Over the past decade, European social policy has been oriented towards ways of integrating people into the labour market, moving citizens from welfare dependency to work. Recipients of social benefits are now generally required to participate in employment activation schemes. Many are also likely to need support from health, education, housing or other services. It is widely acknowledged that there is a great need for better coordination of welfare and employment policies at all levels: local, regional and national. This report presents an analysis of initiatives in all 15 EU Member States that aim to achieve better coordination of employment activation measures. It describes the role of the different agencies and actors involved in the planning, implementation and delivery of services. It shows the approach taken in some countries and localities towards better coordination through a range of new institutions and mechanisms. The report identifies measures in both policy and practice for improving coordination, including strategic as well as operational measures, and underlines the effectiveness of a comprehensive evaluation strategy.

The European Foundation for the Improvement of Living and Working Conditions is a tripartite EU body, whose role is to provide key actors in social policy making with findings, knowledge and advice drawn from comparative research. The Foundation was established in 1975 by Council Regulation EEC No 1365/75 of 26 May 1975.
Integrated approaches to active welfare and employment policies
About the authors
John Ditch is Professor of social policy at the University of York. He specialises in the study of comparative social protection. Ellen Robert is a senior civil servant who has worked in a number of policy and management roles in UK government departments. For the past five years she has been seconded to the University of York as Director of the MA in public services management (social security).
Integrated approaches to active welfare and employment policies

John Ditch and Ellen Roberts
At both EU level and in Member States, current policies for social protection and for employment emphasise reintegration into society through linking welfare and work. The European employment strategy encourages reform of benefit systems while the modernisation of social protection is grounded in the need to make this more employment-friendly and to make work pay. Both policy areas are characterised by the development of active measures. So, recipients of social benefits – although very different in the different Member States – are increasingly exposed to activation measures, mainly to promote entry to employment. Those at the margins of the labour market, such as people dependent on social assistance or minimum income, are likely also to need support from health, education, finance, housing or other services. It is widely acknowledged that these activation measures have generated a profound need for better coordination of welfare and employment policies at all institutional levels for planning, implementation and delivery of services: meeting this need is complex and challenging.

As the report notes, previous work of the Foundation on promoting access to employment, of people who are long-term unemployed or of older workers, underlines the multiplicity of their needs; other work on strategies to combat social exclusion has highlighted the difficulties in delivering solutions such as effective local partnership or integrated social public services. The problems, therefore, to provide effective coordination can not be underestimated. The analysis, and lessons drawn, in this report is intended to be practical and action-oriented; it should provide illumination and guidance to both those who design and those who implement policy.

The report is based on a synthesis of results from detailed field research in 11 countries with supplementary information from the four remaining Member States. This final version is very short in relation to the mass of material collected; it focuses upon how different countries and localities have addressed the need for more effective coordination, through a range of new institutions and mechanisms. The report is not a review of social assistance or activation as such, but an analysis of projects and methods which bring together agencies and actors to achieve coordinated activity in the field. This is a difficult area, lacking consistent definitions, and, as the report documents, where the concepts and objectives of the key actors may be in conflict.

Basic data such as the numbers and characteristics of minimum income recipients are not always available or not comparable between Member States; and, of course, responsibility for policy, financing and delivery of services may be at national, regional or local levels in the different Member States. Nevertheless, the report documents extensive change and reform that is underway in Member States, often with decentralisation of responsibility for coordination and with opportunities for local initiatives.

The main chapters on coordination provide a framework for thinking but also for examining current experiences and learning lessons for the future. The report discusses new arrangements for coordination before examining the practical experience of policy makers, service providers and clients. Although much of the detailed examination looks at the structure and operation of coordination at the local level, the report underlines the significance of coordination between the local, regional and national levels. The conclusions identify measures in both policy and practice to improve coordination, with proposals on strategic as well as operational issues, and suggestions for more comprehensive and sensitive evaluation.

Foreword
The report was formally evaluated at a meeting in September 2001 with representatives of the Foundation’s Administrative Board and with written follow-up of those unable to attend. The case material and concrete experiences were welcomed, as were the specific proposals to improve coordination in welfare to work measures. It was suggested that some of the lessons for policy makers should be more explicit to help in the identification of pathways to facilitate and stimulate better coordination and meaningful activation. There was some reflection on the values underlying activation measures, which in practice may emphasise duty and obligation rather than rights or opportunities for assistance or for employment. The objectives of these activation measures should be more clearly formulated to distinguish resolving employment from more general welfare dependency problems. So, the debate necessarily goes beyond the evaluation of coordination to evaluation of the results of activation, including consideration of the kinds and quality of employment.

Although gender appears to be a significant issue, for example regarding care responsibilities as a barrier to employment, the Evaluation Committee noted a lack of attention to the different experiences of men and women in receipt of minimum income. There are some examples in the report of projects concerned particularly with the needs of women, but it is a subject that needs more specific research and analysis.

We hope that the frameworks and results presented in this report can inform new developments in Member States and that some of the issues can be explored in, for example, the National Action Plans on social inclusion. We are pleased to make this report available as a resource for all parties involved in the development, implementation and evaluation of more coordinated approaches to activation.

Raymond-Pierre Bodin
Director

Eric Verborgh
Deputy Director
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Employment and labour market policies have long been privileged, as being at the heart of the European Union's social policy concerns. From the early ambitions of the European Social Fund, with its emphasis on training and the integration of (displaced) workers, to the mainstreaming of employment policy following the Essen Council of December 1994 and beyond, the Community's commitment and responsibilities in this area of policy have been extended and consolidated. The status accorded to social protection, within the portfolio of Community competencies, has been more ambiguously located throughout this period. Early concerns constructed an approach to social protection in terms of the impact of non-wage labour costs on competitiveness. This extended into a set of regulations to facilitate the migration of workers and their dependants. The European Court of Justice has made important judgements that have had considerable impact on the functioning of national social security schemes. Nevertheless, there has been a marked reluctance on the part of Member States, and a notable reticence on the part of the Commission, to extend European competency into the full arena of social protection. Partial exceptions have included the 1992 Council Recommendation 'in respect of common criteria concerning sufficient resources and social assistance in social protection systems'. These have, of course, been subject to review by the Commission (European Commission, 1998). A high-level Working Party on Strengthening Cooperation for Modernising and Improving Social Protection – the Social Protection Committee (since December 2000) - has been constituted. The Commission proposed a policy in which it identified four objectives:

- to make work pay and provide secure income;
- to make pensions safe and pension systems sustainable;
- to promote social inclusion; and
- to ensure high quality and sustainability of health care.

Against this background, the Working Party decided to concentrate on two issues: combating social exclusion and ensuring the viability and sustainability of pension schemes. The Working Party called for studies to evaluate the impact of social policies within Member States, and for the development of appropriate indicators to be used in measuring poverty eradication targets. Three strands of policy were given prominence:

- the coverage and structure of minimum resources, social assistance and linked social protection schemes, particularly issues relating to entitlement, eligibility and access;
- enabling integration within the world of work; and
- comprehensive, integrated approaches to those factors which cause social exclusion.

Although a wider debate about the purpose and adequacy of national social protection schemes has been somewhat muted, a debate on the relationship between the labour market and social security benefits, at both micro and macro levels, has begun to develop. Both a narrow and a wider context have shaped the debate: on the one hand issues around affordability, incentives and competitiveness as driven by economists and those concerned with the primacy of the labour market; on the other, a broader concern with the dynamics of social exclusion and the development of social citizenship. The linkages between these policy domains and discourses have not always been clearly articulated. Indeed, it is arguable that the relationship has been more characterised by misunderstanding and tension than by cooperation and synergy.
The Foundation's commitment to a programme of work on the co-ordination of active labour market programmes for recipients of minimum income benefits is a direct expression of the need to bridge these policy areas.

**EU policy context**

The programme of work that began in the 1970s with the Combat Poverty initiative ran into resistance from several Member State governments when the Commission's proposal to fund a Poverty 4 Programme was blocked. The concept of poverty, which carried with it narrow concerns and assumptions about income insufficiency, had been increasingly challenged by social scientists. These emphasised, in contrast, its diffuse and multidimensional character, causes and consequences. Indeed the term social exclusion, embracing the narrower construct of poverty, was coined and rapidly grew in currency.

The Maastricht Treaty failed to provide a juridical basis for policies and interventions to combat either social exclusion or poverty. Ironically, as the capacity and commitment of the Community to intervene in these areas appeared to diminish, there was evidence of weakening internal cohesion across the Union, as evidenced by the European Commission's First Cohesion Report (1996). Growing evidence of the relatively low rate of economic activity (by global standards), but of high rates of unemployment and persistent long-term unemployment did, however, ensure that labour market issues were never far from the top of the policy agenda.

Building on an earlier Communication (The Future of Social Protection: A Framework for a European Debate, 1995, the Commission's Communication on Modernising and Improving Social Protection Systems in the European Union (1997) laid emphasis on the rising costs of social security and the implications - both macro and micro - for labour supply and competitiveness. The context, including the changing nature of work and the enhanced need to balance financial security with labour market flexibility, was discussed in terms of demographic ageing, new and extended forms of social dependency and the need to reform the coordination of social security systems. The Commission proposed that five policy clusters should structure the debate at the European level. These were:

- the extent to which social protection could be seen as a help or hindrance to social cohesion, political stability and economic progress;
- the ways by which social protection systems could become more employment friendly; (particular attention was placed on the need for active policies, the possibilities of reducing non-wage costs, the translation of 'reactive unemployment insurance into a proactive employability insurance', and assessing the structure and impacts of guaranteed minimum income schemes in the Member States;)
- the challenges posed by demographic ageing and increasing social dependency for social protection programmes and pension schemes in particular;
- the need to reconcile work and family life and the development of policies which would do so - consistent with the need to protect individual rights; and
- within the context of a Single Market, to further coordinate, through a programme of simplification and reform, social protection systems for use by migrant workers.
In comparison, issues to do with families, poverty and adequacy were ignored or downplayed.

The Amsterdam Treaty, adopted in 1997, contains new chapters on both employment and social issues, reinforcing concerns about both the financial sustainability of social protection systems and their propensity to create and maintain dependency. At about this time the language that constructed social protection measures as being either ‘active’ or ‘passive’ passed into the policy discourse. There is a long history of measures, inducements and discouragements that seek to promote independence, self-reliance and labour market engagement. The heritage can be traced back through the conditionality rules associated with the receipt of benefits in the inter-war years (Deacon, 1976), to the emergent distinction between deserving and undeserving categories of Poor Law recipient in the nineteenth century (Ditch, 1987). Underpinning these measures are the principles of ‘less eligibility’ and ‘workhouse test’. These dictate that support, given to those in receipt of what became social assistance, should always be less than that provided to the lowest-paid independent labourer in the immediate locality.

The difference between the practices of the past and the policies of the present are twofold. First, the change in nomenclature has been subtle, but the distinction between active and passive has become pervasive and instrumental. Second, a new-found commitment to the pursuit of coordinated strategies aligning labour market and social security policies on the one hand, and delivery mechanisms on the other, has been accepted in all EU countries. The new vocabulary, distinguishing between - but privileging - active over passive, has been attributed to the OECD Jobs Study (1994).

Sinfield (2001) has argued that the exclusive division of policies into either active or passive measures effectively seeks to preclude a more detailed examination of the ways in which social security benefits can affect both the short-term and long-term welfare of workers and their dependants. Sinfield argues that, when social security benefits are styled as being ‘passive’ and labour market programmes as ‘active’, each adjective connotes either exclusively negative or positive attributes. Moreover it is Sinfield’s contention that such implications are based on a partial or misleading interpretation of available evidence. Too much reliance is based upon econometric studies of labour supply, and insufficient attention is paid to sociological and longitudinal data. Most particularly, he expresses concern that studies of job vacancies are not effectively matched to the known characteristics of the unemployed in immediate travel-to-work areas. In other words the labels ‘active’ and ‘passive’ are attributions which are independent of empirical evidence.

The growing hegemony of ‘active’ over ‘passive’ constructions is further evidenced by the subtle shift in orientation at the European Commission. Two out of four key policy objectives in Modernising Social Protection (European Commission, 1997) address labour market issues. They are the need to make work pay and thereby provide a secure income, and the need to promote social inclusion as an element of labour market strategy. These are both consistent with a wider agenda to reconstruct social policy ‘as a productive factor’.

Employment was explicitly identified as a high priority within the Treaty of Amsterdam (Art. 127(2)): ‘The objective of a high level of employment shall be taken into consideration in the formulation and implementation of Community policies and activities.’ It was subsequently agreed at the Luxembourg Jobs Summit, in November 1997, that a strategy should be built on four pillars:
employability, entrepreneurship, adaptability and equal opportunities. Every year a set of guidelines are to be adopted for each of the pillars, setting targets for each Member State to achieve. The ‘employment guidelines’ are then transposed into policy measures and administrative actions by Member States through their National Action Plans for Employment. Under the ‘employability pillar’, attention to ‘activation’ has increased since 1997.

In the Communication on a Concerted Strategy for Modernising Social Protection (European Commission, 1999a) the Commission declares that programmes of economic reform should continue to emphasise flexibility and the creation of employment. The Lisbon European Council in March 2000 identified four key areas as elements of active employment policy: (a) improving employability and reducing skill gaps; (b) more emphasis on lifelong learning; (c) more employment in the services sector; and (d) pursuit of equal opportunities. The overall aim of this combination of policies is to raise the employment rate from 61% to 70% by 2010, and thereby to help reinforce the sustainability of social protection systems.

The Social Protection Committee, pursuing the agenda agreed for it at the Lisbon European Council, established a consensus on the complex and multidimensional nature of poverty and social exclusion. The Commission’s Communication, Building an Inclusive Europe (European Commission, 2000a) presents an overview of the problem of social exclusion, its persistence in all Member States and the policy developments brought about to address it. A key strand in these responses has been the development of integration policies, which bring together both employment and social protection systems. The diverse social assistance and minimum income schemes are critical instruments in the achievement of social inclusion. Particular attention is placed on the need to develop appropriate coordination mechanisms and integrated approaches.

The 2000 Employment Guidelines contain a general principle in the preamble, to the effect that ‘…coordinated action must be pursued in a sustained manner to combat unemployment and raise the present levels of employment on a lasting basis’. Guideline No.3 goes on to say that each Member State ‘…will endeavour to increase significantly the number of persons benefiting from active measures to improve their employability with a view to effective integration into the labour market’. In addition each Member State is exhorted to ‘…review and where appropriate, refocus its benefit and tax system to provide incentives for unemployed or inactive people to seek and take up work or measures to enhance their employability and for employers to create new jobs…’ (Guideline No.4).

The Commission is clear that employment creation is crucial to combating social exclusion. Its strategy for the achievement of this goal is elaborated in the Communication, Building an Inclusive Europe, and is fully presented in the Commission’s Social Policy Agenda (European Commission, 2000b). As the document concludes: ‘The new Social Agenda is the strategic response to modernise the European social model and to translate commitments made at the Lisbon Summit into concrete action. In doing so, it builds on the progress achieved in the employment and social fields during the past Social Action Programmes and takes forward the implementation of the Treaty of Amsterdam.’

The structure and functioning of minimum income schemes, and in particular their role in the fight against poverty and in support of social inclusion, are of long-standing interest to the European
Union. Minimum income schemes are a final social safety net and a means whereby financial resources can be transferred to the most vulnerable and those in greatest need. The Council’s recommendations (EEC Recommendation 92/441 of 24 June 1992 and Recommendation 92/442 of 27 July 1992) were a stimulus to a debate about the contribution such programmes could make to the alleviation of poverty. Detailed description of the legislative frameworks, policy objectives, organisational structures, claimant characteristics and social impacts are to be found in a number of studies (Ditch, 1999a, Ditch, 1999b and Eardley, 1996b).

Broadly speaking, however, in those countries with a Bismarckian heritage where social insurance programmes based on employment status predominate (Germany, Belgium, Austria, France and Luxembourg), minimum income schemes effectively sit outside the schema of social security systems. On the other hand, in those countries where a Beveridge-inspired paradigm of universal coverage predominates (the UK, Ireland, the Nordic countries and Portugal), the assistance-based tradition is regarded as being integral to the social security system. Between these models - effectively along the Mediterranean rim - are Greece, Italy and Spain where the minimum income schemes are not so well developed (not at all in Greece) and operated by local authorities (Italy) or Autonomous Communities (Spain).

Minimum income schemes provide assistance for individuals and their dependants, when no other source of financial support is available. They are non-contributory and, for the most part, are not time-limited. The amount of benefit paid to the claimant varies according to status, the number of dependants, their housing costs and a plethora of more detailed conditions. The rules governing eligibility and entitlement are complex and vary between countries, and sometimes within countries. For example, in Austria, Belgium, France, Germany, Ireland, Luxembourg, Spain and Portugal minimum income recipients must have exhausted their entitlement to other social benefits. In the Netherlands, Germany and Luxembourg minimum incomes can be used to supplement retirement or unemployment benefits. Not all Autonomous Communities in Spain allow a combination of these benefits with minimum incomes. In Denmark, Finland, Sweden, the Netherlands and the UK claimants can access minimum income schemes without having used all entitlement to other benefits.

Minimum income schemes are often linked to other social benefits, and to a range of services and provisions in kind. Seven Member States prescribe age conditions: 18 years in Belgium, Ireland, the Netherlands, Portugal and the United Kingdom; 25 years for France and Spain; and 30 years for Luxembourg. As a result some of the working-age population are excluded from receipt of benefit. It is usual for these benefits to cover immigrants, asylum seekers and nationals of non-EU countries - provided that they comply with residency requirements.

The composition and number of recipients of minimum income benefits are a function of macro-economic and demographic trends, the rules determining entitlement and the extent of take-up. In general terms there has been an increase in the receipt of minimum income in all Member States since the mid-1980s (see Eardley, 1996b and Ditch, 1999b) with particular over-representation from two groups: people living alone, mostly men (more than half of all recipients in all Member States with the exception of Denmark and Spain); and lone-parent families, mostly women with dependent children. Couples, with or without children, tend to be under-represented in the minimum income population.
There is little firm data on the length of time claimants remain in receipt of benefit but indications are that duration and insecurity are both increasing (Leisering and Leibfried, 1999). The European Commission has summarised available data as follows: 'Approximately 10% of recipients claim minimum income for several years, for example in France and Finland. Nearly a third of recipients claim Unemployment Assistance for more than three years in Ireland. This is despite the fact that minimum income schemes were designed as short-term assistance measures for people temporarily without financial resources. The longer people claim minimum income, the more difficult it becomes for them to leave the scheme. In the Netherlands it is estimated that the chances of leaving the scheme go from 49% in the first year to 13% in the fourth year, those of finding a job from 15% to 5%.' (European Commission, 1998, p.9).

The Foundation’s research programme

The European Foundation for the Improvement of Living and Working Conditions has a long-standing interest in the implications of labour market structures and the modernisation of social protection systems for the achievement and maintenance of living conditions. Behind the Foundation’s research programme is a recognition that the relationship between social security benefits and labour market interventions is problematic and worthy of systematic investigation. The rhetoric and policy intent should be subject to empirical review. Conclusions from a series of research projects on measures to promote social cohesion (Ball, 1994) have underlined the importance of the following lessons:

- the needs and circumstances of individuals and communities experiencing social exclusion require a response that is comprehensive and integrates social, economic and environmental policies;
- those with the most diverse and complex needs are best helped by high quality, intensive programmes;
- the management and mode of delivery of services are as important as their substantive content;
- strategies to actively involve socially excluded people (and their organisations) in the design, planning, implementation and monitoring of policies and services ensure the development of flexible and appropriate programmes; and
- partnerships for action, cutting across public, private and not-for-profit sectors can facilitate the development and implementation of integrated programmes, optimise the use of resources and coordinate action.

Specifically, the Foundation had previously commissioned a review of research into the links between active welfare and employment policies (Heikkila, 1999). Drawing in part on conclusions from the Irish Presidency conference on ‘New Directions in Social Welfare’ (Cousins, 1997) - this stressed ‘the profound need for better coordination of welfare and employment policies at all institutional levels,’ - the Foundation’s research (of which this report is the concluding European synthesis) sought:

- to identify and analyse the concepts and objectives behind policies for reintegration into society through linking welfare and work;
to identify mechanisms for the effective coordination of activation measures in employment, welfare and other significant policies; and

- to assess the impact on specific client groups of integrated approaches to active employment and welfare policies.

It is recognised that many factors help determine both the efficiency and the effectiveness of institutional performance. Significant among these is the commitment to coordination strategies. As a focus for current research the Foundation hypothesised that:

- appropriate coordination at, and between, national, regional and local levels would lead to the holistic consideration of the needs of minimum income recipients; and that

- coordination between relevant services and institutions would improve the quality of service delivered to the individual minimum income recipient.

National studies, drawing upon appropriate policy knowledge and a detailed examination of case studies, provide the information for this synthesis report.

The Foundation report

The present report is based on evidence and policy analysis contained in 15 national studies. Each reviewed the legislative framework, policy objectives, organisational structures and delivery systems of social security schemes - principally but not exclusively social assistance - that provide financial support for those of working age but excluded from the labour market. Detailed information was provided on assessment regimes and criteria, on regulatory frameworks, on levels of payments, numbers and characteristics of minimum income recipients, the overall cost and social impacts. In addition, each report provided an analysis of labour market structure and dynamics, paying particular attention to unemployment and the development of activation policies to promote integration. This was set against a background that profiled poverty and social exclusion. The primary focus of the national studies, however, was on the coordination of policies, institutions and delivery mechanisms in support of activation programmes. After a report on the general - usually national - context, a series of case studies was examined in detail to describe and analyse contrasting models for coordination with a view to identifying strengths, weaknesses and examples of good practice.

The report has six substantive chapters. Following the present chapter there is an overview of data on labour markets, unemployment, and poverty in Europe: the 'who, where and why' of unemployment and social exclusion. This is followed by a critical examination of ideas about work, employment and citizenship. The chapter continues with a review of the literature on the history and key characteristics of coordination strategies in complex public sector organisations. This theoretical discussion is the background against which the following two chapters analyse, in some detail, the diverse experiences of coordinating labour market activation programmes for minimum income recipients in 15 countries. A conclusion draws out the implications for best practice and makes a number of recommendations about ways to support, sustain and evaluate coordination.
Labour markets and social exclusion

The purpose of this chapter is, firstly, to review key trends in labour market structures and policies across the Member States of the European Union; and secondly, to consider the relationship between social protection schemes and the labour market. In essence, its purpose is to profile the social, economic and spatial characteristics of the poor. Particular attention is paid to employment as a route into financial security and social inclusion. The linkages between these dimensions are transparent. They derive from the fact (European Commission, 2000b; 2001) that unemployment and detachments from the labour market are a major cause of income inadequacy and social exclusion.

The European Union's labour market is distinguished from Asian and North American markets by the relatively low levels of economic activity. In 1997 the EU participation rate was 68.5% compared with 77.2% in both Japan and the USA. The employment rate in the EU was 60.5% compared with 73.4% in the USA and 74.6% in Japan. The unemployment rate in the EU was 10.6% compared with 4.9% in the USA and 3.4% in Japan. Moreover, the long-term unemployment rate was 5.2% in the EU, 0.4% in the USA and 0.7% in Japan. This is putting pressure on systems of social protection and their financing. A particular strain stems from the fact that a higher proportion of the economically active are unemployed, and in particular long-term unemployed (i.e. detached from the labour market for over one year). These trends have proved to be notably resistant to policy initiatives aimed at their resolution. The proportions of those out of work, and of the long-term unemployed, have remained constant for almost a decade. In 1998, therefore, there were more than eight million members of the work force who were long-term unemployed. More than five million of these had been unemployed for two years or more.

Employment

The last years of the twentieth century did see some increase in employment across the EU - an increase of seven million to 162 million people in work in 1999: an increase of 2.9% on average per year in Spain, 5.6% in Ireland, 3.0% in the Netherlands and 2.3% in Finland. In absolute terms the largest increases were in Spain (+1.6 million) and the United Kingdom (+1.5 million). Most of the employment growth was to be found in the services sector with continuing contraction in agriculture, which now employs 5%, compared with 29% in industry and 66% in services. Portugal and Greece are the two exceptions because they still have large, self-employed, agricultural sectors.

The character of new forms of employment is changing with a continued growth in part-time employment for women. The share of part-time employment has increased from 14% of all employment in 1990 to over 17% in 1998. The highest proportion of part-time workers is in the Netherlands (40%), followed by Denmark, Sweden and the United Kingdom. Part-time employment is much less common in the Mediterranean countries.

Unemployment

Unemployment in the EU stood at 9.2% of the labour force, or 15.7 million, in 1999 (European Commission, 2000c). There has been a slight improvement in the last years of the century and unemployment fell in all countries (except Denmark where it remained at 5.2% and Greece where the rate continued to rise). The largest reductions were found in Ireland and Spain – though the latter continues to have unemployment of almost 16%. Between 1994 and 1999 the unemployment
rates in Denmark, Spain, Portugal, Finland and the United Kingdom fell by about one-third, and by about one half in Ireland and the Netherlands. The favourable macroeconomic climate and labour market trends present a congenial context within which to promote active labour market programmes.

Long-term unemployment is an entrenched characteristic of European, but especially Southern European, labour markets - notably Spain and Italy. Although the position in Spain has improved since the mid-1980s there has been a deterioration in Italy and Greece. However, in the majority of countries for which data are available, the relative number of people who are long-term unemployed has fallen since the mid-1980s. The reduction is particularly large in Denmark, Ireland, the Netherlands, Portugal and the UK. In all these countries the proportion of the working-age population out of work for one year or more in 1998 was less than half the level in 1985. In every case this fall in long-term unemployment was associated with a substantial decline in overall unemployment. This is a matter of some significance and may call into question the special impact of measures aimed at reducing long-term unemployment. A reduction in the number of long-term unemployed may be more a function of shifts in the aggregate volume of the economically active.

The problem of unemployment does not stand on its own. It is clearly linked to other social issues such as low income, lower educational attainment, gender, age and region. The experience of being unemployed is clearly related to the status and dynamics of social exclusion. The following data profile the position across the European Union. Data from Eurostat (1995 data) show that a general relationship between unemployment and low income exists in all Member States where the proportion of unemployed persons in the low-income population is nearly three times higher than in the rest of the population. The degree of variation differs between Italy, Ireland, France and the United Kingdom at one extreme and Denmark at the other. In the former countries the difference between the proportion of unemployed in the low-income population and the rest is almost four times. In Denmark the difference is only one and a quarter times (Eurostat, 31 January 2000). It is equally clear that those who experience unemployment are more likely to have lower levels of educational achievement, and less likely to have either medium or high order qualifications. Analysis of data from the European Community Household Panel indicates that the proportion of unemployed people with high levels of educational attainment declines as duration of unemployment increases. For men aged 25 to 49, 22% of those finding a job within three months had a high level of education as opposed to 13% of the long-term unemployed. However, national variations exist. Denmark, Greece and Spain showed little difference between the two groups.

