation (National, Regional, Local level)? Why?

> Who is responsible for coordination? Who controls or influences it?

> Do you take part on these? What are the main positive and negatives effects achieved?

> Are there any barriers to coordination? *(targets; sense of ownership; lack of structures; lack of*

political commitment, leadership, resources; privacy regulations; etc.) How are they resolved?

> What are the successes of coordination (enablers of cooperation)? explain.

> Could coordination between these actors (and with external actors) be improved? How?

> Have there been any changes to coordination structures? What has changed? Why has this happen (influence of National, Regional, Local)? What are the results?

---

16. What are the power relations between actors at local level?

> What is the balance of power vertically (national, regional, local), horizontally (various departments and policy fields), multi-agency (amongst various agencies/actors)

> Who has most influence (and power) on which decisions? Why? Who controls resources?

> How are decisions taken? *(e.g. Top-down; Bargaining; Best argument decides)* Give an example. Who sets the rules and how? Is this an effective approach? Why?

> What influence has the National level on decisions? Why?

---

17. Does local coordination affect service development, delivery and outcomes and how has integration improved service development, delivery and outcomes? Examples

---

18. Do local actors have discretion on the services they deliver? ask for an example

e.g. a) Rigid process; b) Rigid outcomes; c) Discretion or rigidity in both

> In the case of relative autonomy in delivery: how are decisions taken? Who takes them?

> Do organisations have sufficient resources (financial, staff, etc.) to provide the necessary services? Who controls the resources?

> Are beneficiaries able to influence service delivery?

---

19. Do local services for LTU, YU and X tackle the problems those groups faced? Explain, give example

(e.g. creaming and parking; fragmented services; services do not meet needs or heterogeneous needs; rigidity to respond to local or individual issues; focus on wrong targets; etc.)

> Are street-level bureaucrats (case workers) able to deal with the needs of these groups?
(e.g. professional and policy silos; lack of share of information; lack of coordination; etc.)

> What are case worker's priorities (by importance) when dealing with these groups?
(e.g. place the client in work; whatever s/he thinks necessary for the beneficiary; will discussed with the beneficiary the adequate steps; will not interfere much; etc.)

> How is data between organisations coordinated? *(e.g. conferences; direct exchanges; formal reporting; common databank; boundary spanning role; etc.)*

> What are the main effects that this service has on the target groups?
(improved life situation, financial security, employability, chances for permanent employment; etc.)

> What kind of services and benefits are missing?

---

20. Are policy aims for LTU, YU and X being met through local service delivery? If everything was at your disposal and there were not any barriers, what would your ideal local service delivery look like? (key elements: aims, content, target, outcomes, governance)

> Why would that be the ideal?

> What percentage of the ideal exits in reality (what key elements)? Why the other elements do not exist (lack of political commitment, resources, etc.)?

V - Monitoring and Evaluation

21. What mechanisms ensure the delivery of policy and services? And who controls them?

e.g. *a) Trust; b) Directives and guidelines; c) Benchmarking*

> Who decides on the mechanisms? How are those mechanisms set up?

> What do they measure? What is the rationale behind them? What are the indicators? How are these collected and when?
> How do these measures relate to the aims of the policy?
> How do performance measures influence the work with vulnerable groups?
> Are those measures and monitoring instruments useful?
> When have these monitoring and evaluation mechanism been introduced?
> Have those changed? Why?
> What are the results of the evaluations (in terms of policy impacts, organisation, efficiency, effectiveness, beneficiaries, etc.)

22. How are clients' actions monitored?
> Who decides on them? How are those mechanisms set up?
> What do they measure? What are the indicators? How are these collected?
> How do performance measures influence the work with vulnerable groups?
> Are those measures and monitoring instruments useful?
> Have those changed? Why?

Appendix 7 – Barriers To and Enablers Of Integration

Table 18 – Barriers to integration

		Edinburgh	Cardiff	Newcastle
Multi-level	Policy development	- Centralisation: lack of resources, lack of local influence - Little discretion from national employment service operating locally - Different priorities in activation (work first vs. human capital) - Different political affiliations	- Centralisation: lack of resources, lack of local influence - Little discretion from national employment service operating locally - Little discretion for local authorities - Different priorities in activation (work first vs. human capital) - Different political affiliations - Lack of structures / guidelines to coordinate Welsh Government initiatives with local council strategies - Policies planned by those holding resources around resources	- Centralisation: lack of resources, lack of local influence - Little discretion from national employment service operating locally - Different philosophy (outcome vs. needs) - Abolition of Regional Development Agency - Different political affiliations - Different approaches - Local boundaries
	Policy implementation	- Centralisation - Rigid funding streams - Bureaucracy - Limited discretion from national employment service operating locally - Different priorities (activation, targets, etc.)		- Little discretion from national employment service operating locally
Multi-dimensional	Policy development	- Duality of centralisation & devolution: employment & skills - Lack of employment perspective / lack of strategic link - Siloisation: different priorities, aims, ethos and funding streams with narrow outcomes - Culture and lack of leadership = e.g. stream funding	- Siloisation: Boundaries between departments, rules and etiquette - Lack of detail about tackling specific issues - Separate budgets - Historical silo managing. - Lack of focus around which policy areas coordinate - Lack of resources/structures to enable coordination	- Stream-funding - Lack of employment perspective / lack of strategic link - Siloisation: different priorities, aims and funding - Lack of understanding of successful paths - Changes in administration - Lack of performance outputs

		Edinburgh	Cardiff	Newcastle
		- Lack of client's information - Lack of labour market information		
	Policy implementation	- Lack of awareness - Lack of resources & competition - Lack of data sharing		- Lack of strategic planning and funding - Narrow outcomes - Lack of coordination at national UK level affect coordination at local level - Lack of data sharing - Lack of leadership, communication and openness
Multi-stakeholder	Policy development	- Multiple funding actors - Overcrowding of providers landscape - Lack of data sharing - Lack common understandings and lack of evidence-based information - Different ethos and drivers: therefore need for trust and awareness		- Multiple funding actors - Lack of data sharing - Lack common understanding - Scarce resources and increase focus on meeting targets
	Policy implementation	- Lack of funding and competition - Job outcome-based funding in some cases - Lack of data sharing - Short-term funding	- Lack of leadership - Competition - Number of providers - Lack of understanding - Limited number of contracts	- Lack of funding and competition - Lack of data sharing - Number of providers

Table 19 – Enablers of integration

		Edinburgh	Cardiff	Newcastle
Multi-level	Policy development	- Flexible funding (coordination or co-production)	- Flexible funding (coordination or co-production) - Issues or initiatives where national UK policy is not set	
	Policy implementation	- Boards, cross-partner groups, etc. (alignment with some complementarity) - Project and practical needs (collaboration within limits)	- Similar priorities (co-production) - Project and practical needs (collaboration within limits) - Boards or groups (alignment)	

		- Formalised systems for collaboration - Similar priorities (co-production) - Interest in specific initiatives: leadership, relationships, interest (cooperation) - Flexible funding (coordination or co-production)	- Institutional creations (limited cooperation) - Flexible funding (coordination or co-production)	
Multi-dimensional	Policy development	- Cross-department partnerships (alignment: avoid duplication) - Arms-length council organisation (alignment) - Outcome-based contracts (convergence or integration) - Creation of case management organisation (alignment/collaboration)	- Cross-department boards - Embedding employability aspect in housing organisation (integration) - Outcome-based contracts (convergence or integration) - Coordination around projects - Central budgets and a stronger role of value for money projects - National actions e.g. around procurement	- Lack of resources - Around an issue: with help of historical relationship; due to leadership; or pressing need (cooperation)
	Policy implementation	- Operational or tactical needs: with help of historical relationship; funding; due to leadership; or pressing need (cooperation or in some cases co-production) - Cross-partners panel for bids, tenders and grant agreements (alignment) - Contractual agreements (convergence or cooperation) - Case management organisations (alignment or cooperation)	- Operational or tactical needs: with help of historical relationship; funding; due to leadership; or pressing needs (cooperation or in some cases co-production) - Contractual agreements (cooperation) - Case management organisations (cooperation)	- Recognition of the need for coordination - Funding
Multi-stakeholder	Policy development	- Formal structures: partnerships of stakeholders (awareness) - Contracts or bids (cooperation or potential co-production) - Specific issues	- Contracts or bids (cooperation or co- potential production) - Institutional structures (co-production)	- Funding (contracts or bids) - Strong local relations
	Policy implementation	- Practical needs (cooperation and alignment) - Creation of case management organisation (cooperation or alignment)	- Practical needs (cooperation and alignment) - Projects or issues to rally around - Creation of case management organisation (cooperation)	- Lack of funding and competition

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Table 20 – Organisations that participate in the study

	Organisation
Edinburgh	Scottish Government employability team
	City of Edinburgh Council Economic Development
	City of Edinburgh Council, Economic Development
	Jobcentre Plus Scotland
	Jobcentre Plus District
	Skills Development Scotland
	Capital City Partnership
	Poverty Alliance
	Scottish Urban Regeneration Forum
	Working Links
	Ingeus UK (2 interviews)
	One Parent Families Scotland
	Hub contract – Stevenson College
	Women Onto Work (2 interviews)
	The Wise Group
	Prince's Trust (3 interviews)
	East of Scotland European Partnership
Cardiff	Adult Services Cardiff City Council
	Education Department Cardiff City Council (2 interviews)
	Local Training and Enterprise, Communities Department Cardiff City Council (2 interviews)
	Families First
	Welsh Local Government Association
	Jobcentre Plus
	LANTRA sector skills council for the environmental and land based industries
	Working Links (2 interviews)
	Rehab Jobfit
	The Mentor Ring
	Huggard
	Cardiff Mind
	People Can

	Children In Wales
	Cardiff Third Sector Council (C3SC)
	Federation of Small Businesses
	Trade Union Congress
Newcastle	Newcastle City Council Employability, Skills & Progression in Children's Services
	Newcastle City Council Economic Development
	Newcastle City Council Adult Learning
	Newcastle City Council Housing and Welfare
	Jobcentre Plus
	Newcastle Futures (2 interviews)
	Skills Funding Agency (2 interviews)
	North Eastern Local Enterprise Partnership (LEP)
	Federation of Small Businesses (FSB)
	North East Chamber of Commerce (2 interviews)
	Trades Union Council
	Voluntary organisations' network north east (Vonne)
	Your Homes Newcastle (2 interviews)
	The Wise Group
	Cyrenians
	New skills Consulting
	Newcastle City Learning (2 interviews)
	Newcastle Council for Voluntary Service (2 interviews)
	Avanta

Table 21 – National Stakeholder Committee members

Name	Position/Organisation
Eamonn Davern	International Public Employment Services, DWP International Unit
John Philpott	Self-employed (previously Chief Economist, Chartered Institute of Personnel Development)
Matthew Creagh	Policy officer youth unemployment and skills, Trades Union Congress
Matthew McDermott	Head of Youth Transitions Team, Employability and Skills Division, Scottish Government
Ramzi Suleiman	Public Services and Partnerships National Council for Voluntary Organisations

Notes

[1] France (CED at Bordeaux), Germany (CETRO at Oldenburg), Italy (PAM at Milan), Poland (ISUW at Warsa), Sweden (SCORE at Stockholm), and the United Kingdom (Employment Research Institute at Edinburgh Napier University.

[2] LOCALISE's research agenda is organised according to eight complementary work packages. Work package 1: project management. Work package 2: will classify the countries in our sample according to the national governance of social cohesion. Work package 3: identify best-performing, average and under-performing regions according to different socio-economic indicators. Work package 4: analyse the inter-organisational dimension of the local governance of social cohesion. Work package 5: usage of European programmes and resources by local actors. Work package 6: address the impact of individualised modes of interventions on the relation between the state and its citizens. Work package 7: will explore the outcomes of different inter-organisational patterns of integrating employment and social policy on social inclusion, labour market participation and well-being of the most vulnerable groups. Work Package 8: dissemination.

[3] The concept of third sector organisations in this paper includes voluntary, charitable, non-for-profit organisations.

[4] In areas covered by two tiers, the upper tier will usually be known as the county or shire council and the lower tier as the district, borough or city council. Unitary authorities may have adopted any of these names (HM Revenue & Customs website [accessed 08/02/2013] http://www.hmrc.gov.uk/manuals/ctmanual/ctm40860.htm).