**Unemployment in old age**

At the European level, the situation of older workers received greater emphasis in 1999 because they were explicitly referred to in that year's Employment Policy Guidelines for the first time. Within the context of a policy of 'active ageing', older workers are encouraged to maintain their work capacity. This takes the form of access to lifelong learning, thereby promoting active participation in working life (European Commission, 2002). Nonetheless, the unemployment rate of those aged 50 to 64 - especially men - remains high throughout Member States.

**Female unemployment**

The unemployment rate for women has always been much higher than that for men, almost doubling the figures - especially in the cases of Belgium, Spain, and Italy. Sweden and the United
Kingdom are exceptional, in that the rate of female unemployment was always lower (than that of male) during the 1990s. Spain recorded the highest rate of female unemployment in 1999, followed by Italy. Denmark, Ireland, and the Netherlands made dramatic reductions in the rate of female unemployment during the 1990s, with the Netherlands recording an 11.1% reduction from 1991 (16.6%) to 1999 (5.5%).

Youth unemployment

Youth unemployment has long been of concern, requiring extensive and intensive action throughout the Member States. Youth unemployment takes explicit account of the declining proportion of young people entering the labour force, and the parallel increase in the proportion remaining in education and initial vocational training. Thus the number of young people in the 15 to 24 age group unemployed in the EU averaged 8.4% in 1999. Nonetheless, the conventional youth unemployment rate, expressed as a proportion of the labour force was 18.3% in 1999 and 19.4% in 1998. Only Denmark, Ireland, the Netherlands and the United Kingdom have managed to reduce the rate of youth unemployment since 1990. Ireland has been exceptionally successful, reducing the rate from 25% in 1993 to 8.4% in 1999.

The highest rate of youth unemployment was recorded by Spain (45.1%) in 1994, followed by Finland (41.6%) in 1996. Yet, while Spain still maintained a high youth unemployment rate (29.5%) in 1999, Italy recorded the highest rate (32.9%), and Finland remained slightly lower than Spain. Across the EU as a whole, and in most Member States, young people less than 25 years old are more than twice as likely as those over 25 to be unemployed. In Belgium, Greece and Italy the youth unemployment rate is more than three times higher than the rate for those aged over 25 years. The major exception is Germany where, largely due to the apprenticeship system, the rate for young people is only slightly higher than for those aged 25 and over.

Long-term unemployment

In 1999 the long-term unemployment rate for the EU stood at 4.2% of the labour force. In Denmark, Luxembourg, the Netherlands, Austria, Portugal, Sweden and the United Kingdom less than 2% of the labour force were affected. By contrast, 7% were long-term unemployed in Spain and Italy. Expressed as a proportion of the unemployed, 45% were long-term unemployed. The proportion is lowest in Denmark, Finland, Sweden and the United Kingdom (below 30%), but around 60% in Belgium and Italy.

In general, long-term unemployment is slightly more prevalent among women than men – especially in Greece and Spain but less so in the UK, the Netherlands, Ireland and Sweden. Long-term unemployment among young people has decreased. In 1999, 53% of young unemployed were without employment for six months or more compared with around 64% in 1994. In Greece, Italy and the Netherlands this applied to more than 70% of the young unemployed in 1999, compared with 27-36% in France, Austria, Sweden and the United Kingdom and only 13-16% in Denmark and Finland.

Sub-regional variation in unemployment levels

National data obscure significant regional variation in unemployment levels - ranging from 2.1% in Åland (Finland) to 28.7% in Calabria (Italy). This range excludes the overseas regions – for
example, in the French overseas regions the unemployment rate was 32%. Regional differences become even clearer when gender and age are taken into account. Unemployment rates among the active population aged under 25 years range from 3.5% to 65.2%, while the rate of female unemployment ranges from 2% to 41.4%.

Sub-national variations also show striking imbalances within countries. They range from 3.9% (Adige) to 28.7% (Calabria) within Italy; from 7.1% (Rioja) to 26.8% (Andalusia) in Spain; and from 4% (Oberbayern) to 20.9% (Dessau) in Germany. Calabria (Italy), where the highest unemployment rate was recorded, also had the highest youth unemployment rate and the highest female unemployment rate (41.4%). Austria’s Niederösterreich recorded a youth unemployment rate of only 3.5% and Berkshire, Bucks and Oxfordshire in the UK recorded the lowest rate of female unemployment (2%). For almost a decade, Hainaut in Belgium and Alentejo in Portugal have been the regions with the highest unemployment rate. Conversely Alsace in France, Åland in Finland, and Centro in Portugal always had the lowest rates during the 1990s.

Unemployment and nationality
Throughout the Member States, non-EU nationals are at greater risk of unemployment. In 1998, the difference between the unemployment rate of those who were nationals and those who were non-nationals/non-EU nationals was almost double in most countries. In Belgium, where the unemployment rate of non-nationals/non-EU nationals was 34.2% in 1998, the unemployment rate of nationals was only 8.4%, while the unemployment rate of non-nationals but EU nationals was 15%. France, the Netherlands, Finland and Sweden also had a substantial gap in unemployment rate between nationals and non-nationals/non-EU nationals.

Making work pay
The linkage between unemployment and the operation of social protection systems is critical, but the nature of the debate has differed from country to country. Nevertheless, there has been a common concern across the Union to re-examine the role of social security benefits - especially in regard to employment incentives, unemployment compensation and conditionality rules. This is driven by a high order concern to remove impediments to the reduction of unemployment levels, to provide work incentives and to minimise the aggregate cost of unemployment compensation schemes. There is some evidence that the vox populi has moved against unconditional transfers to those who are out of work, when this is perceived to involve increases in income tax and other social charges. The European Commission’s periodic report on Social Protection (2000,d) has summarised policy developments in member states as including:

- cash limits to the amount transferred to those out of work;
- greater specificity in the qualifying conditions to be eligible for benefit;
- increased pressure on the unemployed to find a job as quickly as possible;
- enhanced efforts to counter fraudulent claims and abuse of the system;
- reduced duration for receipt of benefits; and
- reduction in the cash value of benefits paid to claimants.
As previously noted, all these measures have been accompanied in all countries by increased emphasis on active measures to help those out of work find a job and to improve their employability. In part this has been driven by recognition, informed by empirical evidence, that employment is the quickest and most effective way of combating poverty and promoting social inclusion.

The UK and Ireland have long experience of providing in-work support through the social security system for those in low-paid employment. These benefits seek to provide encouragement for those who would otherwise remain unemployed. The rationale for this policy is becoming better understood across Member States of the EU, and methods are being found to minimise the risks in the transition from unemployed to employed status.

**In-work benefits**

The UK remains to the fore in respect of in-work benefits and has introduced, for the first time, a national minimum wage, bringing the UK into line with several other Member States. The long-standing family credit (itself an extension of the former family income supplement) has been replaced by a more extensive and more generous scheme, the ‘working families’ tax credit’. This guarantees all people in employment with dependent families, including lone parents, a minimum level of income (GBP 200 per week – just over EUR 320 - for those in full-time work in the year 2000) and gives them a more generous allowance to cover the costs of child care.

**Changes in unemployment compensation schemes**

The other changes to unemployment benefit systems during the 1990s have mainly involved efforts to contain or reduce the cost to social insurance schemes or public budgets, largely in order to keep down contribution rates or taxes. This contraction in the scope and generosity of social insurance schemes is placing additional pressure on social assistance programmes. In the first half of the decade in particular, as unemployment increased and budgetary problems worsened, steps were taken in a number of Member States to limit expenditure. This was done by restricting entitlement to benefit (through, for example, increasing the prior period over which contributions needed to have been paid) and/or by shortening the period over which benefits were payable (see Eardley et al., 1996, Ditch and Oldfield, 1999). This occurred, for example, in Belgium, France, Spain, the Netherlands, Denmark and Sweden, as well as in the UK, where the ‘jobseekers’ allowance’ was introduced in 1996. In some cases (e.g. Germany and Finland) rates of benefits as such were also reduced during the 1990s.

**Social protection**

Overall spending on social protection has declined within the EU in recent years. In 1990, expenditure totalled 25.4% of GDP. It rose to 28.9% in 1993, before declining to 27.7% in 1998. In part this was due to the benefits of enhanced growth in GDP, but it also reflected a decline in the growth of expenditure – mostly as a result of a decline in unemployment. Expenditure in real terms on social protection grew by about 4.3% in the EU between 1990 and 1993, and was highest in Portugal (13%) and the UK (9%). The rate of increase for the EU declined to 1.4% between 1993 and 1998 – with the highest rates being in Portugal, Greece, Ireland and Luxembourg.
Efforts to restrict entitlement to benefit have continued in more recent years and have been combined with measures to encourage those already in receipt of benefit to find a job as soon as possible. In a number of Member States (including Denmark, the Netherlands and the UK), the definition of what constitutes a suitable job for an unemployed person has been broadened. It now encompasses jobs which they are capable of doing with a minimum of training, rather than ones similar to those they were doing before or which they have been specifically trained for. Refusal to accept a job considered suitable after being unemployed for a period of time (for three months in Denmark, for example) can lead to a loss of benefit, as can an unwillingness to participate in active labour market programmes.

It has been a long-standing characteristic of means-tested social assistance benefits that the specification of the household as the primary unit of assessment will have the effect of discouraging people, mainly women, from working. This is still present in both the UK and Belgian unemployment benefit systems, even though the deterrent to working has been reduced in the recent past. In the UK, the hours per week that someone can work, if their spouse is unemployed and in receipt of means-tested benefit, was increased in 1996 from 18 to 24 hours on the introduction of the jobseekers' allowance. This means that people working longer than 24 hours need to earn more than the household receives in transfers to make it worthwhile to continue in employment. In Belgium, the income that a partner of someone unemployed is allowed to earn was raised and, from 1997, indexed in line with inflation. But it remains relatively low and is, again, likely to deter many people from continuing to work.

**Poverty and social exclusion data in the European Union**

There remains a remarkable absence of complete, accurate and up-to-date data on poverty and social exclusion. However, it is known that in 1996 some 61 million people (17% of all citizens) had an equivalised income that was less than 60% of the median for their country. Within this measure of poverty three categories of household stand out: single parents with dependent children (36%), women living alone (26%) and couples with three or more dependent children (25%). Around 50% of single parents in Germany, Ireland and the UK are defined as having a low income.

Throughout the EU, ‘poverty’ is slightly more prevalent among women than among men (18% against 16%). The proportion of children (under the age of 16) living in a household with low income (20%) is higher than for the population as a whole (17%). Children in Spain and Ireland (23% against 18%) and the United Kingdom (26% versus 19%) seem to be especially worse off. On the other hand, children in Denmark (4% versus 11%) and Greece (18% versus 21%) are less likely to live in ‘poor’ households than adults are.

On average, 40% of unemployed persons have a low income. The proportion is just over 50% in the UK. In Ireland and the UK, the unemployed are around eight times more likely than those in employment to have a low income. In Denmark and Portugal, by contrast, the difference is less than a factor of two. Across the whole of the EU, 9% of those in employment are classed as poor.

Before social benefits are taken into account, Denmark, Ireland and the United Kingdom show a high percentage of the population on low incomes (30-33%). The figures for other Member States vary from 22% in Italy to 28% in Belgium with an EU average of 26%. Social benefits reduce the
The percentage of ‘poor’ people in all Member States but to varying degrees. The reduction is smallest in Portugal, Italy and Greece (between 8% and 20%). After benefits, Greece and Portugal have the highest percentages of people on low incomes. Ireland and the UK have the highest poverty rates in the EU before benefits, and the inequalities remain higher than the EU average after their payment. However, these two Member States differ from Greece and Portugal by having a much greater redistributive effect.

Poverty gap measures indicate that in 1996 persons living in a low-income household in the EU had an equivalised household income that was 30% below the EU weighted average poverty line. Moreover, in 1996 some 7% of the EU population had been living for at least three consecutive years in a low-income household. The persistent income poverty rate ranges from about 3% in Denmark and the Netherlands to around 10% in Greece and 12% in Portugal.

**Promoting social inclusion**

The lack of a job is only one aspect of social exclusion, though it may be the most evident and the most important problem to address in tackling the issue. Nevertheless, social exclusion also stems from other factors including, in particular, a lack of access to education and vocational training. The chances of obtaining a secure, well-paid job - as well as being able to play a full role in society – depend on these. There may also be a lack of access to a decent place to live and to adequate levels of health care and social services to provide support for those with caring responsibilities. Addressing these problems is an equally important part of a policy for social inclusion and there has been an extension of support for people with caring responsibilities in a number of Member States.

A primary objective of both employment and social protection policies has been to improve the employability of those unable to find a job, through the provision of training. In the case of young people it has also been to try to ensure that those entering the labour market have at least a minimal level of education and some initial vocational qualifications to give them a reasonable chance of obtaining employment. Where this is not the case, measures have been introduced in a number of countries such as Austria, Denmark, Germany and France to give the people concerned a second chance of acquiring such qualifications.

These measures have been supplemented by the significant growth of subsidised jobs in the private sector or job creation measures in the public sector in many countries - including, in particular, Belgium, Denmark, Germany, France and the Netherlands. In Belgium, subsidies have taken the form of the direct activation of unemployment benefits. The transfers which would have been paid to unemployed people, especially long-term unemployed, are paid instead to employers providing jobs for them (so-called ‘SMET jobs’). These employers are also exempt from paying social contributions. In addition, unemployment benefits and minimum subsistence allowances – or, more specifically, the saving of these – have also been used to create additional jobs for the long-term unemployed in the public sector, in cooperation with the regions and local authorities, in recreational, cultural and environmental activities.

In Denmark, ‘flexi-jobs’ were introduced at the beginning of 1998 as a response to the increasing difficulty of getting people off benefit or social assistance and back into work, as unemployment was reduced and the more employable of those affected found jobs.
In Germany, more autonomy has been given to municipalities and 'job creation associations' to initiate schemes, which have been extended to those unemployed for six out of the last 12 months in order to prevent them becoming long-term unemployed. Moreover, the range of 'structural adaptation measures' for which employers can receive subsidies if they create new jobs for the unemployed has been extended (to business and tourist infrastructure, for example). The period for which subsidies are payable has also been lengthened to a maximum of five years in certain areas (in the new Länder and regions of high unemployment).

In France, the aim of creating 700,000 new jobs for young people was announced in 1998. Half of these were to be in the public sector. They were to be paid at the minimum wage and were to last for five years. They were directed at meeting local needs which had not yet been met by the market, especially in cultural, education, recreational and environmental activities. By the summer of 1999, 200,000 jobs had been created. Another 350,000 jobs were planned for the private sector.

In the Netherlands, more than 65,000 previously unemployed people were employed in 'Merkert-jobs' in 1996, some two-thirds of them in the public sector. In 1998, the existing job creation schemes were integrated into the 'Jobseekers Employment Act' (WIW) for the long-term unemployed, and labour market participation of people with disabilities was stimulated through 'disability reintegration' (REA) programmes. In addition, schemes were no longer confined to young people and the long-term unemployed, but became open to everyone who was out of work and unable to find a job. The subsidies granted are intended to lead either to the person concerned being able to find a normal job or to the provision of socially useful services. Working hours are 32 per week. Payment is at the minimum wage and jobs can last for a maximum of four years.

The provision of subsidised jobs, training and other active labour market programmes designed to get people into employment, has been complemented in a number of Member States in recent years by measures to ensure access to a high standard of health care for everyone, as well as by an extension of child-care support, as noted above.

**Employment-friendly social protection**

In its 1999 Communication, ‘A concerted strategy for modernising social protection’, the Commission emphasised the role of social protection systems in helping to raise employment levels - an objective which is a central element of overall economic policy in the EU. The Lisbon European Council of March 2000 attached considerable importance to the role of social protection systems in the achievement of the overall strategic objective: that the European Social Model must underpin the transition to the knowledge-based economy. It continued to the effect that social protection systems required modernisation, in order to become part of an active welfare state that ensured that work paid, while at the same time promoting social inclusion. In its progress report to the Feira Summit of June 2000, the High Level Working Party on Social Protection underlined the importance of the role of social protection. It stated that ‘...it must form the third side of a triangle, the other, interrelated but separate sides of which are macro-economic policy and employment policy; in this context the role of social protection as a productive factor should be strengthened, in the context of affirmation of the European social model’.

Under the third Employment Guideline, Member States are committed to raising the number of people benefiting from active measures to improve their employability. This means focusing on the
needs of individuals and establishing a close link between the administration of benefits and the employment services, whose essential function is to help to get people into work. It also demands that there is an appropriate balance between an individual’s entitlement to benefit and their availability for training or other measures.

It is becoming increasingly difficult to draw a neat distinction between social protection measures, on the one hand, and labour market and employment measures, on the other. Indeed, labour market measures are becoming an ever more important aspect of social protection, although the convention at present is generally to exclude from its definition measures such as job subsidies, which benefit firms as well as individuals.

**Policy developments towards the unemployed**

The general consensus across the Union is that social policy towards the unemployed, as well as others not in work, should shift away from passive income support towards active measures to help get them into employment. Such measures can be divided into two broad categories:

- those aimed at helping the unemployed find a job, either by assisting them in their job search activities or by improving their employability through training or work experience; and
- those providing the unemployed either with direct access to employment - through subsidising jobs or reducing the taxes and/or social contributions which employers have to pay - or with assistance to start up their own business and become self-employed.

In addition, there is also widespread agreement on the need to coordinate active and passive measures to ensure that those who become unemployed, or who have been out of work for some time, are properly advised: about the active programmes available as well as about their responsibility to find a job - an aspect emphasised increasingly in a number of countries.

**Coordination of active and passive measures**

One of the aims is to put in place a preventative policy that stops people becoming long-term unemployed. In Sweden, Portugal and Luxembourg a policy has been introduced of ensuring that all young people have access to active programmes before they reach three months of unemployment, and older people before they reach six months. These countries, however, are ones in which long-term unemployment is relatively low. In other countries there is more difficulty in complying with the Guideline as stated. In Ireland, for example, a staged approach has been adopted, implementing the activation strategy for successive 10-year age groups. It started with those aged 25 to 34 in April 1999 and by mid-2000 covered everyone before they were unemployed for 12 months. From then on, it was planned to shorten to nine months the period of unemployment before people were guaranteed access to an active programme, adopting the same kind of staged approach.

At the same time, there has been a move in many Member States to give more attention to people, of all age groups, as soon as they register as unemployed. In a number of countries, they are interviewed by someone from the employment services with the aim of determining a course of
action for finding a job and/or improving their employability. The New Deal in the UK is a prominent example. A ‘single gateway’ approach has been introduced. Under this scheme those out of work – lone parents or people with disabilities as well as the unemployed – have a single point of contact with the various services in the form of a personal adviser, who provides help on child care arrangements and benefits, as well as assistance with job search and advice on training programmes. At the same time, the people concerned are expected to take up the advice offered and will be more liable to lose their benefits if they fail to cooperate.

The intention, increasingly elsewhere as well as in the UK, is to take account of individual needs, to tailor personal support to these and to monitor progress through regular meetings. Extra resources are, therefore, being provided for additional staff to work in guidance and counselling roles – as in France and Spain.

The greater attention paid to the individual needs of the unemployed has been accompanied in many cases by the decentralisation of the employment services. Greater autonomy has been given to local offices over decisions on the programmes to be offered to the unemployed, so that more account can be taken of local labour market conditions and needs. As a result, there has been increased interaction with local organisations – both private and public – in the provision of work and training opportunities. One example is the ‘Flexible Promotion’ initiative in Germany, under which local employment offices are able to decide their own means of finding jobs for the unemployed.

**Measures to assist target groups**

Although policy in this area has focused on the long-term unemployed, there is increasing concern about other groups who have particular difficulties in finding work. The difficulty is to identify such people before they become long-term unemployed. In practice the approach in the past has been to concentrate assistance largely on those out of work for a long time, whether young people looking for their first job or older people who have lost their job. Although a preventative approach is increasingly being adopted, it remains the case that people need to have been unemployed for some time before they are given significant assistance. Initial interviews, the provision of personal advisers and the formulation of a plan of action designed to get the person concerned into work are means of addressing this problem. However, in many countries there is still a large ‘backlog’ of people who are difficult to place and who make up the long-term unemployed. Inevitably policy is being concentrated on these at the present time, though in the case of young people, efforts are also being made to ensure that they have at least a minimum vocational qualification before they enter the labour market.

**Measures to assist young unemployed people**

The measures taken to help young people into work tend to be very similar in different Member States. They include most of the different kinds of labour market programme: further education or vocational training, work experience in private, public and non profit making sectors, subsidised jobs and business start-up grants for self-employment. Much of the emphasis, however, is on education and vocational training measures - on the premise that the main reason why someone under 25 cannot find a job is that they lack the necessary general education or their skills are not sufficiently relevant to the jobs on offer.
In Germany, Austria and Denmark, the focus on training is particularly relevant because of the strong attachment to the apprenticeship – or dual – system. The main concern is to ensure both that they have the level of basic educational attainment required and that sufficient training places are available (in firms as well as colleges). In Germany, the Emergency Programme to Reduce Youth Unemployment was introduced in January 1999 to give 100,000 young people a training place or job during the year. The main effort was concentrated in the new Länder in the East and directed, throughout the country, at foreign immigrants and other disadvantaged people in the labour market. At the same time remedial courses, in the form of pre-work training programmes, have served to reduce from 9% to 5-6% the proportion of young people entering work without suitable qualifications when they leave school, so increasing their chances of being accepted into an apprenticeship.

In Denmark, the ‘Faster route to jobs and training’ programme provides training courses lasting up to 18 months for young people leaving school without qualifications. This is followed by a normal vocational training course if they fail to find a job. As an incentive, those undertaking courses are paid grants at levels higher than the normal unemployment benefit.

In France, the TRACE programme aims to help job seekers find a training course that suits their capabilities and experience. In addition, the TRACE programme was introduced in 1998 to provide a pathway into the labour market for young people with family or social difficulties. It starts with a skills diagnosis and follows this with the provision of suitable training and close guidance for 18 months.

In the UK, the ‘New Deal 18-24’ offers to young people, after six months of unemployment (and receipt of social assistance benefit), a gateway of four options: to take up further study, subsidised employment in the private sector, or work experience in the voluntary or non-profit sectors. Failure to accept one of these can result in loss of benefit.

In Greece, young people unemployed for six months or more have the choice of either subsidised work experience with an employer lasting at least 12 months (which can be extended for a further 6 months if the employer does not shed any labour during the initial 12 months), or a start-up allowance for self-employment that lasts between 16 and 30 months. Moreover, in Greece, as well as in Italy, specific measures have been introduced to provide better employment opportunities for graduates. In Italy, unlike in other Member States, rates of unemployment among those with university level education tend to be similar to rates for those with lower education levels. SMEs in Italy are offered a tax credit for hiring unemployed graduates, while in Greece graduates can participate in a ‘stage’ programme of 11 months’ work experience in the area in which they studied.

**Measures to assist the long-term unemployed**

For a number of Member States, the long-term adult unemployed now represent the main target group under the Employment Guidelines, especially since the number of young people unemployed is tending to decline - partly because more young people are remaining longer in education. In most Member States the measures available to help the long-term unemployed of 25 and over are similar to those to assist young people. Indeed, in Greece, the measures are identical. Generally, however, more emphasis is placed on reintegrating the people concerned into
employment by means of job subsidies and work experience in the non-profit making sector, than on vocational training.

Moreover some Member States have specific options for those who have been unemployed for two or three years. In Sweden larger job subsidies have been introduced for people of 25 and over out of work for three years or more. Employers hiring them receive a tax reduction equal to 75% of their total wage cost during the first six months of employment and 25% in the following 18 months. In Belgium, those unemployed for two years or more are offered work experience in the public sector. In Finland they are offered subsidised work in the voluntary sector.

In Finland support is also provided for self-motivated training through the Training Guarantee System, under which participants can claim unemployment benefit during their studies. Originally intended only for the long-term unemployed, it has recently been extended to professionals who have been out of work for four months or more as a form of professional upgrading, but the scheme has had a poor take-up.

In most Member States, remedial training programmes are in place for the long-term unemployed (and sometimes for other categories of unemployed) whose lack of qualifications or, often, of basic education makes it difficult for them to find a job - in those Member States where they are not in place, they are in the process of being introduced. In Spain, plans have been announced to offer compensatory education to the long-term unemployed of 25 and over with poor qualifications, in order to improve their basic knowledge. In Portugal, ‘second-chance’ education is being provided for the long-term unemployed aged 25 to 44 with a lack of basic schooling. In Ireland many of the training courses run by FAS (the employment services) are not accessible to many of the long-term unemployed, because they are not sufficiently well educated to benefit. FAS has, therefore, embarked on a policy of extending the range of training schemes available to try to ensure that they meet the needs of the long-term unemployed. These include ‘bridging’ programmes to help them reach standards for more advanced training.

**Conclusion**

The challenges posed by social exclusion are endemic in all Member States and the evidence supports a close link to unemployment. Levels of economic activity within the EU remain lower than in either the US or Japan and, despite growth in employment over the past decade, this has not resulted in a commensurate fall in levels of unemployment. In part this may be attributed to a growth in female employment - many women were not previously registered as unemployed. Within social protection programmes there is a growing reliance on social assistance schemes rather than insurance-based programmes. The incorporation of activation measures, which is almost universal, is having some impact on job search behaviour and resulting unemployment levels. However, it remains difficult to confirm that tougher conditionality rules, rather than favourable macroeconomic circumstances, are driving data in the direction intended by policy makers.
The purpose of this chapter is to identify and elaborate a theoretical framework within which the policies and practices of both coordination and activation are to be understood. There are three elements to this discussion. The first seeks to distinguish between employment and work, and relates to the emerging constructs of ‘employability’ and social exclusion. The second traces the origins and implications of the terms ‘activation’ and ‘coordination’ within public policy and culminates in a discussion of workfare, incentives and behaviour. The third pulls together a number of otherwise loose strands of argument and evidence. It is concerned on the one hand with the ‘Europeanisation’ of the unemployment problem (Bosco and Chassard, 1999) and on the other with the idea of ‘social quality’, as articulated in debates initiated by the Amsterdam Treaty (Beck et al., 1997). It is now to be found in the Social Policy Agenda (2000) which declares:

‘The overall focus will be the promotion of quality as the driving force for a thriving economy, more and better jobs and an inclusive society: strong partnership, dialogue and participation at all levels, access to good services and care, social protection adapted to a changing economy and society. Extending the notion of quality – which is already familiar to the business world – to the whole of the economy and society will facilitate improving the inter-relationship between economic and social policies.’ (European Commission, 2000b, p.14)

The categories of work, labour and employment are sometimes used as if they are synonymous and inter-changeable. Despite the fact that they are all forms of human activity, this is not the case. Labour is a form of activity that is capable of generating the basic conditions of human existence. It is frequently routine, low-skilled, poorly paid and monotonous. It allows for little creativity, personal fulfilment or individual autonomy. In contrast, work is a means through which individuals not only can contribute something of their skill or talent to a process or service, but by so doing can engage in an activity which has the potential to be personally expressive and rewarding. Work is a way of seeking to shape the world.

Neither activity is intrinsically good or bad, and it is unusual to experience one quite separately from the other. Indeed, it is the status of being employed that frequently links the two. This is a contractual status, regulated by employment law, which seeks to codify the rights and obligations that attach to being employee and employer. In return for undertaking, usually, a range of specified activities at a particular place and for a specified number of hours, the employer will pay a wage or salary. A contract establishes an implicit balance between activity, rights, protection and obligation. All human beings engage in activity that can be labelled work, but not all are paid for doing it. The challenge is to sustain an economy that creates employment opportunity and a society that develops individuals - such that they have the requisite skills and motivation to respond. A second but important challenge is to ensure that such employment opportunities afford dignity, adequate remuneration and social protection.

The coming together of social policy concerns with economic realities is encapsulated in the concept of ‘social quality’. This has been defined as ‘...the extent to which citizens are able to participate in the social and economic life of their communities under conditions which enhance their well-being and individual potential. Thus the level of social quality experienced by citizens rests on:

- the degree of economic security;
- the level of social inclusion;
the extent of social cohesion or solidarity; and
- the level of autonomy or empowerment.’ (Beck et al., 1997, pp. 2-3)

In essence the objective is to treat economic and social policies as being integral parts of the same concept. All too often in the past, economic and social policies were conceptualised, developed and delivered in ways which presupposed and exaggerated their differences. Social policy was considered subordinate to economic policy. Indeed, in several contexts social policies were believed to be antithetical to robust economic management.

There has been a growing recognition that divisions between social and economic policies are conceptually unsustainable and prospectively damaging to the Community's ability to tackle emerging demographic and socio-economic problems. This was evidenced in the report of the Comité des Sages (1996), which articulated a commitment to the advancement of social and civic rights through the construct of 'citizenship'. First among 26 proposals contained in the report is a recommendation to ‘...take a detailed look in Europe at our concepts of work, activity and employment to ensure that the policies we pursue enable people to take their rightful place in society’.

The challenge posed by unemployment (and long-term unemployment in particular) exercised the Comité des Sages, which expressed concern at its implications for inequality and social justice. Moreover they understood, as noted above, that the nature of work and employment is changing as a result of technological innovation and the shift to service-based activity. This has, in turn, placed greater emphasis on the importance of education, training, and transferable and social skills within the workplace. The absence of these skills and attributes, for whatever reason, places individuals at a disadvantage when it comes to securing and retaining employment. Those individuals who are excluded from the labour market share characteristics which also have social and spatial correlates: the personal costs are high, but are borne not only by individuals but also by their dependants and the communities in which they live.

The report of the Comité des Sages continues with a number of more practical observations including one to the effect that ‘...proactive labour and employment policies should ensure that job vacancies are filled, that workers’ skills are constantly improved and that the structural rigidities in the European labour market, which are not an essential component of our social model, are eliminated’ (p.4). But their concerns are not restricted to the labour market and to workers. Whereas Community documents and policies have found it difficult to embrace the concept of citizens and citizenship, the report argues that an inability to see people as occupying a multiplicity of roles is not only a failure of imagination but of analysis and, ultimately, of social justice. At its most embracing, their strategy is to promote social inclusion via a programme that includes three themes:

- The inculcation of values that ‘promote and develop a proactive, participative approach to citizenship, where every individual accepts that he/she has obligations towards others and also feels a personal duty to take the initiative’.
- The re-fashioning of public policies, which should anticipate and prevent rather than react and remedy, stimulate rather than assist. Training is given emphasis ‘...for its impact on employment
and exclusion will become stronger than ever, but also of assistance for employment and the unemployed; such assistance must be as proactive as possible’.

The introduction and strengthening of systems ‘…which, in return for the necessary adjustments expected of those in paid employment or those seeking a job, provide a measure of economic certainty in regard to employment, work and income’.

At its best, access to employment brings opportunities for self-fulfilment, for adequacy of income and for the maintenance of the fabric of social cohesion. It is a necessary way of containing and ameliorating risk. As the Comité des Sages put it:

‘On the one hand, unemployment has created a deficit of citizenship insofar as paid employment is a way of participating in social life, recognising the usefulness and dignity of the individual and insofar as, thanks to the door it opens to social intercourse, it gives people financial independence while making them members of society.’ (p.3)

The ascendancy of social policy to become a central part of Europe’s strategy for becoming ‘the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with better jobs and greater social cohesion’ was affirmed by the adoption, at the Nice Summit, of the Social Agenda. This declares that social policy will ‘…play a fundamental role in combining economic, employment and social policies in a way which maximises economic dynamism, employment growth and social cohesion. This will involve ensuring the best synergy and consistency with other policy areas, such as economic policy, enterprise policy, regional policy, research, education and training policies, the information society and the preparation for enlargement.’ (European Commission, 2000b, p.15)

**What is activation?**

In the first chapter a distinction was drawn between the categories of ‘active’ and ‘passive’ in relation to receipt of social security benefits. Within a popular discourse, active is now associated with ‘positive’ characteristics such as self-reliance, independence and economic advantage whereas passive tends to be associated with ‘negative’ terms such as dependency, indolence, waste and economic inefficiency. The active dimension of social protection policy has clearly assumed greater significance (in almost all Member States) over the last decade as governments have sought to remove from minimum income schemes all the barriers, impediments and disincentives to labour supply which have been an inherent part of their functional character. These ‘activation’ measures address detailed aspects of social security policy and delivery and seek to minimise the opportunity (excuse or justification) for claimants to remain on benefit.

In parallel, activation measures have also sought to link receipt of minimum income benefits to preparedness to engage in paid employment, training or skill development. Frequently, the receipt of benefit has become subject to a contract, which requires the recipient to actively seek employment or undertake a programme of activity in readiness for employment to become available. Activation may therefore be defined as a set of measures, a mixture of incentives and disincentives (carrots and sticks) that support employability, job search behaviour and the conditional receipt of minimum income.
What is coordination?

It sometimes appears as if concern with the concept and practice of coordination is a phenomenon of the late twentieth century. Certainly there is a degree of fashion about its use and popularity. But to infer that neither the concept nor the practice is without history is incorrect. Indeed, interest in coordination within and between areas of government policy spans many decades and has spawned a number of distinct, government-driven initiatives. Beginning in the 1960s, in the US and then elsewhere, ‘planned programme budgeting’ (PPB) sought to organise central and local government in ways that reduced, or at least coped better with, the effects of functional and departmental budgeting. Similarly, the ‘joint approach to social policy’ (JASP) initiated in the UK in the 1970s sought to coordinate policy-making at both central and local levels. Specific welfare ‘problems’ in the 1970s and 1980s also gave rise to initiatives aimed at coordinating plans and budgets in some specific areas – perhaps most notably in attempts to bring together budgets, plans and structures in health and social services as part of the shift from institutional to community-based care.

Coordination is thus a concept and a practice with a surprisingly long history. It achieves, on a cyclical basis, a certain status as a desirable means of better achieving the ends of government policy. Its re-emergence now on the European agenda can be linked to a number of factors. Three interrelated trends in particular seem important.

First, as emphasised by Geldof and Vranken (1999), the increasing complexity and differentiation within society leads to an emphasis on coordination as a response to that complexity. One aspect of this complexity can be traced in the trend towards fragmentation of structures and responsibilities, which has been characteristic of recent public management reforms in the UK and elsewhere. Lovell and Hand (1999), in discussing organisational performance measurement in relation to ‘joined-up’ government, comment that ‘there are certain contemporary developments...that raise important questions for those professing the virtues of holistic approaches to problem solving. These questions reflect the fragmentation of managerial responsibility inherent within much of new public management.’

They conclude that this apparent contradiction – between the desire for holistic government on the one hand and the reinforcement of local organisational boundaries on the other – is neither new nor avoidable. Thus the ambiguities, paradoxes and hypocrisy, which have confronted those who continue to wrestle with such difficult issues, will remain a feature of public sector life. Examples of dispersed responsibility in Europe include the increasing role of private sector providers as ‘partners’ in public service delivery. It is interesting that such developments are perhaps both part of the ‘problem’ that coordination is designed to address, and also sometimes part of the solution.

Secondly, one can trace an increased concern on the part of governments with working towards policy outcomes, as distinct from concerns with efficiency and economy of resource use. Such concerns are, for example, central to the rhetoric of the UK’s policy statement on ‘Modernising Government’ (Cabinet Office, 1999). Such concerns prompt questions about how best to organise policy and delivery in ways that transcend traditional boundaries.

Thirdly, there is increased interest in approaches to coordination that emphasise bottom-up approaches, involving local actors and groups of various kinds including users (Lovell and Hand,
In this respect current initiatives are distinct from earlier initiatives such as ‘planned programme budgeting’. Links can be seen here to the understanding of governance arising from the workings of ‘policy networks’, as discussed by Rhodes (1988) and others.

**Categorising coordination**

‘Coordination’ as a term is used in a wide variety of ways and with different meanings. It is therefore worth attempting to set out the key dimensions that are of importance in analysing coordination. Important dimensions discussed by Geldof and Vranken (1999) are those of vertical and horizontal coordination.

Vertical coordination is about relationships between different levels of government. Policies tend to be top-down in nature, and the challenge in terms of coordination is about the way in which broad policy objectives are interpreted and implemented at local level, and about the balance between central direction and local autonomy. Equally, there is concern to find ways in which broader policy can learn from experience at the local level.

Horizontal coordination concerns the relationship between public authorities and other actors, including non-governmental organisations (NGOs) and community groups, social partners and private business.

Geldof and Vranken (1999) also recognise the potential interconnections between the vertical and horizontal dimensions: decentralisation is essentially a vertical process, but it will have horizontal consequences in terms of greater needs for coordination. In this context there are three key levels in analysing coordination:

- the policy level, which is concerned with the development of clear and concrete policy objectives, and with activity linked by Geldof and Vranken to the notion of ‘governance’ - an example of which could be said to be the new methods of open coordination at the European level;
- the service level, which is concerned with the practical delivery of services, the ways in which policy can support practice and with how organisations and institutions can best support this process; and
- the individual level, which is concerned with the development of trajectories or pathways which ‘work’ for individuals in the sense of achieving intended outcomes and providing a genuinely integrated service.

Each of these three levels can be identified within, for example, the policy statement on Modernising Government (Cabinet Office, 1999). At the policy level, the statement sets out (p.16) the importance of ‘designing policy around shared goals and carefully defined results, not around organisational structures or existing functions...a focus on outcomes will encourage Departments to work together where that is necessary to secure a desired result’. At the level of service delivery, the statement talks of ‘actively encouraging initiatives to establish partnership delivery by all parts of government in ways that fit local circumstances’ (p.32). At the level of the individual, there is an expressed commitment to create individual trajectories which create a joined-up rather than fragmented service (p.24).
Managing coordination

A range of organisational or institutional issues are important in the practical achievement of coordination. First, at a general level, it is likely that the basic assumptions held by policy-makers and practitioners about the nature of coordination and its ease of achievement will influence approaches to its implementation.

It is clear that coordination is broadly endorsed by all commentators, policy-makers and practitioners, and is seen as a force for good results. Coordination is mostly seen as being derived from a conception of the policy process as rational and ordered: coherent, consistent and inclusive, with the aim of achieving efficiency and effectiveness. In turn, such an approach presupposes a disposition to cooperation rather than competition or conflict. (There may also be said to be links to ideas around corporatism, which brings together different actors on the basis of complementarity.)

Lindblom (1999), in contrast, has argued that an organisation would only coordinate activities with another organisation if it was felt to be in its own direct interest to do so. Glennerster (1983), as a product of what he refers to as the process of ‘organisational anthropology’, distinguishes between ‘optimistic’ and ‘pessimistic’ perspectives on coordination. Optimists ‘see coordination as an essential part of a collective, rational approach to policy-making, with an emphasis on comprehensive analysis and the design of appropriate machinery. The pessimists see coordination as being not only redundant but doomed, in so far as it cannot be planned or mandated by governments since the policy process consists of individuals and organisations bargaining in the political market place.’ Challis et al. (1988) conclude that the fully rational model of social policy has either been tried and failed, or not tried at all. They argue that the preconditions - consensus about objectives, analytical capacity, system-wide perspective and organisational altruism - are lacking. They see more reason to be pessimistic than optimistic.

A number of other commentators also identify issues, which they see as preconditions or prerequisites for effective coordination, or at least as problems that can be fundamental if not addressed. Four examples follow.

Pressman and Wildavsky (1979) say that in the absence of consensus and common purpose ‘coordination becomes another term for coercion’. They go on to specify as prerequisites: firstly, that there should be consistency and coherence between objectives and elements of a single policy or project; secondly that there should be consistency and coherence within a set of intersecting policies or projects ‘owned’ by one or more agency or organisation; thirdly, that the policy must be translated into consistent and coherent actions within or between departments; fourthly, that operational practices must be consistent, coherent and appropriate; and finally, that the services provided to and consumed by the public should be consistent, coherent and comprehensive.

Geldof and Vranken (1999) similarly ask important questions about the continuity of policies: whether, for example, the various different activation measures that individuals experience can be ‘integrated into a coherent pathway or trajectory’; whether the time-frame for activation policies is sufficient for participants to bridge the gap between unemployment and sustainable employment; and whether coordination in terms of policy-making is sufficient to prevent perverse effects such as the poverty trap and unemployment trap. Fundamentally this is associated with benefits providing more income than employment (Hanesch, 1999).
Lovell and Hand (1999), in their study of organisational performance measurement and joined-up government, identify important issues to do with how organisations measure and account for their performance: 'Those working within the public sector are exhorted to tackle the difficult issues by reflecting upon causes and effects and developing strategies, alliances and partnerships which address the former. However, at the same time managers...are required to achieve performance targets that emphasise and strengthen the definitions of their localised and immediate organisational boundaries.'

The choice of criteria for evaluating the success of coordination activities is also central. The need for clear criteria appears to have been under-recognised, perhaps because coordination is so readily assumed to be a 'good thing'. Geldof and Vranken (1999) address this and specify a 'bottom-up' approach, which identifies the effects of coordination from the perspective of an individual receiving a means-tested benefit. They specify a number of aspects involved in evaluating coordination from this perspective, including the financial effects of participation, prospects for the future after participation and the impact on social integration. They conclude that evaluation should look for coordination at the service level that guarantees to the participants a 'coherent supply of services; which improve their situation and provide a real prospect for integration, in collaboration with all relevant actors and institutions'.

A logical extension of procedures to facilitate effective coordination is the development of the 'one-stop shop' concept. Derived from the world of commerce, the idea is that an individual 'customer' can choose or receive a range of goods or services from a single supplier. In the market place an individual customer can exercise choice and 'shop around', seeking the best deal from competing providers, who will offer 'added value' as a way of securing and retaining custom. In the world of public service, and most especially when considering social security and labour market systems, the 'customer' is not sovereign and has only limited choice. Services will generally be provided by statutory agencies, which will have a monopoly of supply. It is often the case, however, that these services will be organised in a highly differentiated way, such that customers will be obliged to make contact with several different agencies, located in different places.

Information technology applied to the delivery of social security was heralded as bringing about the possibility of treating claimants in a holistic way, as 'whole persons'. It was often seen as a means whereby administration could be made more efficient and job satisfaction for staff enhanced. It was less easy to visualise the benefits for claimants. Traditionally, social security systems have been organised around benefits and payments systems rather than around the needs of individual claimants. The rhetoric associated with 'whole person' concepts has been difficult to translate into practice because of the highly complex nature of social security law, custom and practice. It has proved to be extremely difficult to train individual members of staff to a level of competence in different social security benefits. In consequence it has become almost impossible to fulfil the promise of 'one place, one time and one person'.

In the United Kingdom there was a thorough examination of the concept and its implications for the organisation and delivery of social security benefits (Benefits Agency, 1992). No less than three organisational models were identified. The first was the social security benefit processing team with a single customer service point accessible by phone, by post and in person. The second was a team organised around client groups (unemployed, lone parents, the retired or disabled) also accessible by phone, post and in person. The third involved client group teams with integrated customer
service points. An extension of this framework was that staff would adopt a ‘caseworker’ role and become more knowledgeable and flexible in a greater range of activities. However, there were significant cost implications associated with training, and trades unions feared that jobs might be put at risk as a result of multitasking.

A key characteristic of administrative and client-oriented work in the fields of social security and labour market activation is the high reliance on staff skills and deployment of discretion. By its nature social security policy embodies high order objectives, and these are inevitably subject to interpretation by staff as they are applied in face-to-face encounters with individual claimants. Lipsky (1980) has written extensively about the role and importance of what he calls ‘street-level bureaucrats’. Their actions are significant because they need to make order out of the apparent contradictions which emerge in seeking to reconcile rational policy objectives with the complex and varied character of the ‘real world’.

Social security officials usually work under pressure, to tight deadlines and in circumstances that can lead to stress, fatigue and uncertainty. Indeed, it is an aspect of the functioning of many social assistance programmes that officials are required to make judgements about the status and eligibility of claimants, and in so doing are establishing conditions of entitlement and levels of benefit to be received. The caseworkers and personal advisors who are the front-line officials interacting with claimants exercise discretion, both positive (in favour of the client) and negative (against the client). As Lipsky expressed it: ‘The essence of street-level bureaucracies is that they require people to make decisions about other people. Street-level bureaucrats have discretion because the nature of the service provision calls for human judgement that cannot be programmed and for which machines cannot substitute’ (Lipsky, 1980, p.203). There is a tendency, in such circumstances, for officials to construct stereotypical views of their clients and to structure responses accordingly. Bringing together officials from different organisations to provide a coordinated service, without addressing the possibility that they might hold different and contrasting world views about their job and their clients, is unrealistic.

Conclusion

Coordination has a history that has long percolated public policy with fashionable intensity. It is neither inherently good nor inherently bad. It is, however, necessarily complex and can be expensive to achieve and sustain. The convergence of labour market activation strategies, with enhanced rigour and conditionality on the receipt of social assistance-based benefits, has created a demand for integrated programmes and new ways of working. However, the intentions and grand vision of policy-makers at the national level are not always pursued with simple clarity at the local level. This is because resource constraint and the ‘messy reality’ of front line responsibility cut across the grain of single-minded declarations to the effect that positive outcomes always flow from the centre. The following chapters engage with the day to day experience of coordinating policy and service delivery for receipt of minimum income benefits in each of the 15 Member States.
Coordination structures and arrangements

This chapter describes and analyses the coordination arrangements that have been put in place, or that need to be addressed, to support the activation process for minimum income recipients. The chapter thus identifies developments and provides context within which the practice of coordination can be assessed and understood. It is the practice of coordination that is the subject of the next chapter.

The material that follows provides an overview of the broad contextual framework within which coordination arrangements exist. It discusses coordination arrangements, already set up or in the process of being set up. The development of horizontal coordination structures at local level is of particular interest, since this is the level at which coordination for minimum income recipients is most directly an issue. Clearly, though, these arrangements are closely connected with other levels. In particular, coordination at local level will be affected by vertical links to higher levels of government. Finally it considers issues and challenges that remain to be addressed.

The description of coordination arrangements is a complex task. First, there is complexity arising from the nature of social assistance policies. There are widely differing arrangements between countries in the way that they conceive of, organise and deliver social assistance (Eardley et al, 1996a). These greatly affect the context within which coordination arrangements have been established to support the recipients of social assistance schemes. Some countries, such as the UK, have a largely integrated and national scheme, while in others, such as Finland and Denmark, much responsibility has been devolved to the local level. Others again (notably Spain) have highly diverse and fragmented arrangements, developed separately in different regions.

Secondly, the structures developed to provide for coordination in relation to social assistance recipients are also complex, comprising many actors, layers and linkages. There is added complexity arising from the fact that some countries, such as Italy, are in a state of transition between centralised and decentralised systems, and are in the early stages of developing new forms of coordination at local level. And finally there is the fact that different countries have very different ways of expressing their arrangements for coordination and the concepts that underlie them. To give just a few examples: Denmark uses the word ‘coordination’ in the context of arrangements to integrate activation services; Finland refers to ‘cooperation; Portugal and Ireland talk of ‘partnership’; and the UK promotes the concept of ‘joined-up working’. Different understandings or just different words?

The broad contextual framework

There are a number of dimensions that stand out as being important in understanding the broad context or framework within which coordination structures are rooted.

A dominant feature in a number of settings, which shapes the requirement for coordination to a very great extent, is the existence of ‘dual systems’ in the field of assistance to the unemployed. This leads to two circuits of activation, each with their own independently defined aims, concepts of employment protection, benefit legislation and delivery arrangements. Typically, in these settings, one system provides unemployment benefits (chiefly but not exclusively insurance-based)
and is administered by the employment authorities. The other provides means-tested social assistance and is administered by the social services. These dual circuits lead to situations where clients are the subjects of more than one system and, potentially, to competition between different sorts of instruments. Belgium provides an illustration of this. Until recently there was hardly any link between social assistance-specific instruments and more generic instruments. The Belgian government has recently taken the initiative to streamline these arrangements, including provision for the ‘seriality’ of the instruments’ mechanisms.

Another aspect of duality within these arrangements is their administrative and delivery arrangements. In most of these cases, employment and labour market policy is administered and resourced directly by the state, albeit via decentralised parts of central government, while social assistance is administered via local government at the municipal or equivalent level. This has implications both for policy (in that policy instruments may conflict or overlap) and for delivery (in that different lines of authority will be involved).

Germany provides an illustration of this dual system. Labour market policy and unemployment assistance is the responsibility of the federal office of employment and its local employment offices, while social assistance is the responsibility of local authority social service departments. This leads to two sets of benefit legislation and two different routes of engagement for unemployed clients, largely depending on the duration of unemployment. There is overlap between the two systems, and no systematic coordination or interaction between the two. It also leads to a situation where there is a likelihood of ‘mutual delegation’ of the political and financial responsibility for the labour market integration of unemployed people – with each of the two sets of administrative bodies looking to the other to provide the lead.

Similarly in Finland, Sweden and Denmark, responsibility for unemployment compensation rests with the state while social work, including social services and safety net social assistance, rests with local authorities. Local authorities are responsible for financing social assistance, while unemployment benefits are administered by the state. It is also true though that in some of these cases the two ‘parallel’ systems are starting to look rather like each other. In Denmark, the welfare system has been adjusted so that it resembles the employment system in its structure and its tools, while those representing various organisations on the national councils that oversee the two systems are often the same people.

A second, connected dimension is the extent to which activation policies for minimum income recipients are centralised, devolved, wholly localised or some mixture of the three. As indicated above, in many places the provision of financial and other support for minimum income recipients is a local responsibility. How national governments relate to this local provision varies widely, however. In some cases, national governments have seen it as their role to facilitate local experimentation in terms of activation and coordination, while in others the municipalities are expected to act within a nationally determined framework. In others again, there are elements of both these approaches. The balance between local autonomy and central control has big implications for the uniformity of the coordination structures that are put in place, and for the interaction between vertical and horizontal coordination.

A third factor that affects the context in which coordination structures sit, relates to the different conceptions which exist about the purpose of activation, and thus of coordination. In some
settings, as discussed elsewhere in this report, activation is focused very much on occupational outcomes. In others, there is a wider, more holistic understanding of integration, and thus of the objectives that activation measures and coordination arrangements should address. This has implications for which actors come together, and also for the levels at which coordination takes place. In France, for example, the revenu minimum d'insertion (RMI) mechanism is defined as implying mutual mobilisation and exchange, between social services of various kinds and the employment services. But while the departement is the appropriate level for pursuing housing policies, it is not the appropriate level for employment policies.

The purpose of coordination: perspectives of policy-makers

Before going on to look at the different directions being taken to promote coordination – whether via new institutions, new mechanisms or the use of tools such as legislation and guidance to shape local practice – it is worth reflecting on what those responsible for such developments are hoping to achieve. How do policy makers in the various national settings understand the purpose of coordination? What is its formal intention, and how important are structural changes in achieving it?

While each national setting is distinct in how the need for coordination is seen and interpreted, there are some common themes. Chief among them, perhaps, is concern at the size and growth in numbers of those who are long-term unemployed. This has led to a sense of urgency and an anxiety that traditional administrative solutions are inadequate to the nature of a new type and scale of complex social problem. Concern about the scale of the problem has been important in providing an impetus for action. In France, the highest estimates of those expected to come within the scope of the RMI at the time of its introduction in 1988 were in the region of 400,000. The actual total of RMI recipients now stands at more than one million.

There is also concern across all countries that among this growing group there is an increasing number who are likely to be, and remain, difficult to employ. There is a belief that the nature of the problem goes beyond that of simple ‘unemployment’ and is as much about marginalisation and exclusion; and that it demands a response that goes beyond existing organisational boundaries - a comprehensive response to a multidimensional problem. The nature of labour market conditions is, however, very important in framing how policy-makers regard the requirement for coordination. In Denmark, for example, concern about labour shortages, and the need to look for labour outside the traditional labour market, has been an important catalyst for coordination. Conditions of labour shortage also serve to draw attention to those who are the most difficult to employ. So the target group of coordination activities – those who are most at risk of marginalisation and exclusion - is very similar in settings of both high and low unemployment.

There is also a general trend, even in countries which traditionally have highly centralised forms of governance, towards the belief that solutions to the problem of social exclusion can best be found at the level at which they occur. This can be seen in the way in which the French RMI scheme has been framed, and in Italy in the shape of the Bassanini Act – a decentralising reform of public administration which has had a large impact on employment policies. A further part of the picture is a belief that the state cannot find adequate solutions entirely on its own, but can do so better through partnerships with bodies of other kinds. In some settings, these partnerships have an
overtone of civic purpose – a contribution to civic solidarity. In others, an emphasis on partnerships arises more out of a recognition of the limitations of the administrative state. An example is the Portuguese government’s intention that local support committees should contribute to a culture of partnership and to raising the partners’ awareness of the problems of poverty.

Against this background, coordination is seen as a means to move beyond the traditional pattern and boundaries of public action in order to deal better with a new order of problem. Policy makers at national level talk of coordination being ‘important’ or ‘indispensable’. They also raise a number of concerns and warning notes about coordination. They comment on:

- the importance of socio-economic trends in understanding both what has given rise to the problems that coordination tackles, and the likely limits to what institutional change can achieve;
- the risks that institutional coordination – in other words the setting up of arrangements based on specific organisations or programmes – might serve to accentuate exclusion and stigmatisation;
- the risk that coordination will become a form of ‘off-loading’ or externalisation (for example, the German local authority umbrella organisations’ concern that they may be expected to take on the burden of social welfare for the long-term unemployed, but without adequate or appropriate resourcing); and
- a concern that greater decentralisation (enabling actors at local level to develop solutions which suit local circumstances) could serve to increase inequality of treatment.