[5] The Concordat was agreed in November 2007, which set out the terms of a new working relationship between the Scottish Government and local government based on a number of key tenets with regard to strategy, funding, and processes (Scottish Government website [accessed 3 April 2012] http://www.scotland.gov.uk/Resource/Doc/923/0054147.pdf).

[6] Active labour market policies refer to a range of policies aimed at improving the access of the unemployed to the labour market and jobs, job-related skills and the functioning of the labour market (Martin and Grubb 2001).

[7] Get Britain Working measures or welfare to work programmes for those currently unemployed consist of a number of initiatives, some of which are compulsory for some benefit recipients groups depending on the Department for Work and Pensions conditions and the Jobseeker's Agreement with Jobcentre Plus (gov.uk website: Moving from benefits to work, [accessed 12/01/13] https://www.gov.uk/moving-from-benefits-to-work/overview).

[8] Individuals mandatorily referred to the Work Programme are the long-term unemployed aged 25 or over claiming JSA unemployed for 12 months, or those age 18-24 unemployed for 9 months; individuals receiving JSA and who are seriously disadvantaged, including those that have recently received IB, can be required to take part in the Work Programme after 3 months; and individuals receiving ESA in the Work Related Activity Group when close to being fit for work. Other groups (e.g. ex-offenders) may also be included with specific conditions (e.g. shorter periods before joining the Work Programme) - DWP, nd b.

[9] Skills Development Scotland is a non-departmental public body which implements Scottish Government skills policy. It was launched in April 2008 and brought together the careers, skills, training and funding services of Careers Scotland, Scottish University for Industry (learndirect scotland) and the skills functions of Scottish Enterprise and Highlands & Islands Enterprise.

[10] The Skills Funding Agency's (part of the Department for Business, Innovation and Skills) task is to implement the Department for Business, Innovation and Skills policy, by funding skills provision (SFA website [accessed 10/02/13] http://skillsfundingagency.bis.gov.uk/aboutus/).

[11] The Department for Work and Pensions has placed very few procedural requirements on prime contractors delivering the Work Programme, except for a minimum service delivery standard, which according to Newton et al (2012) were in many cases vague and vary in terms of being universally applied to all clients or to a specified minimum number of participants.

[12] Work Programme primes receive an attachment fee for every client, a job-outcome payment 26 or 13 weeks after entry into work, and then sustainment payments during the next 52 weeks of employment.

[13] In an employment-first model sustainable employment, with long-term career progression or maintenance, would be the aim, which for some service users would require dealing with barriers to maintaining and progressing in employment.

[14] The NUTS classification (Nomenclature of territorial units for statistics) is a hierarchical system for dividing up the economic territory of the EU. NUTS 1: major socio-economic regions; NUTS 2: basic regions for the application of regional policies; NUTS 3: small regions for specific diagnoses (Eurostat website [accessed 6 April 2013] http://epp.eurostat.ec.europa.eu/portal/page/portal/nuts_nomenclature/introduction).

[15] The three variables used are: The labour force participation rates (in % of the annual average population (from 15 to 64 years, 2008); The total unemployment rate (in % of the labour force, 2008); The regional gross domestic product (purchasing power parities per inhabitant, 2008).

[16] Edinburgh case study was conducted from April to August 2012; Cardiff was conducted from October to December 2012; and Newcastle was conducted from October 2012 to January 2013.

[17] NVivo is a qualitative data analysis (QDA) computer software package, designed for analysing qualitative rich text-based and/or multimedia information.

[18] [accessed 18 November 2012] http://wales.gov.uk/topics/educationandskills/skillsandtraining/skillspeoplesuccess/workforcedev/?lang=en

[19] Jobcentre Plus, Capital City Partnership, City of Edinburgh Council.

[20] The funding has two aspects, both focused on engaging and employment: (a) Funding to overcome individual barriers; (b) Funding gaps in or niches areas of service provision that mainstream funding does not cover, for example supporting a wide range of approaches to engage with customers.

[21] Perhaps due to the high use of informal childcare, or as a result of sourcing part-time and flexible working to fit around childcare

[22] [accessed 18 November 2012] http://www.wjec.co.uk/?level=112; http://www.welshbaccalaureate.org.uk/eng/wbq-home-2010/wbq_2010_home.htm

[23] Essential Skills Wales is the new suite of skills qualifications which will replace a number of other previous ones … will be implemented from the 1st of September 2010 … currently consisting of three different skills qualifications [accessed 18 November 2012] http://wales.gov.uk/topics/educationandskills/qualificationsinwales/qualificationtypesinwales/essentialskillswales/?lang=en

[24] [accessed 18 November 2012] http://www.wjec.co.uk/index.php?subject=30&level=110

[25] [accessed 18 November 2012] http://wales.gov.uk/topics/educationandskills/skillsandtraining/skillspeoplesuccess/workforcedev/?lang=en

[26] Skill planning and the funding in England and Wales is done at national UK level by the Skills Funding Agency. Therefore local or regional flexibility is very limited, which was reported not being the case when the Learning and Skills Council was in place.

[27] Welsh Social Partners Unit website [accessed 28 March 2013] http://www.wspu.co.uk/about_us.html

[28] Welsh Government website [accessed 19 December 2012] http://www.assemblywales.org/11-005.pdf
http://wales.gov.uk/topics/educationandskills/allsectorpolicies/europeansocialfund/projects/proact/?lang=en

[29] Joined Up For Jobs online directory: http://www.joinedupforjobs.org.uk/jobseekers-search.html

[30] This approach may be more consistent with Sen's Capability Approach when the beneficiaries/ clients of a programme are given greater input into the policy development and implementation (Sen 2009, Bonvin and Moachehon, 2008).

[31] It can also be argued that in some ways (in some countries) we are moving back to earlier (pre-1980) situations when the level of e.g. those on passive, incapacity benefits were much lower before the rapid increase in the 1980s and 1990s.

[32] United Nations University website [accessed 05/03/13] - http://ocw.unu.edu/programme-for-comparative-regional-integration-studies/introducing-regional-integration/what-is-integration/

[33] United Nations University website [accessed 05/03/13] - http://ocw.unu.edu/programme-for-comparative-regional-integration-studies/introducing-regional-integration/different-forms-of-integration/

The Local Governance of Social Cohesion French National Comparison

(Work Package 4 – French national comparison)
Clara Bourgeois & Karine Tourné Languin
Thierry Berthet (scientific coordination)

1. Introduction

In France as well as in many other European countries, the governance of employment policies has been at the core of many debates over the last years. Indeed, since 2007, the country went through several reforms aimed at establishing a new balance between economic and social policies but the crisis effects seem to have thwarted the full implementation of this paradigm shift (Barbier, Knuth, 2010). One of the major stakes to tackle seems to be "clarifying the landscape" especially when dealing with local cohesion policies. Three levels of clarification are expected. An institutional one since the multiplicity of organizations tackling these policies results in relatively unclear share of competences and questions the articulation of the several policy fields involved in integrated social cohesion and employment policies. A territorial one as decentralisation is currently being discussed with regard to a third step where these policies are on top of the agenda. Last, there is an organizational level that relies on the central reform of service delivery processes and cooperation schemes (Van Berkel, Borghi, 2008). It puts the emphasis on the need to understand local governance schemes: the way policies are shaped and implemented, local actors' leeway, and the way the service is therefore provided. With regards to the implementation, France relies on a very important network [1] that interacts in order to achieve its common objective regarding employment. Moreover, employment has been promoted as a central issue through the increasing use of activation policies, which has fostered links between formerly isolated policy fields. Governance matters hence appear of paramount importance in order to structure this network efficiently, and to enable an integrated approach.

The difficulty to distinguish policy development from policy implementation in the French context can be explained by its main characteristic: a deeply centralised political system. Our fieldwork suggests that mainly all actors often have acknowledged this centralisation, and wouldn't think of major decentralising changes. "*We take as indisputable statement that it is the legitimate instance that decide* (State), *and we do not have to question that. Then, what's left? It only remains organisational matters that enable the delivery. (…) We implement. By definition, we agree with, and we implement*" (*Pôle Emploi*). They argue over who is in charge of what is already territorialised (which level, and state services versus decentralised ones). But most do not argue on what is being territorialised. Thus, even though decentralisation of the employment field has been recently brought up through the project of a third step of decentralisation [2], only some components of the employment field are considered (for example, decentralising everything that deal with unemployment benefit (conditions, amount, sanctions, etc.) will not be questioned). The centralisation of key components of the employment policies [3] hence appears as evident and acknowledged by most actors. It clearly fits in with the strong tradition of a centralised state.

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[1] In France, a parliamentary report identified over 85 different kinds of institutions dedicated to labour, employment and training policies. Assemblée nationale, *Rapport d'information déposé par la Commission des affaires sociales en conclusion des travaux de la mission sur la flexicurité à la française* (rapporteur Pierre Morange), 28 april 2010

[2] The process of decentralisation in France went through two major phases often refered as 'steps' of decentralisation. The first one occurred in 1982-1983, and the second one in 2003-2004.

[3] Level of the unemployment benefit, definition of sanctions and conditions to be eligible to benefits, minimum income scheme, national employment agency, etc.
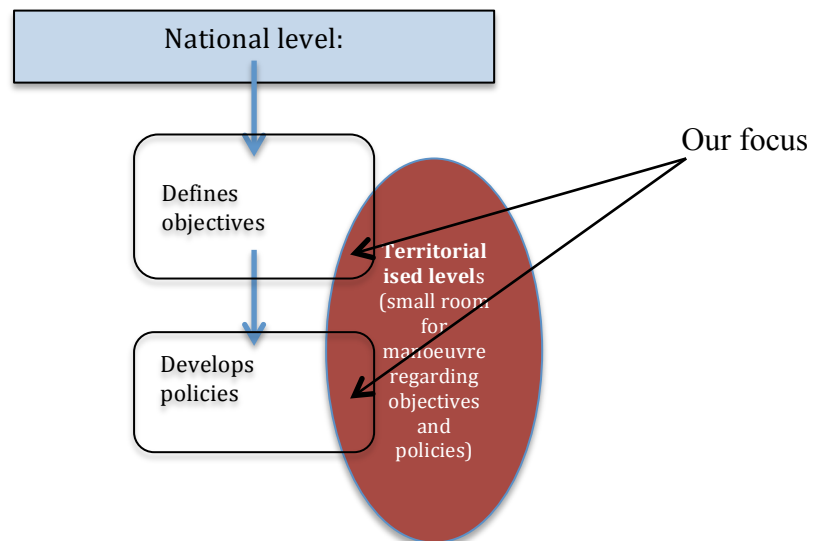
It is also necessary to clarify what service delivery refers to. Indeed, sometimes, it is separate it from implementation. By service delivery, we understand organisations and front line workers that are work directly with the beneficiary. As some instances are prescribers, some are services providers, and some are both, a clear distinction is often complex to realise.

We will hence talk about service delivery as long as there is no intermediary between the beneficiary and the organisation / the front line worker. And we will talk about implementation when it comes to prescribers that are in charge of delivering a service through other organisations.

1.2 Socio-economic

The population of three cities that were selected for this national comparison represent 138,268 inhabitants in Tours (B), 239,157 inhabitants in Bordeaux (A), and reaches 257,351 in Montpellier (C) (2010 census).