These are important points that need to be borne in mind in any attempt to assess the costs and benefits of coordination. They are certainly healthy reminders that coordination cannot be taken for granted as being always, and in every situation, a ‘good thing’. 

Coordination arrangements

Overall, coordination can be thought of as taking place within four main dimensions: national and local, vertical and horizontal. The next section looks at coordination arrangements in relation to these dimensions. It concentrates on three aspects of coordination which seem especially relevant to understanding activation measures for minimum income recipients.

Horizontal coordination at the national level: This is chiefly about the action being taken at central/state level to coordinate policy-making and delivery arrangements. There are also significant developments at the EU level.

Issues connected with vertical coordination: This is about how links between different levels of action impact on coordination. It is partly about how linkages work between different levels of government, but also concerns vertical linkage between other types of actors.

Horizontal coordination at the local level: This is in some senses the key issue, since it is at the local level that coordination of service delivery for minimum income recipients actually occurs. This section looks at the different kinds of coordination structures which have emerged or are currently
emerging. Although the main emphasis here is on examining horizontal coordination, these arrangements are also shaped to a large extent by the vertical structures within which they sit. The intersection between horizontal and vertical coordination is in fact crucial, and it is at the local level that this intersection is most clearly seen.

As indicated above, a challenge in analysing coordination arrangements is the extent to which its different forms and levels are interlinked. Thus the four areas above cannot be separated out clearly. What follows will attempt to acknowledge the interconnections between them.

**Coordination at national level**

National or state-level governments have a key role in shaping coordination arrangements, both by what they do and what they do not do. The main issue examined here is how different parts of central or state-level government come together to create integrated policies in relation to activation measures, or at least to prevent tensions and disjunctions between different policy areas. Two main types of measures can be discerned: measures concerned with planning policy, and structural innovations designed to enhance coordination.

**Planning mechanisms**

In a number of settings, a deliberate effort on the part of national governments to create coordinated policy-making can be detected, often including a concern to identify and deal with ‘cross-cutting’ issues, spanning several policy arenas and government departments.

In Ireland, for example, new mechanisms have been developed at national level to facilitate the development of policy in ‘cross-cutting’ areas, notably the Strategic Management Initiative which has led to the identification of ‘strategic results areas’, and the establishment of cross-departmental teams. The National Anti-Poverty Strategy has provided an important framework for the integration of measures across agencies. So has the Strategy Group for Employment and Unemployment, which seeks to coordinate policies to promote and address unemployment. A national commitment to develop ‘partnerships’ has resulted in a series of ‘operational frameworks’. The framework in the area of active labour market programmes includes a commitment to ‘eliminate any unnecessary anomalies between various interventions to secure the fullest possible measure of synchronisation’.

In the UK there is a general commitment by central government to creating ‘joined-up’ policy-making, including identifying ‘cross-cutting’ policy problems and solutions. An instance of this approach is the creation of the Social Exclusion Unit in the Cabinet Office, whose remit is to reduce social exclusion by producing ‘joined-up’ solutions. An example of its work with relevance for activation is the publication of a report on ‘New opportunities for 16-18 year olds not in education, employment or training’ (Cabinet Office, 1999a).

There is also an important European dimension and influence in the creation of coordinated policy-making, in the form of the National Action Plans being developed at the instigation of the European Commission in the fields of employment and social inclusion. In some cases the development of these plans has become a specific and important ‘coordination’ project. According
to the Greek National Action Plan for Employment (2000), for example, ‘the Plan is a fundamental orientation and coordination tool’. Similarly in Spain, the National Plan for Social Inclusion was drawn up in a coordinated way, involving the employment and welfare departments, and was talked about as a ‘coordination plan’.

**Structural arrangements**

While the instances mentioned above are essentially planning mechanisms for the achievement of greater policy coherence, structural innovations have also been introduced in a number of countries to promote coordination (of policy and/or delivery) at national level. The two examples below show steps being taken to strengthen inter-ministerial coordination specifically in respect of integration and activation for minimum income recipients.

### New national structures in Portugal

In Portugal, a new commission has been created, the Comissão Nacional do Rendimento Minimo. It acts as a link between the various ministries involved in the operation of the ‘guaranteed minimum income’ (GMI): Labour and Welfare, Education, Health, Justice and Housing. The commission also includes representatives of other relevant bodies including local authorities, trades unions and employers’ groups. Its role is to carry out assessments of legislation and their impact on the GMI, to identify the need for further change, and to mobilise and support the local coordination bodies – the ‘local support committees’ (described later in the chapter). The commission thus serves to integrate the various bodies concerned with the activation elements of the GMI and seems to have had some success in this. However, the GMI is still regarded to some extent as a social security measure, and thus as a responsibility of Labour and Welfare. Staff in the other ministries do not see it as being as central to their work.

### ...and in France

France also provides an example of structural change at the national level. Following the introduction of the **revenu minimum d’insertion** (RMI), an ‘inter-ministerial delegation on the integration-related income support scheme’ was set up. The intention of the delegation was to ensure that RMI beneficiaries were taken into account not only by the public employment authorities but also by the ministries responsible for housing, education, health and social policies. It was thus a contribution to overcoming the vertical, compartmentalised thinking of individual ministries and developing a more multidisciplinary approach. It had some difficulties, arising from a lack of administrative apparatus and resources, and has now been disbanded. This can be seen either as a measure of success (that it did its job and embedded a more multidisciplinary approach) or more likely as a sign of failure (that it was unable to overcome the strong vertical divisions within central government).

France also provides an example of the continuing tensions within national structures between employment policy on the one hand, and social assistance/social integration on the other. There is a clear need for coordination between the two areas at national level, but a continuing tension between the tradition of centralised, state control of the labour market and the more devolved provision of social services and assistance. There is a reluctance on the part of the Employment
Department to give special attention to RMI recipients. There are also differences of professional outlook between National Employment Agency staff and social welfare staff – a point explored further in Chapter 5. Cooperation has been developed, but continues to require national framework agreements to reaffirm the political will to foster it.

The instances given in this section all point in various ways to goals concerned with achieving greater policy coordination in respect of minimum income recipients. But there are also settings where recent changes seem to have made it less likely that this can be achieved. A case in point is Austria, where changes in ministerial boundaries mean that there is a wider gulf than before between labour market policies and policies concerned with alleviating poverty, following the transfer of labour market policies to the new Ministry of Economy and Labour. This has been accompanied by a shift towards a more ‘managerial’ style of organisation, leading to a climate of competition among non-profit organisations and social services.

**Aspects of vertical coordination**

Having looked at some issues concerned with horizontal coordination at the national level, we now look at vertical coordination arrangements. This concerns how national or state-level governments are connected with those who deliver services at local level, and with the intervening levels of governance. Arrangements vary greatly from one setting to another. In some countries there has been an emphasis on allowing a degree of local autonomy. In others there is a concern to maintain a degree of centralised control. In some settings both of these trends are apparent simultaneously. This makes for a complicated picture. An added complexity is that in some cases the arrangements for vertical coordination are in a phase of change or transition.

In Sweden, for example, there was a discernible trend, during the ‘crisis’ years of growing unemployment in the 1990s, towards a decentralisation of labour market policies – previously organised very much at state level – with the municipalities being given greater authority to organise them locally. Germany is currently embarked on a further stage of a process that is re-defining the relationship between, and respective roles of, federal and local government. One aspect of this has been a tendency towards the decentralisation of the employment services, an important catalyst in enabling local coordination initiatives to take root. In Finland there is a continuing process of transferring more responsibility for long-term unemployment to the municipalities. In Italy one can see a ‘double movement’: the development of more nationally homogenous arrangements for the payment of standard benefit amounts (in both social assistance and labour policies); and at the same time increased decentralisation of activation and other accompanying measures.

It is clear that this issue of vertical coordination is very important: how vertical coordination operates, and with what intent, has a major influence on how horizontal forms of coordination develop at the local level. What follows is a range of examples illustrating different approaches to vertical coordination.

Arrangements for vertical control in France provide an illustration of the implications of centralised control for the development of local forms of coordination. At the level of the *département*, the integration component of the RMI is the joint responsibility of the *prefect*, the representative of
national government, and the president of the locally elected General Council. This illustrates the centralised nature of the RMI policy, yet the arrangements are criticised by some for a dilution of responsibilities. This joint responsibility is operated via the Departmental Integration Council, but this council is regarded as being more often a rubber stamp than an initiating body - based on institutional routine and the production of an annual integration programme as an administrative duty. This indicates the difficulty of going beyond inter-institutional partnership to the development of genuine joint approaches to local development. At the same time it is also true that the local authorities have much latitude to organise the integration component of the RMI as they think fit.

This leads to some key questions: how to strengthen the political desire to make the RMI work at local level; and how to marry the principle of national solidarity and equity of treatment with the encouragement of local initiatives to meet local needs. The overall picture in France is one of a process of decentralisation which has been begun but remains unfinished and incomplete. A consequence of this situation is seen in the difficulties, which local policies for the integration of minimum income recipients have, in adjusting to the vagaries of the highly centralised public employment policies.

Italy illustrates a policy of deliberate decentralisation that has major implications for the pattern of local services on the ground. Job placement has been devolved to the regions, each of which is to develop its own system of employment services within a (weak) pre-existing national framework. Some regions have retained control of the responsibility for this function, while others have devolved it (in some cases through ‘abdication’) to the provinces, leading to the lack of a regional ‘imprint’ in the delivery of these services. This leads to the possibility of highly diverse arrangements, with the potential for wide discrepancies not just in the services provided on the ground, but also in the rights and entitlements that citizens can call on.

An important Italian legal development in one area of social policy is potentially very significant for the balance between national and local governments, and for the development of coordination at local level. In the field of child and family welfare, a new law (285/97) has established the national parameters within which local bodies can draw up their own highly diverse strategies for the provision of services to meet local needs. This requires local institutions to come together to draw up ‘programme agreements’ setting out their strategies, the intention being that this will draw together all those actors – statutory and non-statutory – who should be involved in the planning and provision of local projects. Funding is conditional on the signing of the programme agreement. Although this Law does not directly relate to activation for minimum income recipients, it is an important shift - with possible implications for other areas of service delivery.

In Spain, there is a major issue about what the role of the national government should be in setting frameworks for the various, and widely divergent, minimum income schemes that are being developed at regional level. While the regional governments have very clear responsibilities for minimum income recipients, unemployment benefits remain the responsibility of the Ministry of Labour and its executive arm.

Other countries also have ongoing issues about the division of responsibility and authority between different governmental levels. In Belgium, for example, there is an issue of tension between the federal and provincial levels. The federal level plays a major role in setting
Employment policy, but also has to consult at local level, leading to a complex process of policy formation and implementation. These tensions are exacerbated by the different levels at which various functions are organised. In the unemployment insurance system, benefit delivery and mediation are dealt with at the federal and regional levels respectively, while in the social assistance system, benefit delivery and activation are integrated at the federal level. This places constraints on the degree of coordination that can be achieved.

A number of settings illustrate continuing tension between top-down, vertical control and local autonomy.

### Ireland: vertical control and local autonomy

The Irish government recognises a need to strengthen the role of local authorities in a context where government has traditionally been highly centralised. City/council ‘development boards’ are being introduced which bring together local government, the state agencies active at local level and the social partners. However, the balance between vertical control and local autonomy continues to be an issue. Central direction is strong and local staff lack the power to interpret or adapt national criteria for the operation of schemes in the light of local needs and circumstances. This leads to concerns about the flexibility and, indeed, quality of the services delivered via forms of horizontal coordination. A related weakness is the lack of appropriate vertical coordinating mechanisms to feed the experience, gained at local level, back into policy-making structures at national level. This is a major constraint on the capacity of government to bring into the mainstream the approaches being developed locally. A further interesting development in Ireland is the ‘bottom-up’ pressure which local mediators are bringing to bear on policy-makers. The catalyst for this is the set of problems arising from gaps in services at local level, and leading to demands from those running services (often involving people and groups who are outside the statutory sector) for more comprehensive provision.

The overall picture arising from these instances is of increasing concern to address the balance between central control and vertical coordination on the one hand, and local authority and autonomy on the other. Why have these concerns sharpened? In part, they are a response to the pressure placed on existing institutional arrangements by conditions of rising unemployment and rising expenditure within minimum income schemes. Equally, conditions of labour shortage in other areas have had the same effect. These pressures have stretched the capacity of existing institutional arrangements, and highlighted the urgency of ensuring that there is a greater degree of local accountability and responsibility for achieving results on the ground. Yet the same pressures can lead equally to concerns about the capacity of the centre to hold local actors to account and to ensure a degree of national solidarity – a tension seen perhaps most clearly in the case of France.

### Coordination at the local level

Coordination is at the core of policy and practice at the local level. It is at this level that clients’ needs are presented and have to be met, and at which the demand for coordination has, to some extent, to reside. This section looks at some of the developments occurring in coordination arrangements at local level. However, they cannot be understood completely without being set in the context, both of the vertical chains of coordination to which they relate, and of coordination at the national level.
As with other aspects of the study of coordination, the picture at the local level is immensely varied and complex. This section therefore aims to illustrate some of the diversity of forms that are emerging, and the drivers behind them, rather than seeking to chart in detail every development. The aim is to identify some significant types of development. The practical operation of some of these forms will be explored in the following chapter.

Any attempt to discern some kind of overall 'typology' or pattern in local coordination arrangements is likely to reflect inadequately the true nature and varied range of what is evolving. However, some overall 'approaches' to coordination do stand out. A significant factor in these approaches appears to be the kind of role that is played by national or state-level governments in shaping them. Thus there appears to be a clear link between the type of vertical 'command' that national governments exert, and the type of horizontal coordination arrangements that emerge.

The three main approaches to achieving greater coordination would, very broadly, appear to be the following.

Firstly, creating **conditions and frameworks** within which new forms of working and experimentation can flourish. The steps taken can include legislative change to facilitate the setting up of certain kinds of network, the issuing of advice and guidance or the provision of funding to support experimentation. In these kinds of situation, the role of central government is to act as the facilitator for horizontal forms of coordination. This kind of stance can emerge in different ways. In Finland, for example, it is a result of a strong tradition of attention to coordination in the context of devolved government. In Italy, this kind of process is also occurring but as the result of a more recent emphasis on decentralisation, and with very patchy results - depending on whether lower levels of government seek a coordinating role or, in effect, almost abdicate responsibility.

This aim of seeking to set frameworks to facilitate coordination can also be seen clearly in the approach taken by the European Union in its active promotion and encouragement of a partnership-based way of working, to tackle complex problems arising from social exclusion and related issues (Geddes, 1998). Different aspects of the European Union’s role can be distinguished here: the various ways in which it encourages collaboration, partnership and the sharing of learning at the European level; its promotion of the partnership model at national government level; and its contribution to the funding of local programmes and initiatives which seek to embed collaboration.

Secondly, creating **new institutions**. This involves changes that break up the existing statutory bodies delivering services at local level, and either replace them with something distinctly different, or put them back in a different configuration. These types of change are usually the result of nationally driven programmes initiated from the centre, and are impelled by a particular concern to integrate employment-related and benefit-related services. They embody an attempted shift from ‘cooperation’ to ‘integration’.

Thirdly, ensuring smooth working **across organisation boundaries** (rather than necessarily doing away with the boundaries by creating wholly new structures). The role played by national governments in these cases is usually to set the framework - legal and political - in which these new forms arise. These mechanisms do not usually subsume the existing statutory organisations. They help these organisations to work more effectively together, rather than change the institutions. In
some cases, however, this kind of change does evolve into new institutional configurations, as cooperative working styles lead to approaches that over time become almost new ‘joint’ institutions. The case of Cologne, referred to in Chapter 5, is an example.

The following discussion looks in turn at each of these types. As will be evident, however, these various approaches to coordination are not mutually exclusive. Moreover, since the creation of coordination structures is a very dynamic and evolving business, it is likely that elements of all three will be present in particular settings at various times. However, some important shades of difference underlie these approaches. One of the differences appears to be around whether those who are formulating new arrangements think in terms of getting existing organisations to work better, or creating new organisational configurations. Another difference is around the degree of freedom that exists at local level to develop locally specific arrangements. Depending on this, the resulting arrangements may either be very uniform or widely varied. But even where there is a strong national imprint, how bodies, which are similar or identical in structure, actually work in practice can be hugely varied. This will be illustrated in the next chapter as we move from looking at the structures to looking at how they work on the ground.

The creation of conditions and frameworks

One aspect of the role of central government in ‘creating the conditions’ for coordination has been the use of legislation to require or enable coordination to happen at local level. In Germany, for example, new legislation has recently been enacted which has introduced two significant changes, designed to increase coordinated action. This obliges employment offices and social services offices to implement cooperation agreements geared at achieving work placements. It also enables employment offices and social services offices to transfer duties to each other, or jointly to a third party, in relation to some fixed term experimental models. But while there is now a legal framework, which allows for coordination to happen, there is little clear evidence that the legislative change itself is the cause of action on the ground. In the case of Germany, it seems that the decentralisation of the public employment authorities, accompanied by enhanced budgetary autonomy, has been the more important catalyst for change.

Finland also provides an instance of legislative change aimed specifically at the strengthening of cooperation between bodies concerned with activation. The Act on Rehabilitative Work, which came into force in 2001, aims to ensure earlier intervention by the authorities on behalf of people who are difficult to employ, to strengthen cooperation between the municipalities and labour authorities and to increase municipal responsibility for activation. The new law obliges the labour and welfare authorities to prepare an activation plan together with the unemployed client. The plan includes, in the first place, activation measures provided by the employment administration, but in the last resort also rehabilitative measures provided by the social welfare authorities. The action plan is meant to coordinate activation measures and social and health care services in order to promote employment, employability and life management – a holistic approach. The law provides for the first time for activation measures to become a legal responsibility of the municipalities.

Germany and Finland also both furnish examples of action being taken by central government, via working groups and the like at national level, to identify and promulgate approaches to coordination at local level. In Germany a federal/Länder working committee is developing
proposals to achieve effective integration of unemployment assistance and social assistance benefit claimants. An informal committee has also been set up by a private body, the Bertelsmann Foundation, to consider how collaboration between employment offices and social services can be improved.

In Finland a ‘working group on active cooperation between employment and social administration’ was set up in 1999 (the Vaarala Group), with the aim of fostering horizontal coordination at local level.

The recommendations of the Vaarala Working Group.

There should be:

- an annual strategy at national, regional and local level to promote the activation and employment of common clients who are difficult to employ;
- a ‘permanent discussion link’ between the management of the regional and local sectors, to agree common annual production objectives regarding employment of those difficult to employ or motivate;
- a common employment and social welfare service point as a potential solution, with a focus on long-term support of common clients;
- a view that a profound reassessment, of the division of responsibilities between social welfare and employment administrations, is needed in order to manage common clients most at risk; and
- employment administration and social welfare cooperative groups should be established at local authority level nationwide (one of their duties would be to direct common clients to take part in rehabilitative job-creation).

Germany provides a further instance of a central initiative designed to foster coordination: a federal programme which provides resources for some 30 projects in local authorities to develop new forms of working (the ‘promotion of the trial and development of innovative measures for combating unemployment’). The intention is to pilot and evaluate some different forms of ‘one-stop’ approach for those claiming unemployment assistance and social assistance. This can be seen as the next step in redefining relations between federal and local government, and as a means of ‘pump-priming’ local initiatives.

An issue which arises here, and in other settings where ‘projects’ are being encouraged as a means of developing new ways of working, is the durability of the arrangements. On the one hand, project-based developments seem to offer the best chances for speedy and innovative responses to the problems of those who are difficult to employ. On the other, their time-limited nature is a vulnerability. At least one policy-maker expressed the view that structural resources, as opposed to project funding, were needed in order to make better practice permanent.

The various forms of action by central government, described above, bring us back to the issue of the role of central government, and the relationship of the centre with the localities. What this relationship will be like, in respect of activation for minimum income recipients, will be affected
greatly by past history and established traditions of governance. In Finland, for example, senior officials within the Ministry of Social Affairs and Health observe that cooperation at grass-roots level has been going on for longer than at national level. New coordination models (such as ‘common service points’) are being promulgated from the centre, while at the same time local authorities are developing similar projects on their own initiative.

The creation of new institutions

The second main ‘type’ of coordination initiative consists of changes designed to create new institutions.

Developments in the Netherlands and the UK provide instances of the creation of new institutions to generate greater coordination. Old boundaries are being erased or redrawn and new organisations established.

The Netherlands: ‘centres for work and income’

In the Netherlands, substantial restructuring has resulted in the creation of new organisations at local level in the wake of the government’s national projects to achieve better coordination between social security and labour market policy and delivery (the ‘partnership for work and income and the structure for the administration of work and income’ – the SUWI project). The centres bring together a number of functions previously performed by other bodies, and seek to provide a more coherent approach to clients who are claiming benefits and looking for work. The change is based on a ‘one stop’ philosophy, and brings together staff from the former Employment Authority, the local authority and the private benefit-paying agencies. It is also intended that other bodies with related aims (reintegration agencies, employment agencies) will be able to acquire space in the same buildings.

The UK: ‘jobcentres plus’

In the UK, boundaries at central government level were redrawn in mid-2001 to merge parts of the Department for Education and Employment with the Department for Social Security, in a new, renamed Department of Work and Pensions. This brings together the benefit-paying functions of government (the Benefits Agency) with the employment and labour market functions of the Employment Service. The chief executives of both these agencies now report, for the first time, to the same ministers. The change of name symbolises the desire of the UK government to emphasise the ‘active’ aspects of welfare services. This change at central level has been accompanied by new organisational arrangements at the local level. The existing network of benefit-paying offices and employment service offices is being subsumed into a new set of local offices – ‘jobcentres plus’ – which aim to provide a more integrated service for unemployed minimum income recipients. The new offices will take forward the ‘ONE’ concept, previously being developed to provide a single point of contact for clients through a personal adviser.

Both the examples above are deliberate attempts to create a more coordinated and coherent pattern of service provision for unemployed minimum income recipients, and both are driven primarily by a vision based on activation as opposed to the ‘passive’ payment of benefits.
The creation of new coordinating mechanisms

This section looks at settings in which what might loosely be called coordinating 'mechanisms' have emerged as a means of creating a more integrated service to minimum income recipients. A striking feature of a number of these settings is the extent to which the city or other local geographical entity has emerged as the focus and the forum for coordinating arrangements. This is perhaps not surprising, as social, economic, political and administrative realms meet at the city or other equivalent civic level. They are therefore the setting in which coordination is both possible and necessary. Portugal provides a good example of a mechanism being established at local level to enable existing institutions to relate more effectively to one another and in an integrated way.

Portugal: ‘local support committees’

The approach of the national government in Portugal has been very much one of encouraging ‘localisation’ in the development and delivery of social policies generally. The concern has been to foster integration between individuals and families, local development processes, local institutions and actors to achieve social integration. This can be seen in the setting up of GMI ‘local support committees’ (LSCs), which are operational bodies established by legislation. They have a territorial scope corresponding to the municipalities and are based around four obligatory members: representatives of the regional social security office, the job centre, the continuing education department and the health centre. This wide-based membership clearly indicates that the aim is social integration, rather than purely employment insertion. Other bodies, such as the local authority, employer and trades union associations, private welfare institutions and non-profit making bodies, may also join. They are usually, but not always, chaired by the social security office, but are strongly focused on bringing in the wider range of services on which integrated approaches to tackling poverty and social exclusion depend. Their key role is one of mobilising resources for integration processes, through pooling resources from the member organisations, administering the GMI and carrying out planning and assessment in relation to the needs of the local community. They do not have a legal personality, cannot directly employ staff and thus are very dependent on the willing contributions of their member organisations. As will be illustrated by case studies (Chapter 5), the LSCs vary greatly in their capacity to achieve this.

Instances in Germany illustrate the significance of the city as the local forum for development, and the range of actors who need to be involved at local level. This spectrum comprises the following actors.

- The city or rural district administration: the lowest level of the federal government, with responsibility for citizens’ living conditions and opportunities. In the context of employment promotion, the most important departments are those of social and economic affairs. Social services offices perform the necessary social assistance functions. They are required to set up joint study groups with all social assistance agencies to ensure uniform implementation of the social assistance measures. They are also required to cooperate with the employment offices.

- Companies and chambers/associations of industry. Historically, employers have been rather remote from, and indifferent to, activation measures.

- The trades unions, which are often heavily involved, and have traditionally been committed to the extension of training and employment schemes. Their interest is, in part, to ensure that
integration takes place under ‘normal’ labour market conditions, and does not undermine collective agreements.

- The providers of training and employment schemes, often private non-profit and commercial organisations who specialise in specific target groups and have a long history of involvement. They will often be instructed and financed by the local authorities, and thus are subject to financial dependence and competition. For this reason their influence is often confined to the technical level, although in some cases they may seek to act as the spokesperson for the target groups they seek to serve.

- The local employment office, a local subdivision of the federal Employment Department. Its role is defined by law as promoting active employment, as defined and determined centrally.

- The clients or users of local employment promotion. Forums for the coordination of local employment promotion generally make no provision for the representation of unemployed people.

**Germany: developments in city-wide coordination**

This wide spectrum of local actors indicates the importance of establishing some degree of coordination. In general the two principal actors – the local authorities and the employment offices – have independent definitions of aims and strategies, while the other actors are normally only involved in a cooperative and rather loose way. Against this background, city-wide coordinating committees have become important as an instrument of consultation and guidance. They are generally chaired by a representative of the local authority and act as a ‘consensus’ group. They will receive, consider and approve planning documents, via the budgetary committees of the local council and the administrative committee of the employment office. These types of forum provide a practical and potentially useful way of bringing all the relevant actors together. There is scope for greater coordination to be developed between the local authority and the employment office, but there are some problems in achieving this stronger coordination.

Firstly, the increasing activities of local authorities in the field of employment promotion can be regarded by the employment offices as a threat. Secondly, there are differences in levels of human resources and caseloads in the two settings, with local authorities tending to consider themselves under-resourced. And thirdly, there are different perceptions of the nature of the employment promotion task – an issue that occurs repeatedly in many national settings. So while there is a clear legal obligation for the local authorities and employment offices to work together, and despite a decree issued by the federal Employment Department to implement closer cooperation, there is still a long way to go. Nevertheless, a number of new models for practical cooperation are emerging. One such is in Offenbach, where a training agency is being jointly sponsored by the employment, social services and youth offices. An important catalyst in this development has been the devolution of increased authority and budgetary autonomy to the employment office.