Employment rates by departments

Source: Insee (2009)

Unemployment rates by department (first trimestrer 2012)
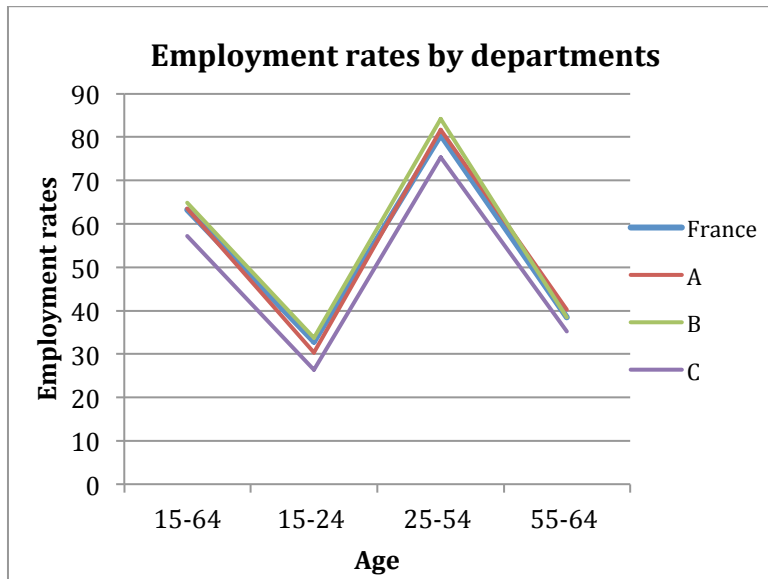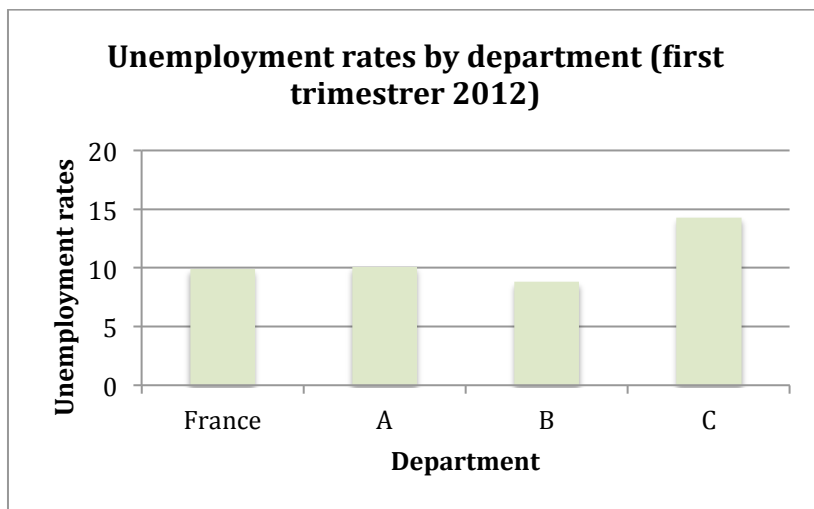
Source: Insee

Montpellier is the city that, compared to the national average and the two other cities, faces higher unemployment rates and smaller employment ones. However, the difference - in terms of both unemployment and employment rates - between Tours and Bordeaux is not as important.

It is of paramount importance to understand that the three cities selected are not major industrial cities. Therefore, one can assume they have not faced dismissals reaching the same extent than in the latters. Moreover, this analysis does not take into consideration rural issues that could be interesting to tackle in further researches.

1.3 Activation policies and employability provision

After a promoting activation without effectively implementing it, French activation policies have become 'stronger' and were made more formal over the last years. The transformation of

the former minimum income RMI ('inclusion' minimum income) into RSA (active solidarity income), and the increasing conditionality of social benefits' conditionality shed light on the changes that have occurred and reinforced the implementation of activation policies. French activation policies relies on a hybrid system caught between a universal and a liberal system (Barbier, 2006), also presented as a "Bimarckian / Beveridgean welfare mix" (Barbier, 2000). With hindsight, it is argued that the liberal system is more likely to take over the universal one (WP2, France National Report).

Strategy and target groups

Even though activation policies are not specific to target groups but aim at reaching the entire population, it is interesting to bring the light on target groups and the way integrated employment and social cohesion policies address their specific issues.

How are target groups identified? Which are they? And how does the local level address that question?

Groups that are targeted in employment public policies change over time. It depends on national priorities, especially in times of economic difficulties. Then, among those priorities, local actors can focus on one or another. "*Each time there is a strong crisis, we have to work on priorities, and the priority is given by the State. Here, it was long-term unemployed, we are going to be more and more looking at youth and seniors; but suddenly, youngsters living in vulnerable areas get caught up within the youth category. And measures implemented do not always correct the imbalance that exists between the youth group and this specific youth group*" (*Pôle Emploi*). How do employment policies focus on target groups? Subsidized contracts, dedicated agencies (*Missions Locales* for youth or *Cap Emploi* for the disabled), specific policies (minimum income scheme) are the most common ways to target. It aims at acting on the 'employment queue' (by helping vulnerable groups get ahead in the queue): "*There is a corrective action to regulate the situation*" (*Pôle Emploi*), "*the leitmotiv is to do more for those who need it the most*" (*Pôle Emploi*).

As agreed with other Localise partners, young unemployed and long-term unemployed are our two common target groups. Indeed, both appear as targeted by policies; or are at least identified as vulnerable groups regarding the access to employment (WP2 Comparative report, Berthet and Bourgeois, 2012). In France, they represent official categories (though tackled in different ways) that are targeted through specific measures.

As our third group, we decided to focus on migrants[4]. From a historical point of view, this choice appeared very interesting given that, as many academics demonstrated (Noiriel, 1988), France has often used immigration to fight against labour market's rigidity. In a time of economical crisis, when the focus has historically often been put on closing the labour market to foreigners (cf. ibid), it is hence important to analyse policies, which aim at facilitating this group's access to employment. Precarious jobs among migrants predominate (Morice et al., 2010). The emphasis was hence put on the fact that they represent the "*laborious population the most heaven sent*" (translated from Morice et al., 2010, p.16) to implement European

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[4] In this context, we only take into account migrants with a legal status, which allow them to work (it means that we do not include legal migrants with no right to work and illegal migrants. Moreover, the focus is not either put on professional migration, as in that specific case, they will not meet employment public services as are already employed).

promoted trends such as flexibility, more responsibility on workers, etc. Moreover, the integrated approach that has been previously defined seeks more equal opportunities. However, migrants face a very high unemployment rate (cf. infra) in France, and hence appear as a vulnerable group in terms of employment access.

Foreigners' unemployment rates

GEO/TIME	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
European Union (27 countries)	12,4	12,9	14,2	14,4	14,2	13,2	12,0	12,2	16,4	16,8
France	18,4	18,2	18,0	17,5	17,4	16,7	16,4	14,1	17,9	17,3

Source: Eurostat

Foreigners' employment rates

GEO/TIME	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
European Union (27 countries)	57,6	57,7	57,7	57,8	59,5	61,6	62,4	63,0	59,9	59,7
France	51,2	50,7	52,7	54,0	52,6	53,1	53,4	55,6	52,6	53,3

Source: Eurostat

Migrants' integration is set as a common European principle (European Commission, *The European Social Fund and Migrants and Minorities*, 2010). Hence, we should question the way local stakeholders try to implement such integration; and most specifically, how do they cope with the possible interaction between immigration policies one the one side and employment and social cohesion policies one the other. To briefly characterize it, immigration policies - caught between the control of borders and integration – can thus be considered as a double-sided sector with two cognitive and normative frameworks at stake. This statement results in policies that may sometimes be contradictory, as a recent research program (Mipex, 2011) demonstrated: "*newcomers encounter the least favourable and most contradictory integration policies of all major countries of immigration – more measures focus on unemployed migrants, while keeping millions of jobs closed*"[5]. It makes the analysis of measures targeting (or at least the way they reach) migrants very interesting.

The way target groups are identified can be both bottom up and top down. Some groups are nationally targeted (youth); it hence follows a top down dynamic. Some others are locally identified as vulnerable groups that should be targeted. But in that case, it is not brought up to the national level. Among the three target groups selected, only one was clearly identified and understood in the same way by all: youth. Indeed, it is not a local specificity; it is nationally set up this way: youth is targeted, and youngsters are addressed to the *Mission Locale*. Established since a relatively long time, all acknowledge this instance. Such clear division of responsibilities and visibility guarantee good cooperation.
Long-term unemployed are not targeted as such by many actors. Only Pôle Emploi (national employment agency) uses the duration of unemployment to target. Usually, the duration of the unemployed status is not what is taken into account. It is rather the distance from

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[5] http://www.mipex.eu/France, consulted on 16th of July 2012

employment, the age or the gender that are used to profile the unemployed. Long-term unemployed are though targeted through the minimum income scheme, which recipients are often long-term unemployed: "*long term unemployment, it's more the General Council through the minimum income scheme*" (City Council).

Regarding migrants, in 2010 an agreement was signed at the national level between the national employment agency, and the OFII (French office for integration and immigration) regarding the professional integration of new comers. This agreement aims at facilitating the communication between these two organizations. It has not been fully implemented by any of the three cases, even though it is under process. As one interviewee explained, migrants' professional integration cannot be politically prioritized in a time of economic crisis.

The goal regarding long term unemployed and youth is either long-term employment or qualification. As pointed out by local caseworkers, it puts social inclusion at the benefit of professional integration.

2. Research methods

According to the Localise research framework, three local communities were to be chosen for the case studies. Thereby, we looked for cities with differences in terms of governance schemes, in terms of politics, and regarding their will to promote new institutions[6] or to rely on existing ones. Moreover, we tried to choose cities that were facing the same kind of employment challenges (no major industrial area, etc.), although at different extends in order to enable the identification of clear variables. The choice of the case studies represented hence a difficult task, as we were to choose these localities in one advanced, one average and one underperforming regions.

This classification enabled us to distinguish above and below the national average regions.

1) Gironde is above the national average, and Bordeaux follows this trend. It is its administrative centre, and the Gironde (NUTS 3) is part of the Aquitaine region (NUTS 2).
2) Indre-et-Loire (NUTS 3) is a relatively average department regarding the indicators selected, and Tours well represents it. This city is part of the Centre region (NUTS 2). It is not the capital of the Region as the two others cities selected.
3) Hérault (NUTS 3) is a department far below the national average (as well as the region it belongs to, Languedoc Roussillon (NUTS 2). The city of Montpellier is representative of this situation.

Table 1 – Selection of case studies

Case Studies	Regional classification	Regional labour market participation	Regional unemployment rate	Regional GDP
	Compared to the National average (2008)			
Bordeaux	Very strong	Above	Below	Equal or less
Tours	Average	Equal or less	Equal or higher	Above
Montpellier	Under-performing	Equal or less	Equal or higher	Equal or less

The very large number of actors involved in employment and social cohesion policies (cf. supra) at the national and furthermore at the local level made the selection of interviewees very challenging. We decided to have a common basis for the three cases studies[7]. But some interviews were left up to local specificities and topics. Once the main actors identified, we therefore decided to focus on the main actors involved with our three target groups (youngster, long term unemployed and migrants). We met policy makers, street level bureaucrats, elected politicians, and front line workers. Overall, we conducted 71 interviews and met 77 persons. The interviewing grid realised by the UK team was translated into French, and adapted to the national context.

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[6]For instance in Tours, the governance of the *PLIE* (the local plan for employment and inclusion) is different than in Bordeaux (no *PLIE* in Montpellier) and the choice was made not to set up a *Maison de l'Emploi* (house of employment) as in Montpellier; whereas in Bordeaux the *PLIE* and *Maison de l'emploi* go through major changes in terms of governance. The RSA – which represents an activation-oriented measure – was organized in non-common way in Tours.

[7] Direccte, Regional Council, General Council, PLIE, Maison de l'emploi, Mission Locale, Regional Directorate of Youth, Sports and Social Cohesion, national employment agency, and at least one NGO

Table 2 – Participant organisation and number of interviews per case study

Participant organisations	A (best)	B (average)	C (under)
Regional government	7	5	9
Local government / Departement	3+3	4 + 8	3+6
Regional Public Employment Service	1	1	1
Local Public Employment Service			
National Agencies			
Regional Agencies			
Local Agencies			
Private sector providers			
Public sector providers			
Third sector providers	7	6	4
Third sector federations	4	2	
Chambers of Commerce			
Employer's federations			
Regional trade unions			
Experts	2	1	
Total of participants	27	27	23

3. Multi level / centre-periphery paradigm

Without doubt, the French political and administrative system remains highly centralised. It still relies on a centre-periphery dynamic, which explains why the three case studies show so many similarities with regard to multi-level integration. Hence, there is a hierarchical top down dynamic in policymaking where the activation policies are conceived at the central level while the local level is dedicated to their implementation. No decentralisation process has made local instances a relevant space to define such policies (only some related fields such as vocational training have been decentralised). It brings to light that proximity has not yet been acknowledged as a relevant level in the definition of general interest. Nonetheless, as Berthet and Bel explained, proximity's legitimacy falls within a trend that seeks to go further sectorialization (Berthet, Bel, 2009, Muller, 1985). Local empirical work shows the importance of proximity. Furthermore, it would be too dichotomous and restrictive to oppose a centralised system versus a highly decentralised one, a sectorialized model versus a transversal one, etc. Indeed, the analysis of the local level revealed many different strategies (from street level bureaucrats, front line workers, etc.) and territorial adjustments that are made possible because of a certain room for manoeuvre. This level of discretion enables singular integrated approaches from a city to another. Indeed, local representations of general interest, institutional redistribution, and instruments (Berthet and Bel, 2009) have been set up. But it relies more on the need for specific territorial answers, and on the decrease of national means, than on territorial instances' full legitimacy to take part in the definition and making of general interest - as the relatively insignificant bottom up dynamic attests. Yet, this centralisation does not necessarily imply that there is no or little multi-level integration. Indeed, sometimes, strong integration may occur in such context. Projects, or actions set up by local actors are sometimes assimilated to means of policymaking, even though major instruments and trends are shaped at the national level. Actors at the local level may have a room for manoeuvre regarding the definition of specific territories or groups, the choice of partnership and of services providers, and to some extents the way services (defined at the national level) are delivered.