A number of other Member States illustrate the establishment of new coordinating mechanisms to enable existing bodies to work more effectively; particularly to promote closer working between the employment authorities and institutions on the one hand, and the social welfare authorities and institutions on the other. In France, statutory bodies – local integration committees – have been set up to coordinate the provision of activation services for minimum income recipients. These bodies
are responsible for ratifying individuals' integration contracts, for diagnosing the needs of recipients of the RMI and for supporting local integration initiatives that have been formalised in local integration programmes. As the case studies (referred to in the next chapter) show, a significant development has been the emergence of new appointees – local integration counsellors – working at the interface between social and economic action. So in this case it is almost the individuals who have become the coordinating mechanism, albeit working out of a particular institutional base.

**Denmark: new forms of statutory coordination**

In Denmark, a desire to achieve greater coordination has also led to a new statutory development: the creation of 'local coordination committees', which all municipalities have been required to establish following the passing of legislation in 1999. The purpose of the committees is to develop cooperation between the municipality and local parties with an interest in labour market measures. They are intended to contribute to the promotion of the social partnerships, which are often forged in connection with local projects, while also providing a means of connecting such partnerships to the decision-making processes in the municipality. Members are usually drawn from the Employment Service, the municipal council, the Danish Employers' Confederation, the Danish Federation of Trades Unions, the Joint Representation on Managerial Employees, the Association of General Practitioners and the Danish Council of Organisations of Disabled People. The municipal council sets the general framework for preventive social and labour market measures, while the committee decides what the money will be used for. The new structure provides the possibility of increased coordination between municipal and employment services, both through linking cash benefit recipients to the Employment Service at the local level, and by coordinating the work of the various parties in relation to sickness benefits.

In Greece we see an example of an existing institution being reconfigured in order to create more effective links at local level, prompted by concerns - in conditions of increasing unemployment - about the capacity of the main institution for the delivery of labour market policies (the Organisation for the Employment of the Labour Force). This is a body which is funded in principle by contributions from employers and employees, but which also receives ad hoc financial support from the state and is under the supervision of the Ministry of Labour and Social Security. Concerns about its effectiveness have led to plans to re-structure the Organisation, via the creation of 48 'employment promotion centres'. The aims of the change are to provide 'a more effective link between supply and demand in the labour market; a more efficient service for the unemployed, the working population, special social groups, employers and businesses; a more effective link between training, education and employment and the conversion of the Organisation's employment policies from passive to active'.

The instances above - all of which are nationally driven - exemplify a number of trends: in particular the importance of the local setting and local identity as the focus for coordination, whether at the city or at some other level; the need to bring together more closely the work of local authorities and employment services; and a shift in many settings to a more active 'leading' role on the part of local authorities in dealing with the problems of unemployment and poverty in their local communities. It is notable that the local authorities – those responsible at municipal level for social welfare – often act as the drivers or catalysts for the changes that are emerging. But in some instances, moves to devolve authority to the public employment authorities, with accompanying
budgetary autonomy, have also been very important in enabling coordinated arrangements to develop an impetus of their own.

**State and non-state players**

Running through all the types of coordination referred to above is another variable: the way in which non-state players are involved. This is an important factor in determining the nature of coordination structures and arrangements, and is therefore discussed separately here. One of the effects of the coordination arrangements put in place in some settings (for example, the case of Portugal referred to above) has been to bring an existing state monopoly in social welfare and employment services to an end, as non-governmental players join in the decision-making process. Other settings also illustrate an important role for non-governmental organisations.

**Italy: the role of ‘non-profit socially useful organisations’**

In Italy ‘non-profit socially useful organisations’ (Onlus) have emerged as major players in some areas. Their involvement can take a range of forms. In some instances, the local authority may delegate powers to Onlus to manage projects or services. In this type of arrangement the level of co-responsibility is low. In others, shared rules and regulations are created. Local authorities provide support to selected Onlus initiatives and promote collective learning. Cooperation is greater in these settings. In others again (so far very limited in practice) local authorities and Onlus have equal roles in designing and planning services jointly. This would be a model of full and complete cooperation.

**Spain: complex institutional-social sector relationships**

In Spain too the third sector has emerged as a very important, and sometimes almost the only, player in the provision of integration and activation measures. The nature of institutional-social sector relationships is extremely complex and varies within and between autonomous communities. Some NGOs have immense weight and influence on the shape of local services and on their actual delivery. In some of the localities where this is so, their relationship with the statutory authorities has been set down in regulations, which formalise monitoring and control arrangements. In other areas the disorganisation of the social NGOs means that they wield very little influence and have not developed any kind of solid links.

A further form of coordination between state and non-state sectors has been the ‘tripartite’ approach developed at local (and national) level in Ireland. The Local Employment Service, and Local Area-based Partnerships, both important bodies in terms of activation and integration, demonstrate this approach in that they bring together the relevant statutory bodies, the social partners and community/voluntary sector stakeholders.

In general many settings, where services in the past will have been provided chiefly by public administrations, are now increasingly likely to look to outside, non-governmental bodies to perform at least some of this role. Typical in this respect are Germany and the UK, both of which now draw significantly on private or non-governmental organisations in the delivery of services for
unemployed people. In Germany all the case studies included in the national report, with the exception of one, show the involvement of an autonomous and legally independent agency in some of the tasks of activation. In the UK, one of the organisational models being trialled under the new, ‘ONE’ pilot arrangements is a ‘private sector variant’, which uses private sector agencies to deliver benefit and job-related services to minimum income recipients. In Belgium too there is a trend towards the separation of the counselling role from the provision of training and other services, and there is an important role for temporary work agencies, to which minimum income recipients may be referred.

The involvement of non-state players, in whatever form, raises some important issues for the role of the statutory institutions and for the type and degree of accountability which is sought or achieved. This is in essence an issue about the balance between flexibility on the one hand – brought about by having a greater range of providers involved and who are separate from those responsible politically and administratively – and control on the other. Cases from the German context illustrate this issue well.

**Germany: issues arising from the use of external agencies**

In Germany, integration and activation functions have in some places been outsourced in whole or part to legally independent external agencies. In some of these cases, it appears that the external agency has gone ‘independent’, leading to a situation where the agency is influencing the local authority's integration policy, rather than the other way round. The specific case of Dresden highlights some other potential problems. There, the local actors give different views on the role of the external agency which is responsible for advisory and placement services for unemployed social assistance claimants. This suggests a lack of clarity about the boundaries of its responsibilities. There is also an interesting tension at the heart of this agency's role. On behalf of the local authority, it allocates clients to the various local integration schemes, but it also runs a scheme itself, giving rise to allegations of unfair competition. It is, in a sense, both a purchaser and a provider.

The emergence of external agencies thus raises some important questions for the role of public bodies in relation to them. At one extreme, the emergence of non-state actors could lead to a situation where there was a plethora of actors, projects and programmes, with little overall coordination between them; and where there was the potential for fragmented arrangements which might or might not meet the needs of local clients and communities. At the other end of the spectrum, it is possible for these non-state players to become rather passive ‘contractors’, who contribute their technical knowledge and capacity but do not contribute more widely in thinking about or planning services, and therefore do not offer up their expertise and learning. The need to avoid both these extremes suggests that it is important for the 'lead' local authority to have a deliberate and well thought-out stance in relation to non-state providers. Examples within Chapter 5 highlight various ways in which lead authorities are playing this role. The case of Zennevallei in Belgium is a particularly interesting example of a local authority which deliberately set out to shift its role from one of being a direct provider of services to one where it is controller of a network of other (non-state) providers.
Frameworks and practice

Before drawing some conclusions on the issues and challenges thrown up by coordination arrangements, it is important to ask a further question, which runs through all types of coordination at its various levels. What is the relationship between the statutory frameworks which shape coordination, and the operation of coordination on the ground? The ‘framework’ within which coordination arrangements function can be thought of as having three key dimensions which are related to the task of activation, which is at the heart of coordination. These are the arrangements for the regulation of activation; the arrangements for funding activation, and the arrangements for setting activation policies. Some observations about these dimensions arise from the above discussion.

The regulation of activation

This is essentially about the legislative framework and who sets it. On the whole, legislation tends to be framed in terms of institutional bodies, and to grant powers and authority accordingly. There are some settings where specific legislative changes have had to be made to counter this: to enable officials of one institution to take on tasks which are prescribed in the legislation as belonging to another. There are also instances where legislation has been passed specifically to promote or prescribe coordinated arrangements – the legislative changes referred to above in Finland and Germany are examples. It is likely that serious efforts to encourage coordination will require an ‘audit’ of relevant legislation by policy-makers, to identify laws that may be creating barriers, and to identify whether legislation to promote coordination is likely to be necessary or helpful. From experience to date, however, it is not possible to determine how important legislative change per se is in driving coordination. It would appear on the whole that legislative change is important in removing barriers and in setting expectations, but that real progress depends on what is done to interpret the legislative framework - as will be explored further in the following chapter.

The funding of activation

In many cases, the costs of minimum income payments and associated services are borne by local welfare institutions, while the costs of insurance-based unemployment payments and associated services are borne by the state. This provides a potential problem for joint working between employment and welfare institutions. It also provides an impetus for local action: those bearing the costs of minimum income payments are also likely to be at the forefront of efforts to activate the recipients. Some settings provide clear evidence of additional funding - made available centrally - being used to initiate or pump-prime activation, as in the case of the UK’s New Deal programmes and of Germany’s new programme of activation projects. In others, the resourcing of activation is taken from within existing budgets for minimum income services. The degree of central funding will clearly affect the shape of coordination arrangements on the ground. Where a substantial measure of central funding has been provided, there is likely to be regulation about its use, a requirement for feedback about its use and also, possibly, an attempt to impose patterns of service delivery. This can be seen in the UK, where funding to support the ONE programme has been targeted at establishing four different variants, the aim being (at least, the espoused aim) to compare the four approaches and learn lessons about what works best. This pressure for nationally applicable solutions and patterns of delivery is likely to be less, or absent, in settings where no resources flow in this vertical way.

The setting of activation policies

This is a complicated issue because there are many different layers of ‘policy’. At the ‘macro’ level, national governments clearly have a key role in prescribing the broad policy programmes (although
in some cases, such as Spain, the absence of nationally determined policies for minimum income recipients is equally significant). At the ‘meso’ level, the way in which local delivery units implement national policies will also affect the nature of coordination on the ground. And at the ‘grass-roots’ level, individual actors will make decisions about interacting with clients, which again will impact on the service. How much scope there is for discretion and autonomy at these lower levels will affect how coordination arrangements work. Again, the nature of vertical coordination is immensely significant here: the more there is a framework of strong vertical control in place, the more it is likely that local discretion, in deciding what policies ‘mean’, will be constrained. Where vertical coordination is weak, it is likely that there will be a greater degree of discretion – leading in some extreme cases to fragmentation. This can be observed in aspects of the Italian experience. A distinction can also be drawn between policy ‘formation’ and policy ‘implementation’. While the process of policy formation tends to take place at the national level and to appear, at least, to be explicitly coordinated, policy implementation is likely to be affected by the many local factors that impinge on local delivery. So that even if there is a clear policy intent, the capacity of the centre to ensure a certain policy outcome may be severely constrained.

Issues and challenges

What can be concluded about the issues and challenges emerging from this picture of coordination arrangements? First, the overall picture contains some clear general trends:

- the pursuit of activation as an objective of welfare policy has attracted attention to the need for cooperation and coordination between different kinds of institutions and players;
- in particular it is increasingly the case - by virtue of activation policies - that employment and social welfare authorities have common clients, namely those who are most in need of activation, and that it is these organisations who need to form the ‘axis’ for coordination measures;
- in many settings social welfare authorities have taken the lead in shaping coordination arrangements, not least because the cost and the responsibility for those most difficult to employ often rest with them;
- a trend to decentralisation within the public employment authorities has, in some instances, also been an aid to coordination, in making it possible for them to do business more easily at a local level in cooperation with others; and
- the institutions of the European Community are exercising a certain influence in coordination efforts, in requiring planning mechanisms which encourage a coordinated outlook.

Against this background, a number of issues and challenges can be identified.

The key importance of the interaction between vertical and horizontal forms of coordination

This is important because coordination is essentially about ‘a shift in paradigm, from one of vertical affinities to horizontal loyalties’ (Italian national report). The vertical channel to some extent determines what action can be taken or allowed to flourish at local level. It is also important because of the risk of overload: if horizontal coordination begins to take shape, yet with no reduction in the vertical loading, the result is likely to be an over-supply of communications,
meetings and instructions. In some settings the balance between vertical control and horizontal linkages is still in transition. France is a case in point, illustrating an unfinished process of decentralisation. The key issue here is the marrying of a philosophy of national solidarity and concern for equity of treatment, with the empowerment of local players. In Ireland the issue is the lack of local flexibility to adapt centrally prescribed services, and the lack of feedback - from local lessons about how things work - to national policy-making and mainstream programmes.

Although the institutions of the European Community have had a degree of influence in promoting and shaping coordinated planning, the challenge is to move beyond aspirations into concrete and achievable programmes.

The role of legislation is important in creating a framework within which coordination can take place, and removing barriers to its operation. But the opinion, on the whole, of policy-makers in the Member States is that legislation in itself cannot create coordination. It can only foster the conditions in which coordination can occur. We see instead the importance of a ‘joint awakening’ (Finnish report) at both strategic and operational level, leading to the recognition that clients are held in common. In short, the routine obligations created by legislation are not generally sufficient to create new forms of cooperation.

The specific need in a number of settings to further promote coordination between the employment and social welfare administrations. Again, we are in a transitional phase, with many new developments, patchy progress and huge variations even within countries in how this is being handled.

The need, too, to develop further the role of employers and employer organisations in an active sense; and also to develop a clearer conception of what the role should be of other social partners (such as trades unions). The ways in which the social partners are involved is of course, to a great extent, a mirror of the standing and role of the social partners in national policy-making generally. Thus in the UK the trades unions have had only a very formal and distant role in the development of new organisational structures, while in Ireland they have been brought in as much more active and equal partners within tripartite structures.

The issues for coordination thrown up by the involvement of third sector organisations. The issue here is in part one of control and accountability. The greater the array of third sector projects and activities, the greater the challenge becomes to find formal means of ensuring coherence and accountability. The risk at one end of the spectrum is of ‘abdication’: that the local authorities become so detached from this plethora of activity that they are no longer in a position to plan, monitor or control the services provided. At the other end of the spectrum the risk is that these third sector bodies will remain only providers of services, in a passive relationship to those funding them and unable to contribute their expertise fully.

The involvement of users; there is little reference in the national experiences to the involvement of users in determining what coordination structures and arrangements should be in place, although there are some exceptions to this. In Ireland the representation of unemployed people on the board of management of some local employment services is considered to be important and is being increased. In Portugal some local support committees have opted to include GMI beneficiaries on
their board. In Spain there are instances of users being included in the planning and timetabling of programmes run via coordinating mechanisms. But the Spanish report also notes a risk of the ‘bureaucratisation of participation’, whereby the officially established forums are at times converted into a means of justification for those who have the capacity to impose consensus.

The distinction between permanent structures, and those which are project-based and thus time-limited. The latter are likely to face a set of additional challenges, arising from the limitations and constraints of project-based funding.

Finally there is a crucial issue about the value of coordination. There tends to be an assumption that coordination is always and inevitably a positive thing. However, in some instances coordination could be used as a means to off-load or externalise the ‘problem’ – the problem in this case being unemployed minimum income recipients who are the most difficult to employ. In situations where coordination efforts are being led by one institution, this could to an extent be the result of other institutions having refused to ‘own’ or address the problem.

Having discussed, and aimed to illuminate, some of the structural and related issues associated with coordination arrangements, the next chapter now turns to the practice of coordination: aiming to establish how best conditions can be created which will enable coordination to be purposeful and effective.
Introduction

This chapter considers the practice of coordination. It explores the factors that help or hinder coordination, looking in particular for the processes and approaches that appear to contribute to effective ways of working. It begins by discussing the context within which the practice of coordination needs to be understood. It then explores key themes and issues as they emerge from the national reports, and illustrates these themes and issues by drawing on some of the case study material within the reports.

The case studies presented in the course of this chapter have three purposes:

- to present some of the different local arrangements made for coordination in relation to minimum income recipients;
- to illuminate the experience of those working within them and affected by them; and
- to identify some of the themes and issues, which are important in understanding this experience and which have implications for policy-makers who seek to support and develop coordination.

A full list of the case studies contained in the national reports is at Appendix 2. The case studies were selected by the national researchers as examples that, for the most part, demonstrated some elements of good practice and success. So the selection of material for illustration within this chapter is also mostly concerned with finding out what is working well or at least creating a positive impact, although in exploring this it has also been useful to look, conversely, at what impedes progress.

Contextual issues: dimensions of difference

Coordination and activation are highly contextualised issues: they have different meanings and conceptions both between and within countries. This has implications for the practice - the practical operation - of coordination. In particular, the practice of coordination can be seen as influenced by, and to some extent arising out of, four dimensions of context.

1. The perceived purpose, at a broad national level, of coordination

Coordination can be seen as a means to achieve integration of policies or clients, which in turn is aimed at different kinds of goals in different settings. The balance between directly work-related objectives, on the one hand, and wider objectives aimed at broader social integration on the other, is likely to affect how coordination comes to be implemented. A contrast can be drawn between settings, for example, where coordination has been focused very much on achieving entry into the primary labour market, and those where there have been more multidimensional programmes concerned with issues such as social rehabilitation and with quality of life.

To some extent, then, a distinction can be made between those settings where work is the perceived objective of coordination, and those where the objective can be framed more in terms of preventing social exclusion and encouraging inclusion. Such a distinction is however rather too simplistic, as in many settings both of these objectives are present to a degree.
2. Labour market conditions

A closely related point is the impact of labour market conditions on the practice and impact of coordination. These impacts can be of several kinds. Unfavourable economic conditions leading to low growth and high unemployment, populations which have deep-seated or multiple difficulties, or situations where labour market conditions are changing rapidly, can all pose particular challenges. The examples below illustrate some of these challenges:

**Isère: the impact of alternating economic growth and stagnation on local coordination initiatives**

In the late 1980s the newly established French minimum income scheme had to adapt rapidly to conditions of high unemployment, which brought a much wider stratum of society into its range. The focus of projects at this stage was on maintaining contact between the labour market and unemployed people. The recession of the 1990s meant that these projects increasingly came to be seen as insufficient. This gave rise to a new set of target groups and a new set of needs, based on providing specific social and personal support to people who had become very detached from the labour market. As these more personalised efforts continue, so the labour market is opening up again, and once again the profile of beneficiaries is changing, polarised now into two very distinct groups: people who are in dire straits on the one hand, and jobseekers who only need training on the other. A further factor is the changing nature of the jobs available. There has been an increase in ‘atypical’ jobs, with efforts now focused on temporary jobs as a means of building confidence and building a bridge back to permanent work.

**Naples: severe and complex social and economic problems as the back-drop to coordination initiatives**

In many parts of the city the unemployment rate exceeds 40%, with peaks of 60%. Young people are particularly affected: more than 70% of those aged 14 to 29 were unemployed in 1991. Long-term unemployment is prevalent: 70% of those registered at the employment exchange have been seeking work for more than a year. There is a widespread informal and illegal economy, which does not provide adequate earnings or support transitions to regular work. In many families the balance between those employed and those being supported does not produce an adequate standard of living, and much of the housing stock is dilapidated. There is multidimensional poverty, concentrated in certain quarters, but spreading out into fresh concentrations. This presents a set of crucial problems to be resolved in activation and coordination initiatives.

The implication of these and other examples is that coordination initiatives need to take account of the socio-economic contexts in which they are situated, and to be able to adapt to changes in these circumstances.

3. The ‘triggers’ or impetus for coordination

At a more specific level, the practice of coordination is likely to be shaped by the way it has first emerged: the nature of the problems or needs that provide the initial impetus for coordination. Within some settings, for example, the needs of employers in times of labour shortage may be an
important driving force, while in other settings there may be other sets of influential problems or actors. In Finland, for example, concern to improve cooperation emerged in the late 1990s out of concern to address the needs of the long-term unemployed and those difficult to employ, who are often common clients of the employment and social welfare administrations. In Italy, coordination arises in part as a response to concerns about extreme fragmentation within the social welfare system. In Germany, as in a number of other settings, an important structural dimension has been a significant driver for coordination: the need to achieve a degree of integration between the dual systems providing insurance-based unemployment assistance on the one hand, and social assistance on the other. Allied to this structural dimension have been fiscal concerns: where social assistance claimants and expenditure have been rising, there is budgetary pressure, on those responsible for picking up the bill, to ease integration into the labour market.

In short, in as far as coordination is seen as a ‘solution’, the nature of the problem it is perceived to be addressing will influence how it is shaped on the ground.

4. The extent of diversity within national contexts

The practice of coordination may be affected by diversity within national settings in a number of ways. As identified earlier, some countries have highly unified policies towards minimum income recipients; while in others (such as Spain with its 17 different schemes corresponding to the different ‘autonomous communities’) there is great diversity. Secondly, and somewhat independently of the degree of diversity within the policies themselves, the management of the policies may either be highly unified (as in the UK), devolved and decentralised (as in Finland and Denmark) or fragmented (as in the case of Spain, where there is great diversity within and between Regions in terms of activation processes, as well as in the measures and policies which the processes apply). Thirdly, history and traditions at a very local level are likely to be important. Some of this history may be to do with the practice of coordination itself: how organisations have worked together in the past and what the experience has been like.

A number of the national case studies illustrate how local context - existing relationships and working patterns - can positively influence new coordination measures.

Matosinhos: the unifying factor of previous collaboration as the basis for new coordination ventures

A movement initiated in the locality by a group of teachers in the late 1980s led to the creation of an association – ADEIMA – composed of various institutions committed to a local activation strategy to combat poverty, co-funded by the local council. This has led to a way of working in which the efforts of different bodies are pooled and coordinated. This experience of pioneering work has been a unifying factor for the local minimum income coordination committee, which includes many of those also involved in ADEIMA. (‘Here in Matosinhos we enjoy the privilege of always being the first in everything.’)

The four dimensions of difference identified above provide important general background to understanding the implementation and practice of coordination. A further general factor is the extent to which the practice of coordination is still emerging. In many settings we can see coordination as a newly developing and still rather fluid concept. In Germany
activation and integration of the unemployed is in full swing, with the outcome still uncertain. In
Finland, as described in Chapter 4, new legislation on a proactive social policy became law in
2001, and in Italy new forms of minimum income support are being piloted. Spain is in a period of
transition to a more decentralised style of employment policy: some ‘autonomous communities’
have powers to provide active employment policies and vocational training while others do not. In
addition, arrangements are often fluid at the local level, where practical forms of coordination are
being shaped by new approaches and new structures. The implementation of coordination is thus
still unfinished in some important respects. This dynamic context adds to the complexity of
understanding its practice.

Blanchardstown: the influence of existing partnerships, arising out of a European-
funded initiative

Blanchardstown, a relatively new town on the fringes of Dublin, has developed a new
coordination initiative – a Local Employment Service – within the broader framework of the
Blanchardstown Area Partnership. The partnership, one of a number part-funded by the EU,
provides for the extension of social partnership to local level decision-making in areas
designated as disadvantaged. The work of the Local Employment Service has been directly
facilitated by the networks, linkages and opportunities for liaison created by the Area
Partnership. These have been key factors in establishing a speedy and effective service.

The practice of coordination

Drawing on the experience discussed in the national reports, this section discusses what appear to
be key issues and themes in the practice of coordination. Some of the themes are rather closely
inter-linked, and are therefore difficult to separate out completely. For the purposes of this
diagnosis – in terms of what helps and hinders – the following section is organised around what
appear to be the key dimensions. It deals inter alia with the following main dimensions of co-
ordinating activity: actors, purpose, resources, processes and outcomes.

Coordination in practice: key elements

<table>
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<th>Actors and stakeholders</th>
<th>who is involved: existing actors and groups; the emergence of new actors; who takes the initiative; and linkages between different actors.</th>
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<td>the balance between top-down and bottom-up action; and creating shared goals and purpose at local level.</td>
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<tr>
<td>Resources</td>
<td>human resources: employees' status, contractual arrangements, professional orientations and skills; financial resources: funding levels and budgetary arrangements; and information, and forms of technology to produce and use it.</td>
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<td>recipients' experience of coordination processes; their experience of the outcomes of the processes; the aggregate impacts of coordination measures: practitioners' and policy-makers' views; and the evaluation of coordination measures.</td>
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This chapter now considers each of these five elements in turn.
Actors and stakeholders
The previous chapter looked at the institutional arrangements involved in establishing coordination for minimum income recipients. This section now seeks to cast some further light on the nature of those arrangements by examining in more detail the actors and stakeholders who are involved at local level in shaping and implementing coordination arrangements.

The reports show a huge range of practice in terms of who takes the initiative to foster coordination, and within and across what groupings. While it would be foolhardy to reduce this vast range to simple generalisations, there does appear to be an important distinction between those settings where existing public institutions come together to foster coordination, and those where new groups of actors or new bodies have emerged. This is looked at below, together with other important themes: the role and involvement of the voluntary sector and of employers and social partners.

New and existing actors and institutions
Where institutions come together, the main coordination 'axis' is often between welfare-focused staff (e.g. in social services departments) and employment-focused staff (in employment offices). The case studies reveal some examples of highly developed coordination across these sectors, albeit in many instances still emerging and developing.

Cologne: intensive cooperation between the employment office and social services office, based on a joint philosophy
Cologne’s employment office and the social services and health department of the city have concluded a 'cooperation agreement to promote the employment of young unemployed and long-term unemployed people'. This provides a new contractual basis for existing cooperation arrangements and also serves to intensify them. Cooperation has developed from a joint philosophy, based on the principles of responsibility, obligation, sustainability, success orientation, lifestyle relevance, flexibility and pragmatism. This approach has led to the creation of what is virtually a new institution, underpinned as it is by mechanisms for joint planning, joint financing and joint case control. A central aspect of the agreement is the joint planning and control of vocational integration programmes, which requires joint development and an improved flow of information. An annual working programme is drawn up identifying specific priorities.

One of the fruits of this strongly coordinated approach has been the Junges Köln job exchange, which brings together employees of the employment authorities, social services and youth office. The job exchange provides advice and placement for young people up to the age of 24, under the 'instant work' approach: no financial benefits are available except in cases of illness, but the job exchange instead undertakes to find its clients a job within 24 hours. The Cologne experience is of coordination at the highest possible level, and is in effect a 'one-stop shop' approach, which is considered within Germany to be exemplary. The job exchange approach is a key element in Cologne's approach. Its strengths are that it is highly flexible, as its advisory and placement services can be adapted to changes in volume of clients and to their needs. It is also decentralised, which means that the service takes place close to clients' living conditions and problems.

We can see here that the concept of 'activation' has been the basis for the development of a shared philosophy. This theme of shared purpose is one that is picked up in the next section of the chapter.
Ravnsborg: a joint municipal partnership which promotes a mix of welfare, labour market and environmental aims

High unemployment and few jobs have created the impetus for close coordination between welfare and employment institutions. This has given rise to a coordination committee involving four municipalities, the Employment Service, the Employers’ Confederation, the Trades Union Federation and the Council of Organisations of Disabled People. The committee seeks to improve mutual awareness among all the relevant organisations, and also funds specific initiatives. One of its key aims is to promote the introduction of weak groups into local businesses. Employment projects in Ravnsborg often have a mix of employment, welfare and environmental aims. People are placed on them regardless of which of Denmark’s ‘dual’ unemployment assistance schemes they come from (the employment fund scheme or the social welfare scheme). The target groups of the two systems are becoming more and more alike and the tools available to help them are practically identical. In this sense, there is close cooperation present in Ravnsborg, although this does not extend to joint working in any true sense.

The examples above, then, illustrate settings where two or more existing institutions are working together to create a joint, coordinated or cooperative service.

Where new types of actors and institutions have emerged in coordination arrangements (that is, individuals or organisations that have not been a part of established patterns in relation to minimum income recipients) two sorts of features appear to recur repeatedly. The first is that these new actors often seem to be engaged in intermediary or brokerage roles, operating in various ways at the interface between two or more existing institutions. Secondly, they are perceived to be independent and to some extent ‘apolitical’, and derive their legitimacy in part from this. The following examples illustrate different types of ‘new’ actors, seeking specifically to explore their brokerage role.

Ille-et-Vilaine: the emergence of new specialised staff operating at the interface between economic and social action

Local integration counsellors have been appointed whose role is to diagnose the needs of RMI recipients, identify employment and training solutions, construct a personal integration plan and monitor clients during the integration process. The counsellors are employees of the city administration, whose emergence reflects the reluctance of the social services and the public employment service to become involved with the RMI scheme and to collaborate with each other. Their impact has been somewhat mixed, in that they have compelled social workers and National Employment Agency officials to question their own working methods, but have also created a new division of labour. From the clients’ point of view, however, their welcoming and listening role is very important, in providing moral support and re-motivation. The counsellors’ strength is also in their ability to direct clients to a wide range of different resources. They may guide clients to social services to deal with any social problems, to training and re-training schemes, to sheltered work sites, and to the National Employment Agency for job-related services.
Milan: the emergence of a new profession – job mediation officials, working as freelance professionals

Mediation officials drive a case-oriented way of working which encompasses three skill centres: the mediators themselves, a social worker and a psychologist. These arrangements have derived from collaboration/integration between the Training and Employment Office and the Office for Adults in Difficulty. The mediator is the linchpin in a coordinated network revolving around an individual case. Mediation officials are mainly young, highly qualified and multiskilled staff who, on the whole, learn on the job and are generally freelance professionals working atypical hours. They have insecure employment contracts but are highly motivated.

Minimum income recipients first contact front line social workers, who refer on those suitable for labour market integration pathways for consideration by the mediator and a psychologist. A series of meetings follows to diagnose the client’s history and needs. Mediation officials match their cases to training or job opportunities, smooth the way by visiting the company before the client’s own first contact, and draw up a contract between the municipality, employer and client. The mediation official also seeks to overcome tension between the worker, employer and colleague, and keeps in touch too with all the other parties involved.

Hämeenlinna: an entrepreneur managing a project on behalf of the public authorities

The social welfare office set up a relief work project in Hämeenlinna that seeks to alleviate and prevent marginalisation, and is directed towards long-term unemployed recipients of subsistence allowances who are entitled to a combined benefit. The scheme is run by a project worker, who is an entrepreneur and is not trained in either employment administration or social welfare. The project worker acts in cooperation with the unemployment and subsistence allowance offices to find jobs (essentially ‘relief work’). He seeks job-creation opportunities in the city, with NGOs and in companies, and motivates, advises and directs employers. He also tries to maintain contact during the employment period. He is based in the subsistence allowance office.

The phenomenon of ‘intermediaries’ is an interesting one. On the one hand, these various intermediaries are to some extent filling a vacuum created by the lack of coordination or commitment on the part of the social and employment administrations. The hypothesis is that these new intermediary roles create a better way of meeting the needs of the target groups. On the other hand, as referred to in the case of Ille-et-Vilaine, they also create a new division of labour and perhaps make it less likely that existing institutions will take on responsibility or ownership. Where intermediaries are offering new projects and ventures (rather than one-to-one mediation and counselling), there is also a question of coherence: whether all these activities add up to an integrated whole, and what role the public authorities play in monitoring them, taking note of what works and what does not, and channelling funding accordingly.

The role of voluntary and commercial organisations

As indicated in Chapter 4, a number of settings show the very important part played by voluntary sector, non-governmental and commercial organisations in coordination efforts. Within these settings there are wide differences in the nature of these bodies, the roles that they play and the reason for their emergence in this sphere. Broadly, a distinction can be drawn between instances
where organisations have emerged to meet specific needs at grass-roots level, and those where third sector bodies have emerged as a result of market-based mechanisms and market forces. In some settings, voluntary sector bodies have become the main or sole means for the active pursuit of coordination measures. In others, their role complements that of the statutory bodies. The cases below illustrate that range, beginning with one where the voluntary sector plays the major role in insertion projects.

### Naples: the fundamental role of the voluntary sector

Naples, one of the national sites for the current RMI pilot, has decided to entrust responsibility for assistance schemes within the RMI to the voluntary sector, spurred in large part by extreme staff shortages within the municipality, and the impossibility of coping with an extremely heavy workload. A commission, facilitated by the university, selected voluntary projects on the basis of the skills of their workers, their knowledge of the problems and their capacity to build partnerships locally. Cultural leanings and technical capacity to enact coordination are key characteristics of those selected. The outcome has been a range of labour market insertion projects, against the background of a very difficult socio-economic climate, as identified earlier. The voluntary bodies concerned have come to be identified and accepted by recipients as ‘official’ bodies, and are seen by them as being responsible for the RMI. The experience has taken relationships between the municipality and the 13 contracting organisations to an extremely high level, arising from almost daily contact in dealing with hundreds of difficulties in implementing the new scheme.

### Zennevallei: a collaborative venture between ‘public welfare centres’ and private sector firms

This case study demonstrates a bottom-up collaborative venture between a number of small public welfare centres (PWCs) and private sector training and employment organisations. Beersel public welfare centre realised that it could take advantage of a new proliferation of private providers to withdraw from being a direct provider itself and instead become controller of a network which drew in its sister PWCs and arranged contracts with private sector providers. The partner PWCs came together out of mutual interest. The early stages were characterised by attempts to control tightly the activities of the contractors. This has given way to an approach where the are controlled - chiefly through the use of route counselling - rather than the organisations. Among the PWCs, a type of exchange operation has come about, whereby Beersel PWC remains the driving force in terms of employment and training, while the other PWCs take the lead in other fields. Each partner assumes the coordination cost in its particular field.

A major aspect of these developments has been the vision driving the Beersel PWC, which has always seen itself as complementary to rather than competing with the range of other existing organisations, and which has re-shaped its role from one of direct provider to network controller.
Posa’t a Punt: the role of social NGOs and private sector firms – tensions and potential

The Posa’t a Punt programme provides a socio-vocational integration programme aimed at people with special employment difficulties. It runs a sheltered market, operated via public procurement, for the renovation of public housing. The programme led to opposition from the traditional private sector construction sector which specialises in the public market, and which did not want competition from the social sector enterprises (social NGOs) which are also involved in the programme. The programme has however now established a network between building companies and social integration enterprises, a strategy for consensus between the commercial and social sectors. The experience demonstrates the potential for work coordinated between different types of bodies and agents.

The involvement of employers

Another aspect of coordination, which illustrates a wide range of practices, relates to links with, and involvement of, employers. On the whole, most of the case studies in the national reports indicate that this is a very important area, but one in which there is still substantial progress to be made. The examples below identify some instances of innovation and experiment in the way in which employers are drawn into the coordination process.

Ille-et-Vilaine: an innovation – supply/demand intervention teams

The City of Rennes has developed the supply/demand intervention team approach as a means of narrowing the gap between employers’ expectations and jobseekers’ abilities, and is seen locally as an example of best practice in pursuit of the objective of employment for the least privileged. The teams’ target is to place job-seeking clients (RMI recipients, young people and the long-term unemployed) in full-time jobs on open-ended contracts within the competitive economy. They work on the basis that nobody is unemployable, and that there is movement in the labour market. RMI recipients are selected by local integration counsellors for referral to the teams, on the basis that they have a low level of qualifications and are highly motivated. The strength of the teams is that they work with employers as well as with the jobseekers. The aim is to persuade companies to disregard conventional selection methods and concentrate instead on the skills required for the job. In 1999, 142 people found work by this method. Of these, 90 obtained full-time work on open-ended contracts of at least six months’ duration.

Some of the case studies identified earlier also illustrate close links with employers of this intensive kind. An example is Milan, where the Training and Employment Office contains a companies unit, which identifies firms corresponding to the skills of clients and contacts them via an introductory letter and regular mailings. This sometimes results in visits to companies. In contrast, the case of Naples demonstrates the difficulty of establishing contacts with employers. Administrators of the RMI scheme note a frigidity on the part of local businesses which is a structural obstacle to the outcome of labour market insertion projects. There is a lack of trust on the part of businesses, arising in part from the fact that a number are seriously compromised by irregularities in accounting and taxation.

The example below shows a mix of success and frustration: the establishment of links with employers but the need to take these to a higher level.
Blanchardstown: success and limitations in involving employers

Blanchardstown has established a Local Employment Service that brings together a wide range of social welfare, employment, voluntary and other groups. One of its aims is to provide services to employers, via an Employer Liaison Officer who has set up several kinds of links, including a Chamber of Commerce-to-business link, a recruitment service and a comprehensive database. There is however no employer representative on the board, and the service faces something of a dilemma in its relations with employers. On the one hand it must build its reputation among employers as a credible job placement agency. On the other, it is working with a clientele who are increasingly less ‘job ready’. This points to the need for more structured links with employers, leading to greater awareness among employers of the barriers faced by unemployed people, and a greater awareness within the service of the needs and expectations of employers. There are some indications that conditions of labour shortages in some areas are prompting employers to engage with public agencies in the provision of longer-term training initiatives.

The example below shows a case where employer organisations are closely targeted and involved by the statutory bodies concerned with coordination, again in a context of labour shortages:

Ringkøbing: a coordination committee aiming for close links with employers

Ringkøbing’s coordination committee brings together the social welfare and employment institutions of the municipality, and also includes representation from the Danish Employers’ Confederation and Trades Union Federation. The committee aims to promote awareness among employers of the concept of the ‘flexible labour market’, drawing attention to the possibilities for local businesses to appoint people on special terms. Several cooperation agreements have been established between the committee and companies, and a business consultant has been appointed by the committee. The object of the cooperation agreements is to increase the number of employees appointed on special terms. The employment goal of providing employers with the labour they require has also become a social welfare goal, because of the need to look to those who are not completely job-ready in order to meet employers’ needs in times of labour shortage.

Overall, the instances above point to the need to find imaginative and intensive ways of approaching employers, and to work towards influencing their understanding of the nature of the problems of unemployment, and how they can contribute to tackling them.

A further and important point concerning actors and stakeholders concerns the need for leadership and for one institution or individual to shoulder responsibility for moving action forward. This can be seen in a number of the examples quoted above, for example: Zennevallei, where one institution emerged as the leader in brokering a new network; Cologne, where the social services office has been the driving force behind modernisation; and Hämeenlinna, where the social welfare department has been the driver. This leads onto an underlying point about the importance of key individuals in shaping action at local level. This links in turn to the role of resources – human and otherwise - in facilitating coordination, as discussed later in this chapter.

Goals and purpose

Having looked at the types of actors involved in coordination, we now turn to look at the goals and purposes that drive these actors.
As indicated in the first part of this chapter, a key determining feature of coordination arrangements is their intended purpose. This section looks further at how goals and purpose affect practice on the ground. It looks in particular at two connected themes: first, at the balance between top-down and bottom-up pressures in setting and pursuing goals; and secondly at the factors that help or hinder in establishing clear goals amongst actors at local level.

**Top-down or bottom-up?**

At national or state level, clarity about the purpose of coordination and activation strongly influences the framework for local action. This framework is in part about getting official agreements in place at national level as a basis for local co-operation, and about establishing 'national responsibility'. It is also about political impetus: there is a danger otherwise that coordination remains a purely administrative process, that it lacks a common diagnosis and fails to become a 'collective project'. It is important too that the goals specified have real meaning. The objectives set for Spain's minimum income schemes, for example, refer to 'social integration', but in a very loosely defined way that does not provide a clear guide for action.

However, there are also circumstances in which strong national control can act as a barrier. A number of settings show agreements being imposed in a top-down way on senior administrators at local level. These commit their respective partners to partnerships based on common objectives and shared resources, but the process is mandatory rather than voluntary, so the partners feel 'obliged' rather than 'chosen'. This can hinder the development of any real shared commitment.

These various points show a need for balance between spontaneous bottom-up and totally top-down, imposed coordination links: the need for mission and vision among local actors and support and incentives from higher levels. Above all, one is led to conclusions about the risks inherent in initiatives that are primarily top-down in style and do not 'become' bottom-up in any real sense (‘the risk inherent in a top-down imposition of forums for coordination is in fact that coordinating structures will be created where there is a lack of participation by the parties concerned, no shared perception of social circumstances, needs and necessary measures, no jointly held notion of those parties' own roles in the community’ – Italian National Report).

A number of the case studies illustrate the potential for bottom-up, grass-roots action to generate creative and practical solutions. Some also indicate the lack of local impetus in settings where this positive energy is lacking. Two contrasting examples are given below. The third example illustrates an instance of ‘upwards flow’, in that local experience has helped to shape policy-making at the national level.

**The Navarre ‘plan for combating social exclusion’: a bottom-up process, initiated by grass-roots groups and then taken up by local decision-makers and social partners**

In 1998 the Parliament of Navarre approved a ‘plan for combating social exclusion’, which includes measures aimed at housing, health and education as well as employment. The plan includes provision for basic income backed up by the possibility of ‘sheltered social employment’ and ‘work integration in companies’. It arose out of a bottom-up process, initiated by grass-roots groups and arising from a popular demand for specific solutions to assist the most disadvantaged groups. With the backing of the University of Navarre, this led to the creation of a climate in which politicians and social partners could take up the challenge.
and accept the issue as their own. The support of the university provided legitimacy and helped in building consensus. The plan was presented to Parliament as a good example of social participation and consensus.

Amadora: a local coordination body which was created in a top-down way, and lacks autonomy and decision-making power

A ‘guaranteed minimum income local support committee’ has been set up in Amadora, composed of 23 institutions. Despite a general national tendency to decentralise services in order to get closer to the population, local autonomy is virtually non-existent. The committee was created in a top-down way, and no real decision-making power has been devolved to it. Decisional power rests higher up, with a complicated circuit between those who decide and those who carry out the actions. Proposals have to be referred upwards and do not come back down. The weak autonomy of the committee and its subordination to, in particular, the sub-regional social security office are important factors in preventing any real change. The main effect of the committee is to hinder progress in tackling the difficult and complex problems of the locality.

Catalonia: the Posa’t a Punt programme’s impact in achieving legislative change

The Posa’t a Punt programme uses the mechanism of public procurement as a means of facilitating integration, by employing the most disadvantaged groups in public housing refurbishment schemes. In the course of developing the programme at local level it became clear that legislative change was needed at autonomous community level, to enable non-profit organisations to participate in competitive tenders for public projects. Significant regulatory modifications were introduced, as a direct result of the programme’s action.

The case of Zennevallei, referred to earlier, is a further instance of bottom-up collaboration.

The local level: establishing goals and purpose

The preceding discussion explored issues to do with goals and purpose in terms of ‘dynamics’: top-down and bottom-up action, and the balance between the two. A related and very important theme in terms of goals and purpose is the way in which aims and goals are formulated, understood and shared (or not) among local players. The following section identifies what appear to be some important factors in establishing shared goals and purpose at local level.

It addresses three rather interconnected issues that emerge as particularly important from the experiences described in the case studies:

- the local political climate: the effects of political consensus, or its absence, on the clarity with which goals at local level are stated, and the extent to which they are accepted;
- the extent to which local players have shared understandings and expectations; and
- an underlying issue about professional orientations at local level, and how these can help or hinder coordination efforts.
The importance of local political consensus

A consistent theme emerges in the national reports about the importance of the local political dimension in establishing the conditions for effective coordination. While political homogeneity is no guarantee of success, there are a number of instances where local political conflict appears to have been an important factor in shaping what does or does not happen.

Oise: a strained and difficult political climate, which has inhibited reflection and debate in relation to integration and coordination

Decisions about the shape and purpose of programmes for the integration of minimum income recipients are made at formal meetings of the ‘departmental integration council’. However it is not clear who is responsible for formulating the strategy, there is no discussion or debate about it at the meetings, and those responsible for implementing it at local level do not expect to have any part in the decision-making. This situation appears to arise from the local political context. Controversial alliances at local level mean that ‘politics’ has come to have a rather shady reputation. As a result, those responsible for implementing policies on the ground have come to see themselves as purely technicians, divorced from any debate about the principles or objectives of the policies. An important consequence is a lack of debate about the effectiveness of the policies, and a lack of attention to their evaluation. “Coordination” is interpreted by those implementing integration schemes in its most instrumental sense rather than in the general sense of the collective pursuit of one and the same policy’ (French National Report).

Dresden: political tensions which influence actors’ objectives and the nature of practical schemes

In Dresden the main actors in municipal employment promotion have adopted different objectives since the last municipal elections. One main grouping favours a combination of increased pressure and the use of market forces, while the other prefers an active employment and labour market policy. In practice, coordination measures come within the sphere of the city-wide ‘municipal forum for economic affairs and employment’, which is a ‘consensus group’ involving business representatives and other relevant actors, and which has enabled active labour market policies to be continued, despite the different objectives of the council majority. However, the non-involvement of the council is a problem, not least because the forum’s plans have ultimately to be ratified and implemented by the council.

Local actors: aims and expectations

While the previous section looked specifically at how local politics can influence approaches to coordination, we now look more closely at coordination in practice, and at the importance of shared aims and expectations among those responsible for its implementation. Progress in implementing effective coordination for minimum income recipients appears to depend on shared aims, expectations and values amongst those who have to work most closely together. The examples below, both from Portugal, illustrate this. They show how similar institutional arrangements can develop differently depending on the extent to which there is a shared purpose among the key partners.
Vila Real de Santo Antonio: a coordination body which functions informally and has a shared sense of purpose and commitment

The ‘guaranteed minimum income local support committee’ (LSC) is the municipality’s coordination body, and is composed of seven public and private bodies, including the four partners which are obligatory for all LSCs across the country: Social Security, Employment, Health and Education. The LSC is coordinated by the *Santa Casa da Misericordia*, which has had a vitalising role in taking on the GMI policy and supporting it. A feature of the LSC is the extent to which there is a common understanding of the purpose of the GMI and of the measures aimed at integration of the recipients. Partners share the view that the ultimate objective of the integration programmes is to integrate beneficiaries into the labour market. Some cooperation between the various institutions was already in place, as a result of an anti-poverty project run by the *Misericordia* before the GMI was implemented. The GMI, and the LSC as its coordinating body, has however been the catalyst for a shift from loose cooperation to established joint working. This joint approach is also evident in the style of working: ‘It’s a funny thing because no one has tried to dominate. There’s been a spirit of humility, of impartiality, without self-congratulation, and things have worked well.’

Covilhã: conflicting interests, priorities and expectations among the partners of the coordination body

The LSC in Covilhã is composed of 58 different bodies, including the same obligatory partners as above. It is a complex structure whose partners represent distinct interests and who have different reasons for being present. They can be roughly classified into those who are present for reasons of political control, active partners who are driven to combat social exclusion, and passive partners who are there ‘because they were invited’. There is a lack of participation (only 10 or so members present on occasions when all 58 should be there) and some of those involved fail to understand or support the principles of the GMI. ‘What’s at stake for them is not social integration, it’s knowing whether the people deserve or don’t deserve the GMI. This, combined with some apathy and with the pursuit of some political issues, makes it difficult to define and work on common objectives’ (Portuguese National report).

Local actors: professional orientations

A related and very important factor in the experience of coordination emerges in a number of settings: the issues that arise from the different professional orientations of those involved in implementing schemes. This can lead to ‘cross-pressures’ in the delivery of local services, and to the lack of a collective ‘project’. These cross-pressures seem to arise particularly where two distinct groups of actors have come together: those working in employment-oriented roles, and those working in social welfare-related roles.

The following examples illustrate these kinds of tensions.
Vantaa: differing institutional perspectives but an innovative cooperative model

Vantaa has established a ‘work orientation centre’, under the remit of the social welfare and health administration. Its aim is to prepare social welfare and subsistence allowance clients who have been out of work for a long time to return to the world of work or another form of activity that will improve their quality of life and level of control over their lives. Individual assessments are performed jointly at the centre by the employment and social welfare services. The key task of the centre, besides the individual service it provides, is to establish a new cooperative model for the employment and welfare administrations. It is staffed by three social workers, an employment adviser and a rehabilitation instructor.

The workers at the centre believe that the employment and social welfare administrations have different views of unemployed people. The employment administration is seen as having a low level of interest in long-term unemployed clients, because it are not really regarded by them as being in the labour market. From the social workers’ point of view, the unemployment service does not adequately address the needs of those people who are most difficult to employ. ‘Productivity’ – the likely job placement rate – was a key factor for the employment administration in deciding whether to be part of the centre.

These tensions in terms of professional outlooks result in contradictory expectations being placed on the centre. It is expected to handle a large volume of clients. Yet each client requires many meetings to achieve a successful result. The challenge for the centre is to find a way to balance volume with quality.

Fredericia: differing professional approaches to client assessment

The municipality and the Employment Service work closely together, sharing the same building with the goal of offering work to all those who are fit for it. Formally, the municipality is responsible for those clients who receive cash benefits under the social welfare system, while the Employment Service works with those who are entitled by way of their employment history to employment funds. In practice, however, cooperation is well developed and the tools used for the two groups are largely identical. But there is a perception that collaboration could be improved, in particular with regard to client assessment. The Employment Service believes that there are many clients whom it could help straight back into work, but who are turned into ‘cases’ by the municipal authorities. The municipal authorities, however, regard their assessment work as very important, and believe that their detailed diagnosis of needs and problems is an essential first step.

Isère: tensions within local integration work between the aims of the National Employment Agency and other actors

Isère has established a local integration committee which oversees integration measures for minimum income recipients, and which is a vital coordination mechanism, mustering resources and building contacts between the key players. This role has led to fruitful partnerships, but deadlocks with the National Employment Agency are highlighted by many of the other players. The agency’s aim is to achieve rapid processing of its huge caseload, only some of whom are RMI recipients. This approach is incompatible with the long-term personalised monitoring of beneficiaries which is the cornerstone of the local integration committee’s work. Yet the role of agency staff remains vital to the vocational integration component of the RMI, because of their expertise in the local labour market.
Ostend: the impact of a results-oriented way of working within the employment service

Ostend has established smooth cooperative ways of working between the Public Welfare Centre and the Flemish Employment Office. Yet there are different policy aims: the Employment Office works in a very results-oriented way, driven by targets for job placement; while the Public Welfare Centre aims to provide assistance over a much broader field of care. The emphasis on employment targets affects the appropriateness of the service given, as seen by the authors of the Belgian national report: ‘The policy is currently too heavily concentrated on attaining target figures and takes insufficient account of customers’ limitations. The question arises, with this strong accent on work, whether it really benefits the people themselves.’

This section has identified a number of issues relating to goals and purpose. It is evidently important to have a clear sense of direction at local level; and of how this sense of purpose can be affected by factors such as the local political context, the aims and expectations of local players and their professional orientations. A more general and very important point is the need to have goals that relate to the end-users. Otherwise there is a danger that coordination measures may become a means to gain access to available resources (for example) and to meet institutions’ needs, rather than a means to meet users’ needs.

Resources
Three types of ‘resource’ are considered: people (human resources), finance and information. There are, of course, close connections between the three. In particular, a large proportion of the finance available is likely to be consumed by staff costs. In addition, the use made of information as a resource will depend on the finances available to support information systems, as well as the skills and inclinations of those in a position to use the systems.

Human resource issues
Staffing levels
Some of the case studies in the reports show careful planning to ensure that staffing levels match caseloads and provide for intensive services. Others illustrate conditions of crisis, where only emergencies can be dealt with. This issue of staffing level is crucial because, as demonstrated later, intensity of casework activity appears to be an important indicator of effective coordination. The capacity to deliver this intensity of support depends in turn on staffing capacity. As already noted (see discussion of Vantaa above), tensions arise in many settings between the objective of providing this support, and the need to process a high volume of cases. This is likely to create conditions of considerable pressure for individual employees.

On a different level in terms of ‘pressure’ are those settings where staffing shortages are so extreme that only the most basic of services can be provided. For example, in the case of Naples (see above) it is striking to note that insertion tutors working in the third sector bodies which drive coordination schemes have in some cases gone unpaid for months, because of a shortage of money.
Covilhã: a shortage of staff to support the intended nature of the service

The view of those involved in the local support committee for minimum income recipients is that insufficient resources were injected to support the scheme. The expectation of the political leaders was that the partners would each make some of their own staff available to support it. However, very few of the institutions employ personnel trained in the social area (apart from the social security caseworkers). This has repercussions for the type of support that can be offered to clients. Shortages of personnel also mean that there are sometimes delays between the issuing of the GMI and the signing of an integration contract. This means that the connection between the provision of income and the accompanying action to integrate the clients is lost.

Cork: the contrast between settings where dedicated personnel are available, and those where they are not

Cobh, in County Cork, is a rural area that has established an Employment Action Plan, involving close cooperation between the employment and welfare services. There are no staff at Cobh whose work is wholly dedicated to the plan, and its implementation depends on visits from the Employment Office officials, based in the city of Cork, to interview clients. This means that there can be significant delays between clients being first contacted and the date of their interview. Only limited time can be spent on finding suitable training or employment, and further meetings are difficult to arrange. This is in contrast to the operation of the plan in the city of Cork, where there are ring-fenced and dedicated resources, meaning that staff can provide a more intensive and tailored service.

Skills

A picture emerges from the national reports of the importance of a rather distinct set of skills to support coordination work in this field – one that does not entirely match the traditional profile of the social worker or the employment official. The underlying theme here is the emergence of a new professional orientation, with its own set of skills and competences, and recognising integration as a field of activity in its own right.

Some skills and behaviours occur repeatedly in descriptions of coordination-based work.