3.1 Policy development

As stated, a top down dynamic prevails within this centre/periphery model in terms of employment policies. State services and their departmental units are in charge of developing and implementing national policies at a local level. Decentralised political bodies (regions, departments, and municipalities) also tackle issues that are related to employment. Every level tries to address employment since it is brought up by every interview as a central issue. The strong legal frame can explain this top down dynamic, as well as the governance scheme of most of the decentralised or devolved institutions that rely on an internal hierarchical organisation (*Pôle Emploi, Direccte*, etc.).

Given such centralisation, how do the different levels communicate with each other? Is there any room for manoeuvre for the local actors to participate in policy making?
One can assume that the transmission from higher levels (European, national and regional) to more territorialised ones (departmental, intermunicipality, local) works in a better way

because it is more formalised, and because decision-making is a top-down process that requires such hand-over. Nonetheless, local instances refer to higher instances' prerogatives to implement their national policies, and may also take part to local projects. And yet, they usually do not communicate their actions to higher levels, except in the framework of formalised evaluations, and required reports.

In such a context, no strong specificities arose at the local level. The regional level usually appears as the strongest level to develop a common territorial strategy, but their level of discretion remains quite weak. They hence can work on territorialized priorities (public, territories, and partners). It is interesting to notice that from one city to another, different levels of public action may significantly arise or be less involved than expected (the strong role of the city and the intermunicipality in Tours, the little involvement of the intermunicipality in Bordeaux, etc.). It is not related to their specific approach in terms of employment policies that is usually related to their acknowledged competences, but rather on specific local actors and historical dynamics that reinforce one instance over another on these issues.

Multi-level integration should here be understood as *"an arrangement for making binding decisions that engages a multiplicity of politically independent but otherwise interdependent actors – private and public – at different levels of territorial aggregation in more-or-less continuous negotiation / deliberation / implementation, and that does not assign exclusive policy competence or assert a stable hierarchy of political authority to any of these levels"* (Philippe Schmitter, 2004, 49). In our cases, what are the variables that enable or hinder multi-level integration?

The politics variable was brought up as an important variable with regard to cooperation schemes in all three cities. It was either brought up on similar issues (third act of decentralization for example), or on very different issues (personal arguments, representation of political positions, elective purposes highlighted, etc.). This variable impacts the way levels interact and to some extents it may enable the multi-level integration. Some of the rare bottom-up dynamics that can be noticed in terms of multi-level cooperation are often enabled because of the presence of national politicians on the local territory. They have the opportunity to bring up information directly to and from the national level. Moreover, they can use local practices as a showcase with political purposes.
Based on the empirical work, we can also assume that since the national government changed in 2012, multi-level integration has been impacted. Most regions in France are left wing as well as the central government. It is the case for the three cities. Hence, the fact that the government changed, somehow assigned a new role to decentralised organisations. They feel they have the duty to get more involved. *"Before, of course, we managed to work with technicians, but as soon as a policy came out (…), the Regional Council was against it (…) because of its position. And finally, we still managed to work. It was said, that's all. Now, we don't have that. (…) Regions have direct contacts with ministers' cabinets, and it creates problems. Because now, levels, what we call the 'central', the DGEPF at least for the policies they are in charge of, is squeezed. It means that ministers' cabinets deal directly with regions"* (Direccte).

Working among the different levels may also be facilitated by the geographical and political situation of city. For instance, in cities that are the administrative centre of their regions, all institutions are located in the regional capital-city, which represents an enabling variable of the multi-level dimension. The proximity of relevant institutions hence matters and facilitates this integration.

However, at the regional and infraregional level, every range of actors has its own administrative territorial subdivision (intermunicipality, city, department, employment areas, educational zones, housing districts, etc.). This "map and the territory" condition is a hindering factor. It makes multi-level cooperation very complex and is not commonly structured by territorial levels but rather by stakeholders.

Table 3 – Best practice example in multi-level coordination in policy development

FRANCE	Very few experimentations of multi-level integration occurred with the purpose to increase the coordination of levels in the public actions. Most of them were rather the consequences of multi-stakeholder coordination or multi-dimension integration. Nevertheless, some local practices aim at developing a local approach on employment and social cohesion. For instance, the *General Council* of Hérault (Montpellier) promote a multi-level integration through steering committees composed of front line workers and accredited bodies which objectives are to bringing feedbacks from fieldwork to policymakers. Such bottom up dynamic also occurs with minimum income recipients: the same *General Council* tries to involve the minimum income beneficiaries into the reflection on the implementation of the minimum income scheme. They can be organized into beneficiaries' groups, or take part in multidisciplinary team commission. Those groups aim at improving the support by matching the integration offer with the reality of the situations. On the entire department, there are five beneficiaries' groups covering the territory, which are meeting every fifteen days over a period of 6 months (every 6 months group changes). Even if such organizations to take into account the opinion of beneficiaries to adapt their policies is mandatory, for now it has not really be implemented in the other case.

3.2   Service Delivery

In the French political organization, the integration is central regarding the establishment of the main trends and policies; it is devolved and decentralized regarding its implementation, and the initiative of some local projects and experimentations.

The local level (i.e. sub-regional) is dedicated to implementation or service delivery, and not to policymaking. This paradigm can even be reinforced in times of economic crisis. Indeed, in such context, the local level is not empowered, and there is no strong promotion of a bottom up dynamic. Yet, service delivery is not as strongly centralised as policymaking. Indeed, even though a more rigid national framework may affect service delivery (more time spent in administrative tasks, budgetary decrease, bureaucratic financial monitoring, evaluations focused on employment outputs, incentives to promote specific instruments, etc.), the way the service is delivered is still mostly decided among the organisation, or by front line workers themselves.

Besides, the integration of several levels of public action can be found within an organisation for different reasons. First, It can be found in their governance scheme / body of governance: the boards or the steering committees that define the orientations of the service provider, and whose members are often elected members representative of national, regional, local institution, are multi-level (and multi-stakeholders). Secondly, multi-level integration relies on the structuration of service delivery itself. NGOs or private actors are funded to provide service delivery regarding employment, training, etc. by implementing specific measures and mobilising a wide and complex range of multi-level measures. In some cases, higher level institutions outpost staffs to NGO in order to facilitate the service providing.

Table 4 – Best practice example in multi-level coordination in policy implementation

FRANCE	In all three cases, professional training and continuing education are the responsibility of the Regional Council. The *Direccte* still have few training under its responsibility and *Pôle Emploi* advisers outsource unemployed to private or third sector operators. Profession training thus involves actors from all level increasing the need for a better multi-level coordination. Experimentations have been set up involving regional and local actors in order to avoid inter institutional concurrence and the juxtaposition of actions. One interesting example is a database of the service of professional training *SIMFEA* engineered by Cap Métiers with the Regional Council of Aquitaine and *Pôle Emploi* (some other actors joined or will join: *Cap Emploi* for handicapped workers or *Mission locale* for youth). "*It was not easy at first (with Pôle Emploi). But then we went through a thorough analysis of our complementary training actions. This was the first step, and then we put our entire offer and their entire offer (of training programs) on the same database with the help of Cap Métiers (the Regional Employment and Training Observatory). Today the entire offer is available for all the operators and prescriptions increase*" explained the director of Training at the Regional Council. So even with a strong influence of the national, the local level dynamic makes the difference A similar experimentation has been implemented in Tours where minimum income scheme supervisors of the *General Council* are allowed to prescribe training without going through the Regional Council scheme. They established a short track that enables these referees to prescribe trainings, whereas they are usually not entitled to.

3.3 Summary

In conclusion, we observe that the top-down dynamic strongly prevails and even though the local level has its own projects, initiatives, objectives, etc., they are usually not brought up to higher levels. First there is a strong multi stakeholders' paradigm that can be mistaken for multi-level integration: integration of the several levels of public action is rarely realised on purpose, but rather *de facto* because of a strong multi stakeholders' integration. Promotion of multi-stakeholders' projects or cross sectional actions may hence enable multi-level integration. Hence it was difficult to identify best practices specifically aimed at improving multi-level integration.
Secondly, it is can also be explained because all levels are interconnected and rely on network and cooperation, and somehow on the urge of sharing funding.

In terms of multilevel coordination and communication, we observe that they there is no inter-institutional framework allowing for a strong coordination between policymaking and implementation. Each instance is organised on one level and is not connected really to the other.

Regarding governance typology, multi-level integration in implementation is less centralised than in policy making.

Table 5 – Barriers to multi-level integration per case study

		A	B	C
Multi-level integration	Policy development	- Centralisation - Politics variable - Numerous administrative subdivisions - Lack of communication between levels of coordination - Inter-institutional concurrence, and the tension and competition on competences - General Public Policy Review (RGPP) - Numerous mandatory steering committee, structured in an 'organ pipe logic'		
	Policy implementation	- Centralisation - Little room for manoeuvre for local actors - Numerous administrative subdivisions		

Table 6 – Enablers of multi-level integration and type of coordination by case study

		A	B	C
Multi-level	Policy development	- Proximity - Personal relationships - Some room for manoeuvre of local actors and case worker - Local expertise and territorialized diagnostics		
			- Presence of national politicians on the local territory and political purposes	- Politics
	Policy implementation	- Staff delegation - Some room for manoeuvre of local actors and case workers		

4. Multi dimension

Activation friendly integration policies have fostered the development of cross-sectoral policies (Barbier, 2000, Berthet and Bourgeois, 2012). It represents the most promoted integration within activation policies. Aiming at addressing complex societal issues that tackle several issues, cross-sectoral policies question the way policy fields relate to each other, the space dedicated to employment in wider public action[8]. It hence addresses the issue of vertical coordination. What are the variables that enable or hinder such integration? What multi dimensional frameworks does it lead to? Is there convergence or divergence in the way local cross sectoriality occurs in different regions? How is it interpreted and set up by policy makers, street level bureaucrats, and service providers?

Two main ways to deal with multi dimensional integration arose from the three local case studies: we may find organisations that integrate several dimensions, or cross-organizations' projects with different dimensions involved. Both represent different normative and cognitive ways to interpret cross sectoriality. Nevertheless, they are not antithetic and can be found simultaneously.

4.1 Policy development

Employment policies are rooted into two main nexus: employment / training, and employment / social. Local empirical work confirms that these two policy fields are integrated on a common basis. Nevertheless, social and training are not the only fields increasingly connected to employment issues. And other policy fields[9] are not integrated to the same extent from one locality to another. One can assume that they are thereby not acknowledged as central to reach employment for all. What are the variables that explain why one policy field is more integrated than another in a region? Are these variables strategic, operational, or interpersonal, etc.?

The following grid represents the shapes cross-sectoral dynamics take in each case study. It shows the connection between employment policies and other policy fields identified as possibly related for each of the case study[10]. It reveals a misfit with nationally integrated policy fields (except regarding training and social).

Interconnections that were identified between policy fields at the local level do not systematically match with those identified at the national level. Indeed, even though social and professional training policies are at both levels the two policy fields the most related to

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[8] We have already highlighted the central role of employment in public action. However, analysing its interaction with possible related policy fields will enable the identification of local and/or national employment paradigm (social-oriented or more economic development-oriented, etc.)

[9] Urban policies, economic development, housing, health, and childcare

[10] Indicators to measure the level of integration of one policy field in employment policies:
- Steering committees connecting another dimension with employment
- Cross sectorial projects
- Often mentioned by local stakeholders as fields that are (or should be) interconnected

employment policies, other policy fields were also identified as fields interconnected with employment (among others). Housing and urban policies were often linked to employment policies at the local level (see grid above), whereas they were less linked at the national level.