Skills, attributes and behaviours that support coordination

- a belief in the value of pooling skills and experience;
- capacity to influence others, and in particular higher-level actors who have policy-making roles;
- mediation, negotiation and conflict resolution skills;
- capacity to stimulate and mobilise the partners around a common objective;
- negotiating and resolving conflicts;
- mastering a diverse range of knowledge (social and economic), including knowledge of labour laws, labour policies and entitlements/obligations;
- having a good knowledge too of the other partner organisations;
- capacity to take strategic decisions;
- capacity to share territories and not centralise too much; and
- a use of project management techniques to produce jointly agreed objectives, strategies and short term actions.

Together, these attributes point to the key importance of: …leaders who can give clear direction but in a way that takes account of others’ interests and …communicators who can discover and maximise shared interests
Ostend: reflections on skills

‘The basis of the project is open and honest communication between the various partners. The communicative project is very important: the contact people at the Public Welfare Centre and employment agencies must be able to communicate well with one another and have confidence in each other. This relationship is not automatic and requires effort and investment by both parties’ (Belgian National Report).

The findings above, about the attributes that underpin coordination, can be summed up as relating to:

- **knowledge**: having professional information and understanding about the ‘core business’ of coordination in this context - social welfare, labour markets and employment policies and practice;
- **skills**: having abilities and tools of the kind that are especially relevant to coordination; as indicated above, many of these boil down to ‘communication’ skills;
- **attitudes**: having beliefs, values and energy which predispose the individual to engage in coordinated activity, and want to make it work; and
- **capacity**: the effects in combination of the knowledge, skills and attitudes identified above.

**Relationships**

The effectiveness of coordination often depends on the nature of informal contacts between key players. This can be both a strength and a weakness: a strength because coordination must to some extent be a ‘chosen’ relationship between key players who have the personal will and drive to make it succeed; and a weakness because changes in personnel can undermine much effort as relationships are rebuilt, and because personal relationships are prone to a degree of informality that could cause a drifting away from the scheme’s intended objectives.

Isère: the strengths and weaknesses of personal contact

In Isère the same few people are involved in many of the various projects for minimum income recipients, and know each other. This smooths joint working, but also increases the scope for a lack of rigour: resulting in funds being allocated by local integration committees to some projects that do not actually meet local needs.

This underlines the importance of the point made earlier about schemes and projects having clear objectives that relate to the needs of the users, rather than becoming channels for the perpetuation of existing institutional or personal relationships.

**Human resources: policies and issues**

As well as the points above about staffing levels and skills, the case studies indicate the importance of wider human resource policies in supporting or hindering coordination. The following are policies that can help to support or reinforce coordination.
Career planning and development: movement between departments and the use of secondments can support the development of coordinated approaches. The practice of ‘job shadowing’ - arranging for a member of staff to observe and learn from someone in another organisation - can also be useful.

Appraisal systems: it is crucially important that the criteria, used to judge individuals’ performance, reflect coordinated objectives – that judgements take account of success in meeting objectives which go beyond traditional organisational boundaries. Otherwise there is a danger that, even when staff are working in ways that support coordination, they will be pulled back to defining their work and successes in terms of those traditional boundaries. This is likely to be an especially powerful ‘pull’ in organisations that have well established hierarchical structures – as of course many public service organisations do.

Working conditions: differences in working conditions can symbolise and reinforce barriers to coordinated working. A number of the case studies indicate the potency of such symbols. Important issues here include dress code, pay and conditions and the physical environment. In the UK, for example, the presence or absence of screens – physical separation between service providers and clients – has become a hugely important issue both practically and symbolically. The Employment Service has traditionally worked in a non-screened environment, while the Benefits Agency has operated with screens. Fears about the removal of screens have had to be overcome in enabling joint working to move forward.

The conclusion from these various findings has to be the vital importance of human resources in creating the conditions for effective coordination, and the need to pay attention to the deliberate creation of positive human relationships and conditions, rather than assuming that they will occur automatically or spontaneously.

Financial resources

The role of financial resources in shaping what can be achieved was implicit in the discussion above about human resources and staffing. The case studies also throw up a number of other issues about the way in which financial resourcing can help or hinder coordination.

In a number of cases, budgetary autonomy appears very important in enabling local coordinating bodies to take decisions without reference to higher levels of authority, and in generating ownership and energy for finding solutions.

Ille-et-Vilaine: the dynamising effects of budgetary autonomy

Part of the integration budget in the locality is devolved to the local integration committees, which enables the chairperson of a committee to release additional funding without seeking authorisation from above. This means that payments can be made to meet clients’ needs quickly: for example paying for transport costs, training fees and childminding services. As well as providing flexibility, this autonomy tends to motivate local councillors and partners. They have a stake in the system.

In contrast, the case below highlights a financial disincentive effect:
Dungannon – the lack of incentives to expand programmes at local level

New arrangements have been introduced to produce a more active tailored service for jobseekers’ allowance claimants, provided via a one stop service with an emphasis on job brokering first, and benefit processing second. These arrangements have led to a substantial drop in claimant numbers, producing an annual saving in direct programme expenditure. Under current arrangements these revenue savings revert to the UK Treasury, whereas the costs associated with staff, accommodation and maintenance are met from the Northern Ireland block vote. There is thus no clear financial incentive to expand the programme.

The nature of coordination arrangements makes it very difficult, often, to assess the extent to which financial resources are being used efficiently and effectively: whether comparable results could be achieved with a lower level of resources, or more could be achieved with the same level. This point is of course bound up with the question of assessing outcomes – knowing what has been spent and to what effect. As identified later, outcome measures are still very partial and incomplete in this area. However, one instance of attempts to tie finance to some measure of outcome can be seen below.

Leiden: tying financial allocations to measures of quality

The ‘centre for work and income’ is to be financed in future not on the basis of output (numbers of applicants, cases etc.) but much more on the basis of quality. Quality will be constantly monitored via surveys of employers and workers, based on a quality grading system.

On the other hand, there are also instances where financial arrangements serve to reinforce organisational boundaries, rather than to underpin coordination.

Genk: the impact of financial arrangements on cooperation

The municipality of Genk has established substantial cooperative arrangements, based on a formal collaborative venture between various training and counselling bodies. Network Genk aims for alignment of the services available and the sharing of expertise. The municipality is backed by generous European resourcing, which explains the multiplicity of organisations working in this area. The government sees cooperation as a means of achieving more with the available resources. The task of government is seen as being to foster this added value, by financing collaborative ventures. At the same time, however, the methods by which subsidies are made do not foster collaborative efforts. Organisations are not financed on the basis of their performance within a network, but on the basis of the actual number of hours worked or the number of people trained. It is often, therefore, more rewarding for each organisation to find work for job-seekers itself, than to refer clients on to a partner, even though the partner may have better solutions for that client.

This point, about using financial regimes to support rather than hinder coordination, seems of critical importance.

A further aspect of financial management is the attempt contained in some initiatives to target resources so that they are concentrated on those in greatest need. While many initiatives would
claim to be taking a targeted approach, explicit and structured attempts at targeting are rarer. An instance of an explicit approach is shown below.

The Offenbach funnel: a system of graded intervention to target funds towards greatest need

Activation of unemployed social assistance claimants is dominated by the concept of the ‘funnel’, which refers to an activation, advisory and job placement strategy used via case management to determine the best route back to work for each individual claimant. The funnel has four levels of placement, the purpose of which is to find a short route into the primary labour market and a sustainable placement. Costly and intensive measures are concentrated on those least able to help themselves.

There is also an important distinction in resourcing terms between activities supported by permanent, institutionally based resources, and those driven by project-based funding. There are both strengths and weaknesses in a ‘project-based’ approach. On the positive side, projects can be the best way to get new patterns of service off the ground, and are ideal for trialling and evaluating innovative approaches. On the less positive side, their lack of permanence can be a problem both for the ‘mainstreaming’ of the experience gained in new ways of doing things, and for staff who have to live with uncertainty about their long-term future. In cases where funding is only for, say, three years, there may be hardly any good ‘working time’ between the initiation stages of a project and the planning for its demise. Concerns about how to keep the project going are likely to divert energies from the provision of the core service. In Finland, where projects have been an important way of working, some senior policy-makers express the view that resourcing needs to be made permanent for lasting progress to be made.

Despite all the various challenges and complications addressed above, it remains clear that coordination can be a very positive force for achieving more efficient use of resources: by reducing duplication of effort, by the sharing of common overheads such as infrastructure costs and by enabling organisations to do more together than they could separately. But the message is perhaps that it cannot be assumed that greater efficiency will occur automatically, just as it cannot be assumed that coordination is always effective. The transactional and transitional costs apparent in some of the case studies referred to in this report (the multiplication of meetings and the effort required to keep many actors in touch with each other) are also striking.

Information

The final aspect of ‘resources’ considered here is ‘information’ – the impact on coordination of the way information is gathered and used.

Various case studies illustrate the capacity of information technology (or the lack of it) to help or hinder coordination initiatives. In its most obvious aspects this is a ‘technical’ issue: the extent to which hardware and software is available in forms that can support coordination by, for example, sharing information between different groups of staff, and monitoring and tracking clients. Equally important, however, are a number of other issues. These include whether instruments are available to collect information about minimum income recipients; whether staff have the necessary skills and aptitudes to use and share whatever systems are set up; and whether there is a culture that
recognises the need to learn about particular phenomena. A deeper barrier can still be the fear of evaluation (what will this data tell me and others about what is going on, and will it be positive or unhelpful?); and concerns about the complexity of reality (will it be possible to understand what is really going on?).

Case studies contain instances where information systems have acted as substantial catalysts in facilitating labour market access and integration. An example follows.

**The Netherlands: the role of computerised systems in the operation of ‘centres for work and income’**

The development of a one-stop concept via centres for work and income has been substantially helped by the use of information and communications technology. The main mechanism is a ‘client monitoring communication system’, which supports cooperation between the parties involved in facilitating labour market access and integration. The system provides support for the working processes of the job centre, enables better client monitoring over time and provides better management information.

**Processes and ways of working**

Various aspects of the ways in which coordination works have already been alluded to, including, for example, the role of personal contacts and relationships in shaping services; the brokerage role being performed at the interface between social welfare and employment services; and the development of joint planning and budgeting.

This section picks up some further major themes which appear to characterise effective coordination, looking especially at three themes: the development of intensive casework-based activity; the one-stop shop concept and the value of grass-roots knowledge in developing credible solutions.

**Caseworking activity: tools and methodologies**

A number of the cases already referred to illustrate intensive casework effort, based on individualised, multidimensional diagnosis and planning. This is well illustrated in the case below, already referred to above in earlier discussion.

**Vantaa: the multidimensional advice offered by the Valokeila ‘work orientation centre’ – a tailor-made service and a long-range plan**

The social work, employment and rehabilitation staff at the centre work closely together to build a picture ‘in the round’ of individual clients and how they can best be helped. There is an initial meeting between the regional social worker who has ‘proposed’ the client to the centre, one of the centre’s own social workers and the client, at which the client’s work motivation is evaluated. The next stage is a thoroughgoing interview, attended by two social workers. The employment adviser attends either this meeting or the next, at which employment and activation options are considered. The intended advantages of the centre are that clients’ problems can be addressed quickly and from all angles, and that the expertise of the employment and social welfare administrations can be combined.
A further feature of intensive styles of case-working are that in some settings, new tools and methodologies have been developed to support the process. Two examples of such tools are identified below.

### Belgium: the development of a new guidance concept

A new approach to intensive guidance has been developed in Belgium: ‘route counselling’. The main phases are entry; intake and diagnosis; preliminary route and labour market route; placement and employment; and aftercare. The approach, for which the ESF Objective 3 programme has been an important catalyst, takes place at decentralised level and creates a streamlined approach for creating an integrated package of services. Its aims are to promote an integral and customised approach, guarantee a route based on complementary competence within organisations, and enhance the quality of the service. The importance of route counselling in providing activation services has already been highlighted in the case of Zennevallei.

### The Netherlands: the use of the ‘opportunity meter’ as a tool to assist in the guidance of clients

The opportunity meter is used when the clients first contact the ‘centre for work and income’, to estimate their chances of finding work. It is also an instrument for giving clients themselves a better understanding of their opportunities. A questionnaire and decision chart is used to allocate clients to one of a number of categories, and so to guide future action.

Overall, the role of intensive counselling – seeing the individual case from all angles and via thorough diagnosis – appears to be a key feature of coordination schemes and an element that provides a strong degree of difference from preceding arrangements. A striking feature is the level of effort that has to be committed to making this intensive process function. Repeated meetings, often involving a number of participants as well as the client, and backed by searches for suitable opportunities and avenues between the meetings, seem to be typical of the ways of working that are being developed in support of integration and activation efforts for minimum income recipients. This way of working has, of course, considerable resource implications. As has already been noted in the case of Valokeila, there is also potential for tension between the desire to achieve a high volume of throughput, and the need to provide a quality service of an intensive kind.

Further illustration is provided by the following cases.

### The Cologne job exchanges: intense and repeated effort

Unemployed social assistance claimants who are capable of work and suitable for integration into the labour market are referred by the case managers of the district social services to job exchanges, of which there are now 19 within the city of Cologne. Their function is to place claimants in a suitable job that will enable them to escape from dependency on benefits; a further objective is to reduce social assistance costs. (Some of the job exchanges are open access and do not require a referral by the social services, having a remit to support particular quarters of the city with aggravated problems.) The job exchanges are sponsored by the Cologne employment agencies, have access to the employment authorities’ job information service and form a combined jobs pool.

The first stage - assessing claimants’ potentials and shortcomings - takes on average five or six interviews. This may be followed by up to 10 placement interviews with different employers. Thus each individual may require up to fifteen meetings before any initial placement is made.
Milan: the intensive role of the mediation officials

The role of mediation officials in working with Milan’s ‘training and employment office’ and the ‘office for adults in difficulty’ was noted earlier. A striking feature of their role is its intensity. The official engages in a series of meetings with the two other institutions, also involving the client, to build up a picture of the client and his needs and possibilities. The mediator then consults directly with the client, visits the company chosen to be the site of work or training, and may also accompany the client on his first visit. In addition the mediator aims to maintain contact with the client and the employer for the duration of the insertion programme.

The one-stop approach

Closely linked to the case-working approach is the development in some settings of a one-stop shop approach, as discussed already in relation to some of the earlier case studies.

The Netherlands’ ‘centres for work and income’: a one-stop shop approach

‘Centres for work and income’ provide a single point of access for minimum income recipients in need of activation. In contrast to previous arrangements, a client seeking work and/or applying for benefits now deals with just one officer. This officer processes the new application for work and income. Key concepts are case management and personal advice. Wherever possible, clients are advised by just one officer. The aim is to have one location which houses all relevant services involved in integration, including health and welfare. The setting up of shared premises is an important means of coordination.

Warrington: a one-stop service for people of working age

Warrington is a pilot area for ONE, an integrated service for clients aged 16 to 60 years old who are claiming one or more of a range of benefits. It aims to deliver ‘work for those who can and security for those who cannot’. It provides a single point of access to welfare for people of working age, with a strong emphasis on intensive, individually focused advice via a personal adviser. In this area the contract for providing ONE has been awarded to a private sector company.

The personal adviser is the single point of contact for the client throughout the life of the benefit-claiming period. His/her role includes establishing benefit requirements and eligibility, assessing employability, conducting job searches, submitting the client to vacancies and offering in-work support.

There are a range of different ways in which ‘one-stop’ concepts are interpreted and delivered. In some cases, the one-stop approach means that clients see one person, who deals with all aspects of their case. In others, clients visit one location, but may see a number of different people in relation to different aspects of their needs. The organisational implications of the different approaches are also different, in terms of which actors need to talk to each other, and how information is transferred. In some settings, the emphasis is on smooth cooperation between different parts of the local public administration. In others, one actor from within these administrations will take on responsibility for the client. In others still, the administrations hand
clients over to a third party, who works with them and on their behalf to meet clients’ needs. This last approach is characteristic of those settings where mediators or ‘brokers’ have become important, working at the interface between the various parts of the welfare/employment authorities, but not fully part of any of them. The overall intention appears, however, to be very similar in all these various settings: delivering a service that considers the individual ‘in the round’.

**Grass-roots knowledge**

One further theme that recurs in terms of ‘style’ of working is the value of situating advice and interventions close to clients’ living conditions and problems. This is important in ensuring that the services offered are credible and meet real needs. As already noted, a positive feature of Cologne’s job exchanges is their decentralised location, close to their clients and away from the potential stigma of the social services offices. A further example of ‘closeness’ is given below.

**Valdocco: a Spanish NGO which works with young people, based closely in their surroundings**

Valdocco is an Andalusian social NGO, which works to achieve socio-vocational and community integration. It works mainly with young people who are threatened by exclusion, and develops actions that are coordinated and participated in by the users themselves, their families and their neighbourhoods. The organisation is well established and known in the local area as a result of earlier work in combating exclusion. It has acquired a degree of trust and credibility locally, which is a substantial achievement in working with groups who habitually feel mistrust for institutions and organisations. It has a high degree of identification with the neighbourhood and its residents. Its privileged position in this sense has enabled it to establish a range of links and networks of formal and informal kinds.

The various characteristics identified in this section lead to a particular picture of the style of working that seems most associated with coordination. This picture, as summarised in the Finnish report but which seems to capture well the ‘consensus’ about effective coordination, has the following elements:

- a diligent approach by workers in contacting clients;
- early intervention, and a thorough investigation of the solutions;
- service which is oriented towards the individual;
- client-oriented, tailor-made solutions;
- advancement by stages; and
- commitment and follow-through (in that the same worker advances the process).

Underlying these various characteristics is a very important point about responsibilities: that those delivering coordinated services must feel a sense of responsibility towards the client on the one hand, but also towards the totality of the service on the other. These characteristics can also be linked back to the skills and attributes discussed earlier in this chapter. Success in developing these characteristics would seem to depend particularly on individuals’ attitudes, energies and beliefs about the task of coordination.
The process of managing change

One further aspect deserving attention in relation to ‘processes’ - how coordination is made to work on the ground - is that of ‘change management’: how the task of implementing change, leading to improved coordination, is handled. This deserves to be picked out because the process of initiating coordinated working is particularly challenging. Some of the case studies identify lessons as to how this task should be approached.

Dungannon: planning the process of coordinated working

In Northern Ireland, the Social Security Agency and Training and Employment Agency came together to devise and deliver coordinated ways of working for those claiming jobseekers’ allowance (JSA). The new arrangements included a one-stop office so that JSA claimants could be seen and dealt with on one site, and an emphasis on active support first and foremost (job-brokering as distinct from the processing of benefits). The organisations’ commitment to closer working was reinforced by a jointly prepared ‘shared vision document’, in which the two agencies declared their intention to work together to implement the key government objective of ‘work for those who can and security for those who cannot’. In practice the following actions were identified as necessary:

- a joint accommodation strategy;
- a joint information systems/information technology strategy;
- a joint personnel strategy;
- a review of current legislative arrangements; and
- a joint funding strategy.

These elements link back to the earlier discussion of resourcing; they underline the importance of human resources, finance and information in embedding coordinated working.

Impacts, outcomes and evaluation

Clearly, a really key part of understanding the significance of coordination measures for minimum income recipients is understanding their impacts. A number of questions arise. What is the experience of coordinated arrangements like for the users? How different is this experience from previous arrangements, and how satisfied are the recipients with them? How effective are the processes used to deliver these arrangements? This is partly a matter of assessing both the benefits and the costs of coordination, and of attempting some kind of weighing of one against the other. What is the outcome of these arrangements? To what extent do they result in change or progression on the part of the clients at whom they are directed? And how have those responsible for the delivery of coordination arrangements addressed the issues above in their arrangements for evaluation?

Although these questions are easy to pose, they are far from easy to answer. Indeed the task of evaluating coordination appears particularly challenging.

- The effects of coordination processes are likely to be difficult to isolate from the effects of other processes that are also at work in the environment: not least the dynamics of the labour market (trends in unemployment, the size of the informal economy), the availability of training and work-place provision and so on. So the effects of coordination efforts per se will be hard to
attribute with any degree of certainty. They also need to be distinguished from the effects of ‘activation’. The coordination arrangements described in this report are to a very great extent aimed at making ‘activation’ more possible and more effective. Yet what can be done via processes of coordination is bound up very closely with the question of what activation policies for minimum income recipients are available. These policies provide the framework within which coordination measures take place.

- Even where the effects of coordination efforts can begin to be identified, it will be a challenge to identify the specific factors within the coordination arrangements that account for success. What is the relative importance, for instance, of key personalities, local history and resourcing levels in explaining the impact or lack of impact of a coordination measure?

- Transposability: if elements of good practice can be identified, how far can it be assumed that these things will transfer to different settings? This study has, throughout, illustrated the importance of the local context in explaining coordination. This is not to say that the lessons of one setting can never be applied to another, but neither can it be assumed that dissemination of good practice is straightforward.

- Timescales: the case studies show repeatedly the length of time involved in effecting change. This is especially so in the case of those for whom coordination is most needed: those who are furthest away from the normal labour market because of the length of their unemployment, or the severity or range of their problems. Experience within the Valdocco project, for example, suggests that it can be a matter of six or seven years to stabilise a client’s social and personal situation. Long timescales clearly pose problems for evaluation: at what point/how often should impacts be assessed? How likely is it that coordination arrangements will be permanent and stable enough to enable evaluation over time to be undertaken?

- Objectives: evaluation is dependent on the clear expression of clear objectives. But, as identified at various points in this report, the establishment of objectives for coordination can be problematic. It cannot be assumed that all players in local coordination projects share the same objectives. Indeed it is quite likely that they will not.

- Assumptions: a further possible challenge for the evaluation of coordination has to do with basic assumptions – the extent to which those involved tend to regard coordination as a rather normal, taken-for-granted activity, rather than something that needs special attention. But the more coordination is taken for granted, the less attention will be give to evaluation.

None of the difficulties identified above are unique to the study of coordination measures for minimum income recipients. Some are likely to be associated with many types of social, economic or organisational enquiry. But the striking point in relation to coordination is perhaps that they all occur in combination, to create a particular set of challenges for evaluation.

Despite this long list of caveats, there is much that can be learned from the National Reports about the experience and impacts of coordination measures. We identify below some important points that stand out about, first, the positive, and then the more negative aspects of these impacts.

**The impact of coordination: positive signs and aspects**

The case studies in the National Reports describe a very wide range of types of coordinated action, in widely differing settings and with differing starting points. They are in the end only snap-shots,
but these snap-shots nevertheless reveal important information about some very positive signs and aspects, and, in particular, those that follow.

- Minimum income clients tended to express satisfaction with the nature of the processes that they have gone through. It is of course possible that this is in part a consequence of the selection process involved in carrying out the interviews (that those involved tended to be those with more positive views). A 'Hawthorne' effect – the creation of satisfaction as a consequence of the attention conferred by the researchers – is also possible. Nevertheless the expression of satisfaction is common enough to suggest that it is more real than artificial. This satisfaction appears to result from what is perceived to be a more active, coherent and energetic service. Clients draw a contrast between what their experience was like before and what it is like now.

- This change is typified by a client talking about the service he received at Valokeila 'work orientation centre'. Previously, he had visited the unemployment office twice a year, as required, but nothing was done about his unemployment situation (he had never had a job) and no one discussed it with him. Since joining subsistence allowance his situation has been discussed with a social worker and he has been referred to the orientation centre. He has already had two meetings there, and feels he has had a speedy reaction and a concrete response. It has been very important to him that both the social workers and the employment office are involved. If he had not been referred to the centre he would still be at home, 'thinking to himself that something should be done, but not knowing what'. Interviewees at the Cologne 'young people's job exchange' provide another instance of mainly positive views: participants see the training courses on which they are engaged as a positive step leading to qualifications and better prospects. They are also pleased by the social counselling aspect of the scheme and by the fact that job exchange staff attend the scheme to look at the work are doing. When criticisms are expressed, these are because certain courses are thought not to be sufficiently tailored to their needs. It is noticeable that clients are generally positive about the coordinating agencies and individuals that they come across, even in cases where they are pessimistic about the eventual results.

- Clients express various views about the results, or expected results, of these more active and coordinated processes. In interviews with them there is often a sense of progress towards a better situation, and in some cases a marked appreciation of the difference that certain interventions have made. Striking examples of this can be found in, for example, the Portuguese case studies, where it is often interventions in the fields of education and housing which seem to have made most difference. Here we see examples of local support committees, which have provided support for clients to complete their basic education in a way that would not have been possible before. In addition to the educational benefits which clients gain, they also clearly gain self-esteem, confidence and a sense of progress and direction. Where clients express concern or lack of satisfaction, it is usually because of the short length of the programme on which they are engaged, and concern about what will happen next. Some clients express the view that training programmes, work placements and the like should last for longer to enable them to sort their problems out better, and to give them an improved chance of progressing to something more permanent and substantial. Others are sceptical about the prospects of obtaining a 'real' job at the end of it all – a view expressed by for example clients of the Valdocco Foundation, where the supply of official and legitimate jobs is very limited.

- Some staff express the view that the signing of an integration contract has been an important and positive element in building motivation and a sense of purpose. A member of staff quoted
in the Portuguese report comments, for example, that ‘it was a very qualitative improvement. Families were already accustomed to applying for the various benefits but they had never been asked for anything in return. For the first time they are asked to have an active attitude and problems are resolved jointly, whereas previously there was a welfare attitude and things were not developed in depth.’

- Coordinated measures have also clearly led to positive results, not just in terms of individuals, but also in terms of the establishment of new programmes aimed at wider groupings – whether in the form of training or other measures such as crèches.

**The impact of coordination: negative signs and problems**

Despite these positive aspects, service providers also identify a number of problems and difficulties in terms of how clients experience the service and the results that are possible.

- An important issue identified in a number of settings is the lack of appropriate options to which recipients of a coordinated service can be referred. In Blanchardstown, for example, there are insufficient pre-training, training and educational options to meet the needs of those who are not yet ready for the normal labour market. Even where provision of some kind is available, it is not always flexible enough to meet the needs of unemployed minimum income recipients. At Covilha, for example, new education classes are formed only once a year, in September, which makes it very hard to accommodate the needs of GMI recipients identified later in the year.

- In some settings, coordinating efforts are hampered by the need to get access to services that do not come within their sphere – a problem quoted in the Irish case studies in relation to services for people with literacy, substance abuse or health problems.

- The available evidence suggest that it is those who are most employable who are being helped most and best by coordinated services. This point underlines the importance of being able to interpret the available figures and identify the effects of coordination per se, as opposed to other influences. In France, approximately one third of beneficiaries leave the RMI scheme within six months, and half within 18 months. More than 60% of those leaving the scheme have found a job. But it appears that the most readily employable groups – young people and graduates - account for much of this success. In Ireland, 36,971 clients had been engaged with the Local Employment Service up to January 2000. Of these, 40% had been placed in a job and 14% referred to training. But the lowest job placement rates were among the key minimum income recipient groups including the long-term unemployed, lone parents and dependent spouses of the unemployed.