Health and childcare remain relatively separated. However, attempts to integrate it within the scope of employment were made in one case. These similarities and discrepancies address the question of what are the variables enabling or hindering cross-sectoriality? What initiate it?

One of the most interesting points that arose from this multi dimensional analysis is the space dedicated to economic development. Indeed, in all three cases, it was highlighted as being of paramount importance with regards to employment policies. And yet, it is still only tackled in a timid way as it challenges the former social / employment nexus. Even in instances that are competent on both policy fields, they remain rather separated. Montpellier went further than the two other cities on that point. They have merged one department dealing with employment and inclusion, with one working on economic development in an instance that usually kept both relatively distinct. Moreover, this nexus was more acknowledged, at least in discursive way, by policymakers (see below).

	Bordeaux		Tours		Montpellier	
	Level of integration	**Reasons**	**Level of integration**	**Reasons**	**Level of integration**	**Reasons**
Professional training	**Very strong integration**: the Regional Council in charge of professional training is involved in most employment committees, and all refer to the duo "employment / training"	National trend: strong connection between employment and training Strong discursive focus on the link between both sectors carried out by the Chairman of the Aquitaine Region who is also the Chairman of the Association of French Regions, and fosters the increasing role of Regions regarding employment	**Strong integration**: the Regional Council in charge of professional training is involved in most employment committees, and all refer to the duo "employment / training" Cooperation scheme established in order to enable minimum income recipients' beneficiary to prescribe directly Regional Council's trainings	National trend: strong connection between employment and training	**Strong integration**: the Regional Council in charge of professional training is involved in most employment committees, and all refer to the duo "employment / training"	National trend: strong connection between employment and training
Social	**Strong integration** both at NUTS 3 level (General Council), and at the city level (social project of the city)	**National trend:** strong connection between social inclusion and professional integration (cf. Barbier's definition of activation) Top-down cognitive and normative influences Global approach of the individual	**Strong integration** (even stronger in that case than in the national context): see the role of the General Council in Tours	- National trend: strong connection between social inclusion and professional integration -Volunteer General Council in charge of this issue - Global approach of the individual	**Average integration** (weaker than in the 2 others cases) Actor in the charge of policy development at the local level foster an integration with economic development dimension (even the CG in charge of social integration) Yet social integration as the national trend in integrated with employment (benefit)	- National trend: strong connection between social inclusion and professional integration - General Council in charge of this issue but actors (CG, intercommunity) fostered a strong connection between economic development and professional integration - Global approach of the individual
Urban policies	**Average integration:** mentioned by few policymakers on specific measures (subsidized contracts, for instance)	Transversal policy field that can thereby represent a lever to tackle employment issues (urban policies as an instrument, notably used to address migrants' inclusion)	**Strong local integration:** employment committee related to urban policies within the local public employment service, PLIE related to an urban policy department in the intermunicipality	The city and the intermunicipality that are in charge of urban policies are clearly involved in employment policies, and use urban policies as a prism to carry out employment issues	**Strong integration** the volunteer public interest grouping is in charge of urban policy including actions on health and housing	-local explanation: public interest grouping

Housing	**Average integration**: few policymakers mentioned this dimension (which appears important for case workers). When mentioned, it is often related to services that focus on housing and that integrate employment issues (but not the other way around) No specific cross sectorial projects, but rather services that integrate both dimensions	Integration that mostly relies on the global approach of the individual Links between instances in charge of housing issues and employment policies that have not (yet?) resulted in common dynamics	**Relatively strong integration:** acknowledged as being closely interdependent, Rising common projects	Housing and employment units are often brought together in a more general unit (in the intermunicipality and the DRJSCS)	**Average integration** Many mentioned this dimension as an hindering factor but without any existing or rising project apart from specific target (Youth / Mission Locale) Actors in charge of professional integration tend to orientate beneficiaries are oriented to specific NGO's addressing housing issues Yet the Regional council foster an ' equal opportunities' approach (declined in their governance scheme)	-Integration that mostly relies on the global approach of the individual - Links between instances in charge of housing issues and employment policies that have not (yet?) resulted in common dynamics
Economic Development	**Relatively strong integration:** most policymakers mentioned it as an important field that should be interconnected with employment. The *Maison de l'emploi* absorbed the *PLIE,* and orientates its strategy towards relationships with firms.	Some promote a shift from employment / social to employment / economic development, but not a common acknowledgement so farThe existence of the *Maison de l'emploi* and its focus on economic development can foster such connection. However, all actors did not acknowledge this organization as central with regards to employment inclusion matters. Economic development hence remains secondary.	**Relatively strong integration**: many think it should be the policy field to be the most interconnected with employment, and regret that the paradigm of employment is strongly related to social matters. They argue for a paradigm oriented on more economic development. However, through 'inclusion clause' and *GPEC* (Forward planning of employment and skills), important bridges exist.	Most of the time, units dealing with these issues are separated among the same instance. What explain the existing integration are often personal opinions and/or past professional experiences. These policymakers explained they feel useless working on employment through the prism on social inclusion, when there is no job available.	**Strong integration:** Many instance working on employment issues also deal with economic development matters. The General Council has merged its social department with its economic development one.The necessary to connect both fields seems acknowledged by many actors (even service providers).Yet, no evidence shows whether it is only promoted through governance changes, or if it results in concrete actions that do not exist elsewhere. (paradigm changing, but not the instruments that are common to the three cases)	Several possible explanations:- the local socio economic context (under performing city) requires an innovative approach- local history (focus on firms' development since the 80's)- personal interest on that issue that was spread to other actors
Health	**Weak integration**: few policymakers mentioned this dimension. Rather acknowledged in a cognitive way as a necessary related sector, it does not result in the development of many concrete integrated actions. Mentioned by the case workers with regard to their global approach	Distinct instances, no strong common interest even though the spread of employment issues finds its way into health matters	**Average integration:** not many policymakers mentioned this dimension. However, those that mentioned it highlighted it as a major one to tackle. The General Council developed a measure targeted at minimum income recipients with regards to eventual health issues	Two possible explanations: - Fieldwork feedbacks from front line workers - Personal interest on that issue (related to personal beliefs, experiences, etc.)	**Average integration:** Some mentioned this dimension and health appears as an important obstacle for people away from employment. However, this question is not really taken into consideration (and turned into actions) by most of the actors Yet the volunteer public interest grouping is in charge	- The Public Interest Grouping ten to address the issue but not specific project described

Childcare	Weak integration: mentioned by few policymakers (the city) and some caseworkers. When mentioned, it is both as an important and difficult obstacle to resolve	Instances in charge of childcare issues usually belong to distinct units, far from employment matters.	Weak integration: the General Council has developed a childcare project that have impacts on employment, but was not directly set up on that purpose	Instances in charge of childcare issues usually belong to distinct units, far from employment matters.	Weak integration: mentioned by one policymakers who acknowledge that it is both as an important and difficult obstacle to resolve	Instances in charge of childcare issues usually belong to distinct units, far from employment matters.

The variables that were identified as enablers or hinders to the integration of several dimensions are: interpersonal relationships, politics, budgets decreased and proximity.

First variable, *informal relationships* are central at the local level. It is often the roots of partnerships among different stakeholders. Indeed, among the different possible schemes (national prerogatives making actors collaborate through a top down process, local actors that follow a highly formalised scheme to cooperate, and informal relationships that lead to formalised cooperation), the most usual one is the one that relies on informal relationships. In the three case studies actors put emphasis on the fact that cross sectoriality is often a matter of multi stakeholders dynamic. They work on relatively close issues, and informally share expertise, competences and knowledge. Once the link established between the two policy fields (either within the same institution, or in different ones), the policymaking process require a formalisation of the cooperation.

Moreover, the interpersonal variable also takes the shape of focusing on personal matters. Cross sectoriality often seeks to reach target groups. However, it has been demonstrated that groups that are targeted within activation policies at not necessarily those that are the further away from employment (see WP2 comparative report). As the level of discretion of policymakers at the local level notably concerns the choice of priorities (among which some secondary target groups), some may focus on one specific groups rather than another one (some interviewees highlighted the fact that their personal beliefs have an impact on established priorities, especially with regard to that matter: it is the case in Tours where one person has prioritized disabled rather than other possible groups based on personal sensitivity).

Second highlighted variable, does the *politics* matter in terms of governance of activation friendly integration policies? As Bonoli argues, this variable remains unsolved regarding activation policies (Bonoli, 2010). It is hence of paramount importance to try to understand to what extent does it play a role on established governance schemes.

The three case studies revealed that politics matters in policymaking, or at least in the modalities of implementation. It does so in very different ways, and mostly regarding multi level governance, but also with regards to both multi dimensions and multi stakeholders.

Based on the statement that employment – as a central issue to welfare states – is an issue all must address and get involved in, one could assume that it would emphasize sectorialization (everyone having its own project), and restrain cooperation. Nevertheless, it often creates integration with a political aim, rather than an integration aiming at facilitating the integration of the unemployed in the labour market. Hence, integration is not realised for its inputs, but following a strategic purpose.

The politics variable – as defined in this context – is balanced by an equilibrium established between the elected politicians and the street level bureaucrats. The latters manage to cooperate, no matter their elected representatives do not. It corroborates Lipsky's analysis demonstrating that implementers have a "policy making role" (Lipsky, 1980) (see multistakeholder's).

Then, the *financial variable and budget decrease* are also an enabling factor to multi dimensional integration. Indeed, many institutions went through important budget cuts.

Hence, working with other units on common projects helps reducing financial inputs by sharing it. "*The major lever* (to integration)*, it's the decrease of resources. We cannot afford to be alone. (...) We better get into it* (integration of actors, levels and dimensions) *very quickly, to get along quickly because otherwise, we will all die*" (*General Council*).

Proximity between units working on different but related issues is once again a way to facilitate the integration of several dimensions. Whether proximity was set up on purpose or not, it creates interconnections between persons working on different issues that may discuss it over informal times.

However, communication does not always occur because of proximity. Indeed, it takes time to create a new institutional culture bridging formerly separated policy fields: "*We were brought together without creating much links... The DRJSCS, it's quite new, it's been two years. So it's true we have spent these two years working in parallel, each one handling its own measures. So now, I think that the upcoming years will be more about working together and see how we can work in complementarity*" (DRJSCS). "*We probably don't work together enough. Just within the Direccte, in inter-services, it's complicated. (…) It's quite new. (…) It's true that it is two worlds that do not understand each other. Of course, since two years, it's opening. It's opening, but it's still difficult*" (Direccte).

Cross sectoriality can take two different organisational shapes: an integrated organisation, or an integrated project.

In the framework of integrated organisations, the promoted integrated strategy relies on the concept of *guichet unique* (one stop shop). It takes the form of an integrated service in one single localised office" (WP2, France). Two main examples can illustrate it: the *Maison de l'Emploi* and the *Mission Locale.* The first one was established as one stop shop. However, nowadays, they do not longer advise the unemployed. Within our three case studies, only one decided to set up a *Maison de l'Emploi.* Created in 2005 in an already complex employment network, some thought it represented an opportunity to organize employment policies, while others argued that it would just add another layer to the *millefeuille[11]*.

Launched in 1982, the *Missions Locales pour l'insertion professionnelle des jeunes* cover most of the national territory. Their objective is to guide and support youngsters (16-25) in all the dimension of their social and professional integration (see best practice table 8). They are locally created, chaired by a local elected and since their origin dedicated to an integrated approach of youngsters' difficulties.

Hence, even though empirical work corroborates that one-stop shops are popular (Van Berkel and Borghi, 2008) to tackle multi dimension and multi stakeholders' integration, the French context reveals that seeking integration with no focus on coordination of such integration does not reach its objectives. It explains why one-stop shops were not settled in all three cases: local actors look for the right balance between integration, coordination and readability for the beneficiaries. According to which variable (see variables below) takes over, the strategy might differ.

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[11] *Millefeuille*, "thousand layers" is a french cake. Piling up several layers of dough makes the particularity of this pastry. In a metaphorical sense it relies to the superposition of many measures on a single territory or public. The term is regularly used by Alain Rousset, Chairman of the Regional Council of Aquitaine (regional level) to qualify the policy development landscape

The integrated approach promoted by policymakers can often lead to a 'single referee' system. Indeed, this idea of 'one stop case worker' rather than a 'one stop shop' approach has often been fostered over the last years: cross-sectoral policies, and the way several dimensions are related to each other result in the need for one front line worker to be able to work on an integrated path. Such integrated path starts by removing social impediments (housing, etc.), then working on training actions if necessary. And finally, when the beneficiary is declared 'employable', looking for his integration on the labour market. In this activation perspective, it thus requires that one single caseworker supports the beneficiary all his/her way until the final step of professional integration. It does not mean that the case-manager will take care of all impediments (outsourcing is generally necessary), but that he/she will follow the entire process to make it coherent in an integrated perspective.

Table 7 – Best practice example in multi-dimensional coordination in policy development

FRANCE	Even though the minimum income scheme's legal national context separates social inclusion and a more employment inclusion-oriented support, the General Council of Indre-et-Loire (Tours) decided not to follow that trend, and to deliver a socio-professional support, with no distinction. It aims at establishing a more integrated path, where employment is the common goal for all. It goes beyond the former distinction between social and professional support. (Nevertheless, the implementation phase encountered challenges to follow that trend (see below)).

4.2 The global approach

One strong component of the professionalization of front line workers in the field of social cohesion and employment inclusion is the global approach of the individual. It means taking into consideration that one may face several kinds of difficulties that should be addressed before being employable. Strong shared professional culture among case managers (see below), and bottom-up perspective in service delivery based on the individual's needs, are components that explain this long-lasting tradition of global approach.

The increasing promotion of employment at the core of other policy fields represents a hindering factor criticized by front line workers. Indeed, it appears as restraining the implementation of their global approach as it focuses only on one single objective: labour market access. Moreover, the increasing rigidity that affects some policies and / or organizations (more persons to support, more focus on employment that hinder the global approach, etc.) may also impede it. According to the service that is being delivered, the level of discretion of local actors is more or less important and enables them to implement their global approach to different extents. *"They don't tell me, now, you have the first appointment, you make him sign the contract straight away, it can wait until the second for example. We are relatively flexible on all of that"* (NGO PLIE). It indeed depends on whether the nature of the service previously defined is more or less rigid. *"With us, what they* (recipients) *have to respect is to come to appointments, to take part to visits, it's only little things like that, whereas someone who gets into the minimum income scheme system, that's other requirements…"* (NGO PLIE).

Enabling factors to multi dimension integration and to the implementation of the global approach in the service delivery are proximity, and strong professional culture (see below), governance schemes that reduce intermediaries between the service and the beneficiary.

Proximity again is an important variable. Putting different organizations with close interests in the same building, and the thereby established proximity gives more opportunity for cooperation (in all three cities some service providers are located in the same building than others, which facilitates cooperation). Proximity is also fostered through staff delegation (see multi stakeholders' integration). For example, someone working in the framework of a professional integration-oriented measure (*PLIE,* minimum income scheme, etc.) may often be found in an NGO that provides other services (trainings, social assistance, housing assistance, etc.). It hence bridges dimensions.

Professional culture also enables multi-level integration. The global approach implemented within the provided service relies on collaborative work, and very often on relatively informal relationships. Most connections are made during common meetings, and are maintained with no formal setting. Or they can also be made because of organisational factors (see previously minimum income scheme or *PLIE* referee that are host in an NGO for example). "*It's where* (employment forums), *since I started my career* (…) *it's where I managed to create contacts. Well, first I worked at the Mission Locale. So I already started to make my little network. But really, in employment forums, whatever forums, I go to talk to people, get information; I go get details on who they are so I can tell my beneficiaries (...). So most connection I have, it's through that.* (…) *It remains an informal network"* (NGO PLIE).

The decrease of intermediates that enables cross-sectorialization is also a multi-level variable (see best practice table 4). In some situations, local actors have managed to reduce intermediaries in the service delivery process. They establish a short track that enables referees to prescribe services they are not usually entitled to (for example, in Tours, some social and professional counsellors can prescribe training sessions without going through the usual bureaucratic scheme). Such decrease of intermediates is made possible when there is good relationship among street level bureaucrats involved, as, even though it mostly affects the way the beneficiaries is being oriented, it is first of all a matter of policymaking.

According to caseworkers, the 'single referee' (see above) is not what enables such global approach. On the contrary, it is based on front line worker's network facilitated by a strong professional culture. The idea is hence not to be qualified to address all issues one may face, but rather to be able to cooperate well with a large range of actors, and to understand the individual in its totality.

Table 8 – Best practice example in multi-dimensional coordination in policy implementation

FRANCE	Developed within a national frame, and coordinated at the regional level, the mission locale are NGOs with local elected representatives in their governance board. They target youth with low level of qualification and aims at supporting young individuals (unemployed or not, but out of school for over a year) in all dimensions of their social and professional inclusion. They provide at least one or more locations in the city for youngsters aged between 16 and 25 for their entire social support. Aside from mobilizing national or regional tools and measures (in the framework of convention and partnership), the *mission locale* develop their own set of actions (driving license, access to housing, etc.) or mobilize a wide network of NGOs to provide tailored-made service delivery. They appear to be a one-stop shop for youngsters with both a multidimensional and multi stakeholders approach.

4.3 Summary

Policy-making, implementation, and service delivery do not follow the same dynamic. Indeed, while the activation trend and the necessity to face budget decrease have lead to the inclusion of several dimensions in employment policies (and it is progressively being established), more rigid schemes have also been promoted because of those two factors and with regards to service delivery (sanctions, quantitative evaluations rather than qualitative, focus on employment only without taking into account other dimensions, etc.). As Van Berkel and Borghi explained, "rather than solving (the ways in which national governments try to ensure that regional/local actors act in accordance with national policy objectives) by rules and regulations, several national governments nowadays use other means to influence regional or local decision making, for example by introducing performance indicators" (Van Berkel, Borghi, 2008, 396). Hence, even though multi dimensional integration remains quite strong at the local level, we can notice a contradictory dynamic. The identified gap between traditional multi dimensional fieldwork and increasingly promoted cross sectorialization in policymaking tests the relevance and coherence of the integrated approach at stake. On the one hand, activation friendly integration policies have fostered such approach. On the other hand, the latest approach seems disconnected from, and even impedes the traditional global approach service providers refer to. It thus questions the reasons why such integrated approach is promoted. Is it promoted because it is recognised as a new governance scheme that would facilitate employment inclusion (and the difficult adjustment that occurs between policies and service providing would be a matter of timing in the process of change of paradigm)? Or is the integrated approach above all promoted in order to deal with the decrease of national resources?

With hindsight, one can assume that multi dimension integration relies both on a policy window and on a strategy that aims to facilitate the entry of unemployed into the labour market. Vertical integration has reached a relatively strong level between several policy fields, which reveals that employment being at the core of public action is increasingly acknowledged with regard to policymaking. Social-oriented services are still reluctant to focus on employment, even though they observe and often fear a change of paradigm. Nevertheless, even though the change of paradigm is not always acknowledged, vertical integration is highly and successfully implemented.

It is though interesting to notice that, no matter the strength of integration with regard to both policymaking and implementation, coordination does not systematically follow. In other words, integration does not mean coordination.

Table 9 – Barriers to multi-dimensional integration per case study

		A	B	C
Multi-dimensional integration	Policy development		- Interpersonal variable - Politics	
	Policy implementation		- Professional culture - Adviser's skills and professional background - Administrative rigidity	

Table 10 – Enablers of multi-dimensional integration and type of coordination by case study

		A	B	C
Multi-dimensional integration	Policy development		- Interpersonal variable - Politics - Proximity - Budget decrease	
	Policy implementation		- Interpersonal variable - Proximity - Decrease intermediates - Professional culture (bottom up perspective and global approach)	

5. Multi stakeholders

Within the "*millefeuille*", and given the very large number of private and public actors involved in employment policies, employment policy fits into a hardly readable landscape (Mériaux and Bartoli, 2006). Multi-stakeholders integration has indeed reached a climax, which does not necessarily leads to coordinated and cooperative governance schemes.

In the three case studies, we observe the importance of organisational and geographical proximity as a strong factor facilitating this cooperation (see also multi-level integration): interpersonal and informal relationships are crucial for both policymaking, and service delivery. Thus, multi-stakeholder's integration tackles two major questions: how do stakeholders work together (enabling and constraining factors / informal and formal cooperation schemes, etc.), and what shape does the cooperation take?

5.1   Policy development

Since any kind of cooperation observed during our fieldwork - either multi-dimensions or multi levels – is related to multi-stakeholders' integration, one could expect the degree of integration - between public/public actors, or public/private actors - to be very high. But as pointed out by one interviewee, *" this integrated approach on employment policies does not really exists since there is a lot of side policies, relations but not real integration, the only possible integration can be achieved with territorialized-based actions involving all the actors"*(Direccte). What turn a simple relation into 'real integration'? What enables integration, or constrains it in the case of public/ public partnerships of private/public cooperation?

1)   *Public / Public integration* in policy making can be observed under three forms: multi-stakeholder's projects, multi-stakeholder's organizations (see also cross sectoral projects and cross sectoral organisations in multi dimension integration) and multi-stakeholder's coordination bodies.

The first ones arise from cooperation between actors working on common issues, or with a common interest (policy network and epistemic policy community). It can result from national priorities and orientations (target groups, youth, or disabled for instance or issues, such as basic skills or housing). Furthermore, as employment is a complex and multi-dimensional issue, it empowers everyone to legitimate its involvement in that topic. Besides, the economic crisis at stake has strong effects on public policies. Indeed, we witness an important budget decrease. Many attempts have been realised in order to reduce public expenditures. It also obliged instances to cooperate, to put their budget in common, to share staff, etc. in order to be able to elaborate projects. Thus, even though it was not its main goal, it strongly took part to the reinforcement of an integrated approach. But as one interviewee pointed out, isn't it a *"constrained integration"*?

As highlighted all through this paper, the second one, multi-stakeholder's organisations are aimed at coordinating a large sector (the *millefeuille*). Thus, even though contractualisation increased (mainly between the citizen and the State, but also among different organisations),

the origin of local inter-agency collaboration often comes from interpersonal and professional affinities. Top-down directives promoting the creation of one-stop shops (for example, the *Maison de l'Emploi*) are not always the results of local needs but rather of a will to fit into national dynamics (notably in order to get funding). It is still hard to identify the inputs of such local organisations. Have they achieved their goal of improving coordination of local actors for both actors and beneficiaries' sake?

The third form is multi-stakeholder coordination bodies that are quite always multi-dimensional ones, and are often organised by territorial level. Empirical work shows that employment and training integration governance enforce a top down dynamic and appear unable to help information to travel upward. However they provide a room for cooperation between stakeholders even if it can be limited by personal relationships or politics variable. Others multi stakeholder bodies of coordination are also multilevel and most of these multi-stakeholders / multi-dimensional coordination bodies are mandatory; they are stipulated by signed agreements such as contract of objectives and means (*Contrats d'objectifs et de moyens* COM). For instance, the COM "Job integration and social inclusion of young" is a multi-stakeholder and multi-level convention on strategies, objectives and funds, signed by all the actors and operators in relation with youth employment.

The main enabling variables are institutional and professional culture (that can also be constraining variables) and geographical proximity. *Proximity* means both the formal interpersonal and professional relationship and informal relationships. The three cities selected were often presented as cities where people stay. Hence, even though there is professional mobility, it often occurs within the same city. People know each other and have been working together for years thanks to their network that they have established throughout their career. They know whom to contact according to different situations and they know whom they work well with and also whom they disagree with. Hence, it seems that the selection of partners is not often neutral, and only professionally based. Personal relationships appear to be a strong variable. These informal relationships though always lead to formalized cooperation schemes, impact a lot on the governance scheme and projects or actions itself[12].
It also brings the light on the gap that exists between policymakers and street level bureaucrats, notably with regards to an integrated approach as a strong component of the level of discretion of the latter. It puts the emphasis on the fact that personal matters are crucial when it comes to the level of discretion of both policy development and policy implementation.

In some case, these enabling factors may as well be hindering factors (institutional and professional culture, or political factors).

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[12] More precisely, it appeared that street level bureaucrats manage to keep cooperating when elected representatives fight. In two of the cities, the local and/or regional political context has disturbed cooperation among some actors. There were major concerns at the local and regional level and some the political tensions involving competences and competition between the actors and relations between stakeholders. However, street level bureaucrats' duty – as being different than elected representatives – was not too strongly impeded. Thus, as already stated, they managed to cooperate, no matter their elected representatives were not.

Another hindering factor brought up by almost all of the interviewees is that there are too many bodies of cooperation and coordination, which lead to non-decisive or useless / times wasting spaces as outlined by *Pôle Emploi*: *"at this scale of territory, the Regional Council gathers the same actors but without the subprefet on the issue of professional training. The subprefet consults on employment issues but not on training and the Regional Council on training but not employment… all with the same actors. The General Council invites us to talk about social inclusion policies around RSA in the technical committee, the City invites us at employment commissions… we are stakeholder in the PLIE; Mission locale…. Honestly it dilutes the decision-making. Anyway, for us, decision-making is mainly an internal process because we are still strongly under the influence of our national and regional framework"*.

Multi-stakeholder policy making is also impended by competition and concurrence between institutions. *"Tools and procedures that aim at developing negotiated governance scheme in employment policy usually fail to thwart the effects of compartmentalization and inter institutional concurrence that increase while every local / territorialized actor develop its own employment programme in response to local needs"* (translated from Meriaux et Bartoli, 2006, p3).

Finally, organisational models and information systems are another most important barrier. Some organisations are elected bodies and thus as pointed out by one *General Council*: *"there are 99 General Councils with 99 different organisations, 22 regions… 22 organisations…There are as many relations between us and the Direccte or Pôle Emploi for instance as there are departments and Region"*. Moreover, with each organisation comes an information system that might make it difficult to implement an integrated approach. Each organisation has a defined territorial scale, thus it is the *canton* for the *General Council*, the arrondissement for *Pôle Emploi*, etc. Every local actor - either policymakers or operators who implement policies - expressed how difficult it is to deal with the inconsistency of their information system. Each organisation has it own information system, developed according to their missions, aims and strategies prior to any contract-based partnerships or integrated policies were initiated. Thus it is now quite tough to link information systems, especially with DUDE (*dossier unique de demandeur d'emploi*, single job seeker file) of *Pôle Emploi*[13].

Not only there are some technical thin consistencies, but also sharing information is strictly organised. Regarding some issues, social workers are bound to professional secrecy. Furthermore the Information Technology and Freedoms Commission (CNIL, *commission nationale de l'information et des libertés*) is an independent agency that provides a legal framework to protect privacy and identity in a digital world. It defines the kind of datas that can be exchanged between operators and somehow it may be a barrier to integration.

2)   The nature of the relationship between policymakers and services providers and different cooperation schemes can be subventions, tenders, service or staff delegation within the frame of the French public market code. With the trend of contractualisation, private and

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[13] Established in 2005, the DUDE created a single electronic file for each job seeker in order to ease information's circulation among employment services

public stakeholder's integration have reinforced the formalisation of the relationship and challenged the cooperation between services providers and ordering parties.

The variables that facilitate or impact this mode or cooperation are once again the personal or professional relationships. But interviewees brought up some other variables.

- The first one is that with organizations that are in charge of the service delivery, different kinds of relationships arise: from partners to co-contractors. Indeed, traditionally based on partnerships and funding, the increasing use of call for tenders, although not used by all organisations, have challenged former relationships. Such contractual relationships make a cooperative policymaking difficult to settle, both partners having two distinguished positions: one being the ordering party, and the other one being the service provider: *"The obstacle is, I'd say, it is change, clearly the nature of the relationship with the non-profit sector. (...) They are not partners. They are not colleagues. They are co-contractors. They have contractual obligations"* (*General Council*). Indeed, once you share decision-making and policy development, it seems inappropriate or difficult to put those organizations you were partners with in a competition position, which puts them in a very different relationship. *"How can we work as partners when we are at the same time in a public order dynamic that leads to competition. Sometimes, when we have a need, a project for the territory, well then, we know that we have a qualification need in a specific field. And there are not 36000 training organizations that will help us with that. Sometimes, we even make them work together so that we can help us face those needs for qualification, and then, what do we tell them? We put them into a competition"* (Regional Council).

- The second one is that about professional and institutional culture. This new trend of contractualisation has not yet reached a new management method at the local level. The new generation of civil servants appear to be more sensitive to this trend, whereas older generations find it both difficult and somewhat unfortunate. Even though they understand the aims of tenders in terms of management, it reinforces a hierarchy that does not always benefit local cooperation. It settles a more rigid and codified relationship *"on the pretext of promoting 'good, efficient and effective governance'"* (Borghi, Van Berkel, 2007) that defines each actor's duties, but does not necessarily increase their cooperation means.   Contracting-out often results in devolution with less collaboration, co-reflexion and co-construction (for example, policies aiming at promoting the professional integration of immigrants that are often contracted out to private partners with no real co construction or collaboration

Table 11 – Best practice example in multi-stakeholder coordination in policy development

<table>
<tr><td rowspan="2">FRANCE</td><td>The regional public employment service (SPER) and its departmental and local subdivision (SPED/SPEL) are among the several committees supposed to be a space to develop a common regional / departmental and/or local strategy on employment issues. One of its main objectives is to produce a common strategy amongst different stakeholders at each level[14].

These multi stakeholder committees organized by level provide a room for discussion appears to be more efficient at the local level (even if the local level has a little level of discretion in policy making).
Some issues arose that reveal that integration does not necessarily mean coordination.
- The aim is rather to produce common implementation, or to share results of tools or measure than producing a real common policy and defining a regional shared strategy
- At the regional level, the politic variable may hinder the aim of a common regional strategy. Moreover, the objectives of the SPER might be less to consult than to order and to endorse a top-down policy (mainly regarding subsidized contract)
- Some governance and power issues still remain regarding the leadership. Since employment is a prerogative of the state, state representative usually supervise the Public Employment Service concentration: the Préfet of region at the regional level (SPER) and its several equivalents (SPED, SPEL, local team). Yet the hierarchy and the centralised organisation of public administration may hinder the multi stake holder integration
- The major challenge of integration (both of stakeholders and dimensions) is to be able to set up common policies / instances / committees, etc. that are still readable, and facilitating, rather than time waste.</td></tr>
</table>

5.2 Implementation

In terms of implementation, local authorities have some leeway. Indeed, territorial institutions often initiate experimentations[15] and all stakeholders work together at different modalities to organise service delivery. Hence, even though they don't have the power to establish employment policies, they can work on what surrounds the nature of the policy itself: choice of the local territories, targeting group with special needs, choice of partners etc. Moreover, there is a room for manoeuvre in the way case workers address social barriers to employment, the way they provide service to the beneficiaries, and to some extent, the choice of the measure that better fits, etc. As pointed out by both interviewees of the *mission locale* and *Pôle Emploi " the framework is given by the national level but then in practice, I mean the framework, and for instance the joint-contracting with the mission locale is essential, but then*

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[14] - At the regional level, the SPER is divided into two committees: a plenary one with elected representatives and street level bureaucrats working for the State, and a technical one with all the relevant technicians. Its objectives are to be the regional governance and a coordination body. It aims at defining the framework of employment policies at the regional level, to review implementation modalities of employment policies, and to oversee policies. The Prefet of Region manages the SPER. All the actors from the regional level meet on a regular basis including subprefet, Direccte, Chairman of the Regional Council, *Pôle Emploi*, *General Council*, URML (regional union of Mission locale), URPAC (regional union of PLIE).
- The same institutions (but a level below in their own territorial hierarchy) take part in *departmental public employment service* (SPED). This instance is similar to the previous one, on a departmental level in order to enable a more territorialized prism. The meeting is managed by the Préfet de department with local actors and is a more useful and efficient body, as recognised the local actors who are part of it (for instance the mission locale, but also the UT Direccte…).
- Finally, the SPEL *(local public employment service)* gathers authorities in charge of dealing with employment issues at the local level, on a monthly basis. They share information, consult each other about guidelines, new measures etc.
[15] It should also be noticed that since 2009 the French central government has launched a policy of funding youth social experimentation giving the local actors some opportunities to be financed for implementing innovative programs dedicated to promote the professional and social integration of youngsters. http://www.jeunes.gouv.fr/ministere-1001/actions/fonds-d-experimentation-pour-la-1038/

we have a latitude to develop actions with our partners at the local level according to the needs of the territory"

Private / public partnerships in service delivery notably occur when policymakers contract out the service to an NGO's that may mobilise a network of partners in order to address issues out of their competencies; or through collective territorialised project (for instance see best practice table 12 on Ginko project in Bordeaux). Staff delegation in an NGO is another example of multi-stakeholder integration. For instance, the PLIE especially since it has been integrated in the *Maison de l'emploi (*House of employment in the case of Bordeaux) was supposed to be a one-stop shop and to strengthen multidimensional integration between employment and economic development. But, it is not only the strategy, objectives or the governance that are allegedly integrated, but also and mainly the people and the organization: professional counsellors work in NGOs, they are being paid by the *PLIE* but their office and their workplace are mostly in training agencies, or NGOs which provide services.

Interviews highlighted the impact of the variety of positions actors involved may occupy. As we observed many front line workers hold several positions at once. They hence depend on and rely on several organisations that all work with different networks, levels, etc. Even though it may represent an impediment (as it requires switching from one position to another very often, etc.), it also facilitates the communication between actors, and amongst different policies.

Once again, personal relationships impact and somehow enable any kind of integration (multi-level, multi-dimensional and multi-stakeholder). Some others variables were highlighted in interviews.

Regarding the integration of stakeholders in the service delivery, social workers' corporatism is a strong facilitating factor that has placed such integration at the core of their work. However, it is more and more common to recruit new profiles that are less focused on social issues, and that are not incorporated into social workers' traditional professional culture. We can notice a contradictory dynamic through the sectorialization of competences. On the one hand, it helps removing a current obstacle: the reluctance to focus on results based on employment only. But on the other hand, it may also weaken links between services providers, those links mostly relying on a common professional culture.

The current trend fostering a more market-based approach is another variable impacting partnerships. It has resulted in an increasing need for service providers to gather among one big entity in order to be able to compete with other big organisations. At the same times, it results in practices of sharing and pooling tools, resources and project in order to face.

Lost in prescription

Many dimensions, many policies, and many organisations, all strongly interconnected, sometimes in a very organised way, and sometimes it seems more confusing. Even though every stakeholder knows more or less who is in charge of what, sometimes, a beneficiary can

be found in different organisations and can benefit from different policies and services. *"so we have a population that is at the margins, supported by one instance or another. Because nowadays, people systematically get supported at some stage. But they come to see us for a daily help, an additional support. Because there is a lack of time from usual operators"* (City Council). The difficulty is hence to know which beneficiary is being supported by which organisation, and benefits from which service in order to avoid adding layers of services with no communication amongst them.

But it also questions the way the beneficiary finds his/her way without getting lost, lost in prescription. The minimum income scheme is unfortunately a "good" example of the beneficiaries' difficult orientation. As interviewees from *General Council* explained, beneficiaries are referred to either social or professional supports with a ratio defined by the law: 2/3 of beneficiaries to be referred to *Pôle Emploi* or Mission locale and PLIE (professional orientation) and 1/3 to be referred to a social support.

But local practitioners noted that career advice does not always correspond to the need of the beneficiaries and as pointed out by one local advisor: referring is very difficult. Some beneficiaries are for instance referred to the PLIE, but the caseworker in charge observes barriers to job integration (e.g. psychiatric problem) that he or she has to refer back the beneficiaries to *General Council* through its local agency. One CCAS director also told us that they support beneficiaries of the RSA that are referred to them (only single or separated person without child) but that they received lots of "lost people", beneficiaries referred to other actors, but who get lost in the process: *"either the orientation was not the right one, or the problem is that putting the stress on qualification leads us to forget some other issues of paramount importance regarding social inclusion and professional integration. Thus we don't really consider the global dimension of the person that is much more complex and that should lead us to use all leverage."*

A recent study conducted by the Ministry of Employment, Work, Professional Training and Social Dialogue pointed out that only 50% of the minimum income scheme beneficiaries stated that they are followed by a single referee, 25% do not identify their single referee but declare to be advise by an local operator and 25% state not to be advise at all (Dares, 2013). In such a large network of local operator that still relatively unclear, the difficulty from beneficiary to be supported or to receive unemployment benefit (youngster for instance) may results in non-take up.

Table 3 – Best practice example in multi- stakeholder coordination in policy implementation

FRANCE	the **GINKO PROJECT** is a local initiative based on social needs and dynamics in the North part of the town in the area called *Les Aubiers*. The estate developer with the *mission emploi Bordeaux* (the house of employment and the PLIE) and all the institutional partners (the state, the Regional Council, the *General council*) develop a program of qualification for 14 unemployed women from the neighbourhood. The objective is for them to achieve a qualification of agent of food service in order to get a long-tem employment contract in that area.
	All local actors (par les *CCAS*, *Pôle Emploi*, the *Mission Emploi Bordeaux Nord*) were involved in the process of selecting applicants, the target were unemployed with the RSA allocation and supported by the PLIE.
	There were three stages during this 12 months training path (trainees were paid during 10 of them) from May 2011 to July 2012:
	First, from May 2011 to September 2011, it was a awareness stage in order for applicants to

discover the catering profession. It was financed by the ACSE (national agency for social cohesion) and the city of Bordeaux.

Second, from September 2011 to December 2011, it was the pre-qualification stage on both key abilities and a culinary apprenticeship-training program financed by the Regional Council, the *General Council*, ACSE, the city of Bordeaux and the PLIE (ESF fund). It was implemented both by a local training agency (Archipel) and an outside training agency (AFEC). During this stage, trainees were providing food for local workers of the Estate developer.

The third stage, from January 2012 to June 2012, was a qualification and job integration workshop financed by the Regional Council and the PLIE.

5.3 Summary

Integration can be an objective, a strategy at the national level with a will to foster a multi level and multi stakeholders and multi dimension approach but at the same time it can be impossible to implement at the local level. When combined with a top-down dynamic, integration of several stakeholders might be difficult to implement at the local level even with the proper instance of governance, contractualisation and formal organization.

Table 4– Barriers to multi-stakeholder integration per case study

		A	B	C
Multi-stakeholder integration	Policy development		- Institutional and professional culture - Opposite strategy - Leadership - Organisational models - Concurrence and competition - Contractual relationships in public private integration - Numerous bodies of cooperation and coordination	
	Policy implementation		- Concurrence and competition between service providers - Sectorialization of competences of case workers (less focus on global approach and more professional inclusion) - Organisational models - Information systems	

Table 5 – Enablers of multi- stakeholder integration and type of coordination by case study

		A	B	C
Multi-stakeholder	Policy development		- National dynamics: national priorities and orientations (targets, issues) - Institutional and professional culture - Interpersonal and professional affinities and relationships - Proximity - Reduced public budgets	
	Policy implementation		- Institutional and professional culture (social workers' corporatism) - Interpersonal and professional affinities and relationships - Proximity - Reduced public budget - Level of discretion of case workers and some latitude to develop actions - Staff Delegation - Variety of positions actors	

6. Conclusions

France is rooted in a centralized system, especially in terms of social cohesion and employment policies. The local level has thereby rarely been investigated. Yet, debates on the territorialisation of public policies, new governance schemes rising, and the increasing promotion of activation policies (among others) have challenged the former system. It sparks interest on this level. What is its leeway regarding the way employment policies are developed, implemented, and services are delivered? What are the convergences and divergences among different localities?

With hindsight, the three case studies conducted in France did not show strong differences. Given the French institutional landscape, one could expect service delivery and even implementation to encounter different frameworks regarding the ways policies are services are governed, whereas policymaking would be expected to be more or less similar from one case to another because of the centralized system. However, even service delivery and implementation follow a relatively common path. Rural or industrial areas would have probably led to bigger gaps among the cases, and to stronger governance differences. Based on that statement and given the cases that were chosen, the main question that arose was: are there governance factors that explain the performance of each city (under, average, and best performing)? What are the enabling and hindering variables that have an impact on governance of employment policies at the local level, and most especially on integration?

The main finding brought out is that integration inheres in the French landscape. This statement is even emphasized in the framework of employment issues, where the number of actors, dimensions and levels involved reinforce it. At the local level, some argue, others agree, but all communicate and interact within what was often illustrated by a cobweb (many actors / levels / dimensions all somehow interconnected). Hence, there is no lack of integration if we measure it according to the number and the intensity of vertical and horizontal interactions. Nevertheless, does integration mean coordination? It involves cooperation, and to a more limited extent coordination. Nevertheless, the complexity reached at the local level in France highlights the difficulty to articulate such a high integration. Moreover, we often face two different dynamics within this integration: on the one hand, one related to policymaking, and on the other hand, one related to the service delivery. The misfit that arises from these two ways to cope with integration reveals the lack of a comprehensive strategy.

Looking at the three levels of analysis enabling the grasp of local governance, the level of public action did not appear as a strong component of an integrated approach. Indeed, cooperation among levels is mainly a matter of national policies trying to deal with its decentralisation process, which seems to remain unstable because of competencies issues and political debates. However, at the local level, the several institutions seem to work together, no matter which level is concerned. The focus is not put on the 'level' of public action as such, but rather on multi stakeholders' cooperation. Integration exists, but occurs *de facto*.

Cross sectoriality - the most promoted trend to foster integration - complies with the call for both the traditionally settled global approach of the individual in service delivery, and the will to promote employment at the core of other public issues, along with the decrease of budget that makes it necessary to share resources. But although this multi-dimensional aspect is acknowledged, the misfit previously presented reaches its peak in this setting. The complex articulation of formerly separated policy fields that are being increasingly encompassed brings the light on the time required for changes (*"the major challenge here is to overcome this institutional barrier and to ensure that demanding and enabling measures follow the logic of necessity and not primarily an institutional logic"* (Eichhorst and Konle-Seidl, 2008, 18)). These changes are not just a matter of policy instruments, but also tackle the policy paradigm (Hall, 1993, Eichhorst and Konle-Seidl, 2008, Berthet and Bourgeois, 2012). The local level highlighted what the comparison of national governance schemes had shown: *"the change thus seems to spread faster in regard with goals and instruments than within organisations"* (Berthet and Bourgeois, 2012). Hence, multi dimension integration may have reached its institutional goal (rationalizing public funding, etc.), but no major change can be noticed for the beneficiary, except from increasingly complexity.

Concerning the way stakeholders are coordinated at the local level, one can observe that even though new public management is promoted, it is set up progressively in order to avoid virulent controversies among public actors used to different partnership schemes. Multi stakeholders' integration is the core of the integrated approach at the local level, as interpersonal relationships play a role of paramount importance. Proximity facilitated by the local level is an enabling factor to integration. Nevertheless, new fostered cooperation schemes (tenders, contracting-out, etc.) challenge the traditional functioning of partnerships, and turn many former cooperation relationships into contractor / ordering party one.

In a nutshell, the difficult coordination of the integration results in the scarcity of co-production, nevertheless softened by an important share of experiences, resources (human, cognitive, and financial), etc. There is a lack of comprehensive strategy due to the economic situation, a remaining unclear decentralisation process, a poorly institutionalized bottom up dynamic, and a communication between different positions that becomes more rigid or and thereby less cooperative. And yet, the existing network, proximity and long-lasting tradition of the global approach enable a strong integration at the local level.

Table 3 - Governance types and coordination characteristics

	Governance Type		
Coordination	**A mostly Public administration**	**B mostly Public administration**	**C mostly Public administration**
Multi-level	Centralised / *"Deconcentré"*[16]	Centralised / *"Deconcentré"*	Centralised / *"Deconcentré"*

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[16] *"Deconcentration where the center holds the policymaking authority and 'lower' levels are delegated implementation tasks only"* (Van Berkel and Borghi, 2008)

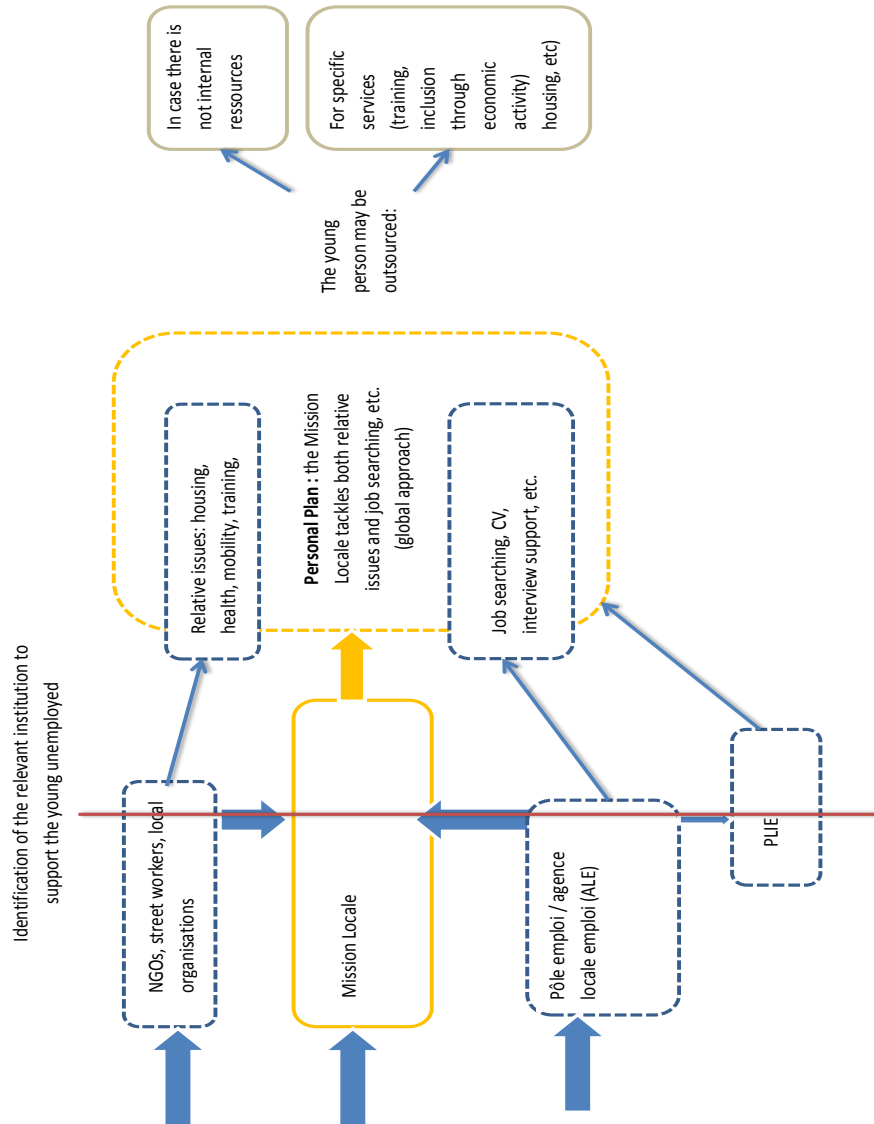| Multi-dimensional	Coordinate / co production	Coordinate / co production	Coordinate / co production
Multi-stakeholder	Contractual / collaborative	Contractual / collaborative	Contractual / collaborative

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Appendix

Youngsters' professional inclusion path

In case there is not internal ressources

For specific services (training, inclusion through economic activity) housing, etc)

The young person may be outsourced:

Relative issues: housing, health, mobility, training,

Personal Plan : the Mission Locale tackles both relative issues and job searching, etc. (global approach)

Job searching, CV, interview support, etc.

Identification of the relevant institution to support the young unemployed

NGOs, street workers, local organisations

Mission Locale

Pôle emploi / agence locale emploi (ALE)

PLIE

Long term unemployed' professional inclusion path

Personal Plan

The LT unemployed may be outsourced for some parts of his/her personal plan related to specific issues: training, inclusion through economic activity

→ may lead to parallel supports

Once the individual plan established, the beneficiary is oriented to relevant services or organizations for specific actions

→ may lead to parallel supports

Training

Job searching, CV, interview support, etc.

Relative issues: housing, health, mobility

Inclusion through economic activity

Professional Path implemented by a single referee in Pole Emploi or multiservices NGO's

Social Path (addresses social hinders based on a global approach paradigm) implemented by a single referee in social departmental services, social oriented NGO's

Punctual services provided by NGO's (either individual move or oriented by referees

Multidimensional NGO's

PLIE (Local Plans for Employment and Inclusion)

Minimum Income

Non take up (not registered as unemployed once not entitled to the unemployment benefit anymore)

Pôle Emploi

General Council (Local agency for inclusion)

Migrants' professional inclusion path

Maps

Aquitaine

Centre

Languedoc Roussillon