- Service providers have some concerns about the quality of the outcomes for those who find jobs. The jobs that recipients move into may be short-term, insecure, low paid or of poor quality. There is a question about whether it is preferable for someone to take up a job of this kind, or to engage in education or training, which in the longer term may lead to more substantial benefits. This dilemma can be seen acutely in areas of labour shortage, where young people may move into ‘poor’ jobs at the expense of more investment in their longer term future.

- There is, in particular, a suspicion that ‘assisted’ jobs may help to foster rather than prevent insecurity and marginalisation. The jobs themselves are often short-term and of poor quality,
and of little assistance in building confidence and esteem. There is also an 'opportunity cost' in undertaking work of this nature at the expense of other options.

- The question of 'contracts' is not straightforward. While the signing of a contract can be helpful in engendering motivation and responsibility, it can be unhelpful if it becomes too widely separated from the payment of the benefit. In Amadora, the LSC had accepted 2,038 claims for GMI by April 2000 (equating to over 7,000 beneficiaries), but only 308 integration contracts had been signed, and some GMI recipients had been in receipt of the benefit since 1997 without any contract being signed. Time lags can create subsequent resentment and confusion at the point at which the requirement for a contract is activated.

- Despite the generally appreciative comments of recipients about the service they receive, the overall impression is that recipients are still often 'passive objects' of the insertion process, who lack awareness of how schemes work, who is accountable for them and what their rights are. There are however also some positive developments on this front. In the Netherlands, instruments are being developed for consulting clients, within the centres for work and income. These include suggestions boxes and complaints forms; large scale market research aimed at collecting information on the service’s strengths and weaknesses; in-depth interviews to collect information and perceptions; and dialogue with client groups. A problem with consultation is, however, the large turnover among those using the service.

- In assessing 'impacts' it is very important to take into account those who drop out, or who are not covered by minimum income and activation schemes in the first place. Of those offered work by the Cologne young people's job exchange or the Sprungbett (instant work) scheme, 38% dropped out. This is a striking finding in view of the fact that paid work, rather than social assistance, is the only option available to young unemployed people in Cologne. In Spain large numbers of the unemployed do not qualify for the receipt of minimum income assistance, and so cannot be reached by schemes that are tied to minimum income schemes.

One of the points that stands out, in relation to the impact of coordination on minimum income recipients, is the need to understand and cater for the particular needs and profiles of those involved. Again and again, the National Reports highlight the challenging nature of the difficulties faced by clients. Those being engaged by coordination initiatives have often been unemployed for a long time, or may never have been employed. They may also have diverse or severe problems, and these problems can in some cases span families and generations. The Portuguese report talks about families who need 'systematic work'. The problems involved may relate to health (physical and psychological), lack of basic literacy skills, substance addiction and poor living conditions – a multiplicity of problems, which can be usefully summed up as the condition of being 'socially excluded'.

It follows that the options and solutions available need to be capable of dealing with and working through this complex range of characteristics. Coordination efforts need to recognise the distance from the labour market of many minimum income recipients. They need to provide services which can enable recipients to begin travelling this distance, and to recognise that action to tackle the underlying problems (such as poor health, poor education or poor self-esteem) is essential and inevitable before more employment-focused outcomes can be sought. So those responsible for service provision need to be able to facilitate access to a wide range of services, over and above training and employment, to recognise when they are needed and to allow time for progress to be
made. This observation serves further to reinforce the value of client-centred, tailored caseworking as the ‘heart’ of coordination – a point discussed earlier in this chapter in relation to the processes which appear to underpin effective coordination.

**Impacts in terms of age and gender**

A related question here is to what extent coordinated activities are being aimed at particular groups in terms of age or gender. A number of the case studies drawn on in this report have been concerned specifically with providing assistance to young people – for example the Cologne ‘young people’s job exchange’. A number also describe situations in which women have been the focus of attention. An example is the municipal employment project being run in Fredericia.

**Fredericia: Project Network**

This scheme is a planned employment programme (one of the welfare tools available as a result of the ‘Act on active welfare policies’), and is targeted at women aged between 20 and 30 who have low motivation and self-esteem. People within this group are thought to have special needs and problems: they have low educational levels, have had little experience in the ordinary labour market, have changed from one employment programme to another, and often have family responsibilities as single parents or with changing partners. The programme has been directed at addressing these special needs in a way that provides for ‘individual solutions and a differentiated approach’ (Danish national report). The project took the form of the production of a show: a clear, shared goal to which everyone contributed. Goals that reflected their individual circumstances were set with participants. Often these goals were to do with social needs (building confidence and finding friends) as much as with finding jobs. The project was thoroughly evaluated (each participant’s development process was charted) and has resulted in further education plans for some of the participants. Those who made definite plans felt the project to have been very successful. Those who did not felt left behind, with nothing clearly in place for them to move onto. There is, as yet, no information about the project’s longer term employment effects.

Portugal provides examples of coordination initiatives that explicitly focused on helping family units, and where the beneficiaries often appear to have been women, who talk especially about the gains in education, housing and health that they have realised as the result of interventions by the local support committees. In Italy there are also example of family-based interventions, and of projects set up to provide employment-related skills specifically for women. Naples furnishes a number of such examples, where female-specific projects have been set up in recognition of their weaker position in the labour market and their greater willingness to take risks and embark on training courses.

**Naples: the Rimmel Project (minimum income for the insertion of mothers into the local economy)**

This is reserved for female heads of families, aged between 35 and 55 who have children over 14 years old, who are minimum income recipients and who have a school leaving certificate. The scheme provides theoretical content and practical training in areas of interest to the participants. At the same time a very important aim is to offer occupational opportunities to their children of working age, with the aim of creating family micro businesses or small cooperatives. The project offers a lengthy phase of tutoring to help embed these new business ventures.
Overall, schemes geared at women appear to be most common in cases where the objectives of coordination have been framed quite widely, to encompass social and educational needs as well as employment outcomes. In a number of places, attention is being directed at women as a result of their lone parent status, as lone parenthood is recognised as one of the groups of minimum income recipients most likely to be disadvantaged and excluded.

Two points can be made about the effects of coordination initiatives in relation to age and gender. Firstly, little information is available about the impact of coordination in terms of age and gender. We do not know very much about how different parts of the population fare in terms of outcomes. This is one facet of a general lack of attention to evaluation (as discussed below). Secondly, there is potential for tension between providing schemes for specific groups to meet their specific needs on the one hand, and concern with equity and equal opportunities on the other. The more ‘differentiated’ schemes become, the less likely it is that they will cater for everyone on a similar basis.

**Evaluation**

Underlying the difficulties of assessing impacts are problems with the activity of evaluation per se. The importance accorded to evaluation arrangements can be seen as a test of the degree of cooperation between the players involved. Yet overall the picture is of evaluation efforts being very incomplete and patchy. Evaluation is often limited to counting the number of cases processed, without regard to the eventual outcome of those cases, to what difference the service in question made to those outcomes, or what happened to those who dropped out of the scheme and did not stay to be counted. This impression of very limited attention to evaluation echoes that found in research on the development of forms of partnership aimed at promoting social cohesion (Geddes 1998). This found that ‘the limited extent of monitoring, evaluation and research in many partnerships is hindering their effectiveness, by failing to provide adequate feedback on their progress and impact’ (p.147).

In a number of settings, the practice of coordination continues to be assessed almost exclusively in relation to individual cases. This means that wider questions relating to the extent to which social needs are being met (whether, for example, schemes are targeting the most appropriate groupings or sectors) or to the effectiveness of the schemes, tend to be overlooked. This lack of attention to evaluation in respect of anything other than individual cases can be the result of resource shortages, that there is simply insufficient capacity to retain a focus on these wider issues. It can also be a result of taking coordination almost for granted – of assuming that ‘coordination’ is a normal, everyday activity which is inherently worthwhile and which tends to happen naturally (a perception discussed in relation to some of the Italian cases, but which is also undoubtedly present elsewhere).

This lack of focus on the activity of evaluation also means that too little attention has so far been focused on how to avoid, or at least reduce, what might be thought of as the ‘unintended consequences’ of evaluation. Chief among these are the risks of ‘gaming’ and ‘misrepresentation’. These phenomena are well recognised as possible consequences of the activity of performance measurement in the public sector (Smith, 1995). Misrepresentation in this context can be understood as distorting the results presented - consciously or unconsciously - in order to present
results in the desired light. Gaming is a close cousin of misrepresentation: the manipulation of the actual behaviour being studied in order to achieve certain results. An aspect of this can be the manipulation of performance in order to influence the targets that are subsequently set, perhaps in order to ensure that these are easily achievable.

Despite the complexity of the task of evaluation, a number of observations and lessons emerge from the National Reports about the principles on which evaluation arrangements in respect of coordination should be based. These are set out below in the form of a suggested framework (a 'template'), identifying key issues and criteria.

<table>
<thead>
<tr>
<th>Evaluation arrangements should:</th>
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<tr>
<td><strong>Purpose</strong></td>
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<tr>
<td>assess the following aspects of coordination:</td>
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<tr>
<td>* the experience of recipients in using coordinated processes;*</td>
</tr>
<tr>
<td>* the costs, benefits and efficiency of the processes themselves; and*</td>
</tr>
<tr>
<td>* the results: outputs and outcomes.*</td>
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<tr>
<th><strong>Measurement criteria</strong></th>
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<tr>
<td>* be based on measures which relate to the purposes identified above;*</td>
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<tr>
<td>* include a mix of quantitative and qualitative measures;*</td>
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<tr>
<td>* aim to track outcomes over time, looking especially for progression and sustainability;*</td>
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<tr>
<td>* provide information about drop-out rates at key stages of programmes; and*</td>
</tr>
<tr>
<td>* pay attention to key characteristics of the population that need to be tracked – for example the impact of coordination measures in relation to gender or age.*</td>
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<tr>
<th><strong>Actors and stakeholders</strong></th>
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<tr>
<td>* be established in consultation with those delivering the service and those receiving it;*</td>
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<tr>
<td>* involve other key players – those institutions or individuals whose actions or decisions will affect the outcome of the services provided; and*</td>
</tr>
<tr>
<td>* be used as a mechanism for creating/embedding joint working: driving collaboration by setting measures that cross organisational boundaries rather than reinforcing them.*</td>
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<th><strong>Resources</strong></th>
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<tr>
<td>* be allowed for/planned for at the outset in planning coordinated arrangements;*</td>
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<tr>
<td>* be properly costed: funding and staff need to be in place - staff who can maintain the evaluation systems set up, and use them actively to shape the service, rather than passively as an administrative task; and*</td>
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<tr>
<td>* be underpinned by information systems that will support the intended evaluation process.*</td>
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<tr>
<th><strong>Results</strong></th>
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<tbody>
<tr>
<td>produce information that can be used:</td>
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<tr>
<td>* by those delivering the service to assess their performance and that of their organisation: employees' work objectives should be based on performance measures embedded in the evaluation system;*</td>
</tr>
<tr>
<td>* by decision-makers at higher levels in allocating resources; and*</td>
</tr>
<tr>
<td>* by the local community: evaluation information should be available to the community served by coordination schemes, and in a form which makes it readily accessible and understandable.*</td>
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**Conclusions**

This chapter has addressed five connected themes in exploring the experience of coordination: actors and stakeholders; goals and purpose; resources; processes and ways of working; impacts, outcomes and evaluation.

While these themes have been separated out for the purpose of analysis, they are clearly closely connected in practice, and in a dynamic way. The state of play in any one of these themes in a given locality is likely to have implications for the others. The diagram below illustrates their interconnected nature:
The elements of coordination

Processes within and between organisations

- Goals and purposes
- Resources
- Structure
- People
- Feedback about processes
- Feedback about the achievement of goals
- Impacts and outcomes
- Costs and benefits

And while this analysis has concentrated primarily on the interplay between these factors at the local level, it is also the case that the way these factors are handled at the higher organisational levels, and the connections with these levels, will greatly influence the practice of coordination.

Connections between these themes that seem particularly important are:

- that the goals and purpose of coordination schemes must connect with users’ needs and experiences (rather than being driven solely by the needs of the institutions);
- that the available resources (people, money and information) and how they are organised will affect which actors come together, the ways of working that predominate and what can be learned from evaluation;
- that actors’ networks and relationships - perhaps the crucial determining factor in coordination - will be affected by the extent or otherwise of shared goals, and vice versa; and
- that the learning process in respect of coordination will depend on how evaluation arrangements are built into the objectives of the scheme, and into the actors’ ways of working.

Patterns and clusters?
Can any conclusions be drawn about ‘patterns’ within the arrangements and practices described in this report? Are there, for example, similarities between some national settings or even ‘clusters’ of countries in terms of the types of coordination they pursue?

It can be said, first, that there are a number of important dimensions in portraying and understanding coordination. These could be summarised as the following:
- aims: the purpose of coordination;
- actors: who is involved and who takes the lead;
- authority: the level at which decisions are taken about the shape of services, and the degree of centralisation or decentralisation; and
- aspects of organisation: the structures and ways of working that emerge at local level.

There is a spectrum on each of these dimensions, but it is often difficult to place a national approach categorically at one end or other of this spectrum. This is because the differences within national approaches can be as important as the differences between them, in determining what happens on the ground. As this report has shown consistently, local context is of great importance in understanding the lived experience of coordination. It is also because each country is at any one time experiencing a number of trends and developments in terms of coordination, and some of these trends will be contradictory or in tension.

Aims
A possible distinction in terms of aims is between those countries where employment (normal employment on the open labour market) is the prime objective, and those where more widely framed objectives, related to social inclusion or similar themes, are important. However, all coordination approaches are ultimately concerned to some extent with employment-related objectives. Because they are concerned with this, they will also be concerned with removing barriers to employment. This is likely to lead them into action in wider fields such as education, health and psychological support.

Where a distinction can perhaps be made is in the primacy of employment-related objectives, and the legitimacy accorded to spending resources that do not directly achieve employment-related outcomes. In Germany and the UK, employment-related objectives are very prominent (typified in the UK by the slogan ‘welfare to work’). In other countries, wider objectives relating to social inclusion and, indeed, social rights are central. Portugal is a prime example, where the local statutory coordinating bodies are required to be composed of those responsible locally for social security, employment, health and education, and where the actions of most significance from the clients’ point of view are often concerned with basic-level education, housing or health. Another instance of a national approach geared consciously at wider social aims is Denmark, where the local coordinating committees tend to have a blend of employment and social rehabilitation aims – illustrated by initiatives designed to encourage employers to accept weak groups of clients on special and flexible terms.

Yet in practice ‘aims’ are something that are very much shaped by the actors who come together at the very local level. How individuals interpret their ‘mission’ at local level is likely to be more important than the statements made by national-level governments about purpose. This is a further reason why categorical distinctions between settings promoting employment and socially related aims are likely to be too sweeping.

Actors
As earlier chapters have identified, there are basically four different types of ‘driver’ for coordination in terms of which actors take the lead: existing statutory institutions (and often the social welfare authorities in particular who shape cooperation with other institutions); new
statutory institutions, created specifically to further coordination; new individuals (mediators who bridge gaps between institutions); and the voluntary and private sector. The main distinction is perhaps between those settings which rely on existing statutory institutions in some form or other, and those where actors outside of existing institutions have a role. Settings where social and employment problems are severe seem particularly likely to offer a prominent role for non-statutory actors. Those where rights and patterns of service are most established and settled seem least likely to do so. But the use of non-statutory bodies is in place almost everywhere to some extent - and increasingly so. The distinction that can be drawn is between those settings where they are a carefully controlled adjunct to the statutory services (through contractual or partnership arrangements) and those where non-statutory actors are forging a lead.

**Authority**

It is tempting to draw a distinction in terms of 'authority' between those settings that take a 'centralised' approach to coordination, and those that are decentralised, with a substantial degree of autonomy. To some extent, this distinction does exist. It is seen, for example, in comparing the highly centralised pattern of services in the UK with the high degree of local autonomy in Denmark and Finland. As noted earlier, the French national situation shows a process of 'unfinished decentralisation', with tension between central control and local autonomy. This is however a very complex area in which the centralisation/ decentralisation distinction is a little too simplistic.

Countries with a tradition of decentralisation are nevertheless embarking on changes that set stronger national frameworks (as in the case of recent Finnish legislation). And even those that are tightly controlled are now putting greater emphasis on local experimentation and discretion (as in the case of the Employment Action teams and other pilot approaches being trialled in the UK). Perhaps the most important point here is that the nature of coordination depends on how authority is played out at a very local level: the extent to which each local coordinating body or agency can acquire and keep a degree of autonomy in how it spends its budget and shapes services. As the Portuguese case studies show, even bodies constituted in exactly identical ways work very differently on the ground, and to a great extent because of this factor.

**Aspects of organisation**

Somewhat in contrast to the very complex situation described in this discussion so far, in terms of processes – ways of working and approaches to the job – there is a much greater degree of commonality between different national settings, and a degree of consensus about the key elements of successful practice. As already identified, very many settings show work that is characterised by the same set of features: individualised casework, intensive enquiry and follow-through, attention to all aspects of the individual's situation, and a deep grass-roots knowledge. It is interesting that there is this degree of commonality, despite the very great differences between settings, in perceived aims, in the actors involved and in the nature of authority.

Having set out the above 'dimensions' or axes of coordination, is it now also possible to identify any 'clusters': groupings of countries that appear to share a similar position on some of these axes?

The differences within national settings, and the key importance of local context in shaping the nature of coordination, suggest that clearly defined 'clusters' are likely to be hard to identify. What perhaps is more apparent is the existence of some associations or linkages between certain sorts of features.
Those settings most concerned to address social aims and rights, as well as employment-related aims, are most likely - self-evidently - to involve a wider range of actors locally.

These settings also seem to have most need of discretion and a degree of autonomy to enable actors to shape these links, and to ensure that appropriate options are in place for meeting clients' needs. There does seem to be some association, conversely, between a strong emphasis on achieving employment-related outcomes and rather strong vertical control.

Those settings with the greatest and most intractable problems (social and economic) are often also those with the scarcest resources at their disposal and which (partly as a consequence) draw most heavily on actors outside the existing statutory framework. These are often settings in which national control is weakest and state authority is most fragmented.

While the nature of local variation is such that ‘typologies’ or clusters of any sort are likely to be difficult to establish in the field of coordination, it does appear that there are some reasonably clear findings about the nature of the conditions that underpin effective coordination. These conditions – some fundamental characteristics and pre-requisites – are the subject of the next chapter.
Introduction

Times have changed: the debate is no longer about employment or social assistance, but rather about ‘activation’. This has been apparent throughout in the stories told by the National Reports. Coordination is seen as a means to achieve effective activation; and what can be achieved via coordination initiatives is framed very much by the substance of activation policies: by what kinds of people can get help and in what kinds of ways.

This chapter seeks to draw together what can be learned from the National Reports and from this synthesis report about coordination of activation measures for minimum income recipients. It addresses three main questions:

- What are the conditions for creating effective coordination? What factors appear especially to help or hinder this process?
- Are there any fundamental prerequisites, and if so what are they?
- What recommendations should be made to national policy-makers and those responsible for local services about how to make coordination effective?

The findings drawn together in this chapter can be divided broadly into two main areas. The first main area is findings about structures: the frameworks (organisational, legal or political) that need to be in place to enable coordination to happen. The second main area relates to the practice of coordination: how to make coordination operational. These are issues about what makes coordination work on the ground, and relate to management, delivery, working style, people, processes and resources.

There are however some important ‘health warnings’ about how these findings should be read. Coordination arrangements are highly context-specific. To take just three instances: activation and coordination arrangements are likely to be influenced greatly by whether they are located in rural or urban areas, whether or not there is a strong informal economy and whether there are conditions of labour supply or rising unemployment. While the case studies presented in the national reports and referred to in this synthesis are invaluable for illuminating the lived experience of coordination, they do not necessarily provide templates that can be transposed to different settings. They do nevertheless provide indicators about some very important issues, and on a number of these there is fair consistency across a range of different experiences.

The other limitation which must be borne in mind is the lack of concrete evidence yet available about the outcomes of activation measures in general, and of coordinated processes in particular. Even where evaluation has been attempted, it is hard to draw firm conclusions about how significant coordination is in explaining success or failure.

Structures

Turning to the first of the two broad areas addressed in this chapter, a number of observations can be made concerning the structures that are needed to support coordination.

First and foremost, coordination happens above all at local level. This in turn requires something of a paradigm shift from vertical allegiances to horizontal loyalties – a challenge for those involved locally, but also for those who have traditionally managed the vertical relationships. The issue is
one of finding a balance: to enable local initiatives and ownership to flourish without undue hierarchical constraint, while at the same time ensuring that there is a clear sense of national support, solidarity and direction, and that diversity does not result in local inequities or the loss of citizens’ rights and entitlements. One can conclude that state-level governments have some specific roles to play:

- to bring parties (government departments) together at state level to ensure that policies and administration systems are integrated or at least not in conflict;
- to set national standards and guidelines for the services that should be available;
- to display and encourage commitment to coordination;
- to remove legislative barriers and create legislative enablers;
- to facilitate resourcing flows as appropriate; and
- to undertake research and evaluation, including setting the evaluation standards which others should follow.

On the whole, vertical coordination arrangements are likely to be unhelpful if they are either very weak (so that there is no distinct national framework for local action) or so strong that they prevent local ownership of local measures from emerging. Secondly, and focusing now at the local level itself, a key finding is the need for structures at a local level that support coordination of both a strategic and an operational kind. Another way to see this distinction is between ‘steering’: setting, confirming and enabling the broad direction; and ‘delivering’: the ongoing work of providing services to customers. The former is crucial in providing three elements: consensus about the goals and purpose of coordination; transparency with respect to these goals; and joint ‘problem-awareness’ – a shared recognition of the nature of the problem, why it is important and how it should be tackled. A number of local settings provide evidence that this strategic and operational focus is being put in place. Often, it appears to relate to ownership of the problems and the need to solve them within a locality – such as a city or local region. This is significant as cities are the locus in which socio-economic, political and administrative realms meet.

This sense of local problem identification and ownership occurs repeatedly in settings where coordination measures have been pursued energetically. It is interesting to note that in some cases the introduction of policy measures and instruments for minimum income recipients have been the catalyst for creating this shared awareness.

This finding about the role of local ownership of problems helps to underpin another finding, which is that legislative authority is a necessary precondition, but not a sufficient condition, for effective coordination. It is important that legislative barriers to coordination are removed where necessary, and that legislation provides the positive means for coordination – for example in empowering local officials to share specific functions with officials from other departments, and in providing a clear framework for action. Legislation is hugely important in its impacts on how coordination comes to be practised. On its own, however, legislative change does not provide a sufficient engine for it.

Findings also emerge about specific forms of coordination that need to be developed. An important theme in a number of settings is the need for coordination between the employment authorities on
the one hand, and the social welfare authorities on the other. These forms of coordination need to be centred on concrete projects; formal agreements are not enough. The national reports provide a wide range of illustrations where coordination of just this kind is being developed. The need relates to a wider, underlying policy issue: the fact that in many of these settings there is still a ‘dual system’ of assistance for unemployed clients in operation, reflecting the circuits based respectively on insurance-based assistance and safety net social assistance. While in many cases there is a common pool of clients, the two systems often operate with different resourcing arrangements, different tools and different processes.

This relates to a very important point in some settings: a lack of coordination at national level between unemployment benefit policies and policies to help the unemployed. In Spain, for example, there is a huge gap between those unemployed who need assistance and those who get it. Out of the 1.5 million people who are unemployed and not receiving unemployment benefit, less than 100,000 receive minimum income support.

Practices

We now look at what can be learned about the practice – the lived experience – of coordination. This cannot of course be regarded as completely separate from the forgoing discussion about structures. Structures and practices are closely intertwined, but we try in this section to look at structures through the lens of practical delivery – making coordination happen.

1. Actors and stakeholders

From the wide array of experience set out in the National Reports, it would be foolhardy to derive any firm conclusions about what arrangements in terms of actors and stakeholders (who is involved and who does what) works best. Some clear pointers do, however, emerge.

Two different approaches to coordination seem to be of particular interest and to create conditions associated with effective working – always bearing in mind that what is ‘effective’ and what is known about ‘effects’ is contentious. First, there are settings where existing institutions have come together to create what is in effect a new ‘joint’ institution. The potentially powerful aspect of such arrangements is that they allow for plans, resourcing and case management to be genuinely ‘joint’. One can suppose that this creates cost-effective working conditions, in so far as the distance that the players have to travel, physically and culturally, and the efforts needed to sustain communication are likely to be smaller. Above all, though, such joint ventures are likely to be underpinned by the creation of joint goals and objectives, thus ensuring that the purpose of the coordination activity is embedded and understood. On the other hand there are costs and risks associated with setting up new institutions. There are transaction costs, costs for employees arising from upheaval, and risks that the process of institutional change will become an end in itself, which does nothing per se to create better results for clients unless working practices and cultures within the organisation are also changed.

The other ‘model’ which stands out from the National Reports is that in which new actors have emerged to act as mediators between existing players. This approach offers a different set of strengths and weaknesses from those associated with the approach described above. Its strengths arise from the contribution that key individuals can make in performing this special kind of role.
The weaknesses arise from this too – the fragility of arrangements dependent on one particular player or constellation. It is striking too that in a number of settings where this approach is dominant, those playing the mediating role have themselves rather fragile and sometimes temporary employment arrangements.

There is a wider point too about the involvement of various new and ‘external’ or intermediary bodies in the process of coordination. Where the mediators are individuals working on individualised case management, they are likely to have close links back into the established statutory authorities. Where the intermediaries take the rather different form of organisations running projects offering various forms of services, there is a different challenge: to ensure that the statutory institutions are able to monitor, learn from and make informed decisions about these bodies and their contribution. There is a risk otherwise that all this activity results in a rather incoherent and uncontrolled set of activities, unchecked by any local vision of the purpose of the activities or how clients’ needs can best be met. In this setting, the risk is too that the activity becomes an end in itself, and self-perpetuating, rather than a means to the end of meeting clients’ needs.

The pattern of actors that need to be involved in coordination will of course depend on the goals of the coordination activity. If, as noted above, it is important to be able to offer support to clients who have multiple problems and are a long way from straightforward employment, it follows that the contribution of those who can offer supporting services is crucial. Links with those who can offer help with literacy, health problems (physical and psychological), substance addiction and living conditions are likely to be especially important.

Another point that emerges as particularly important, and on which there is a long way to go, is the role of employers. It is important that employers are engaged in ‘owning’ the problem of activation and in shaping the solutions that are offered. For this reason they should be encouraged to play a greater role than they often currently do in the local development of coordination, both at strategic and operational levels. There is also an issue about how best the further participation of the trades unions can be developed. At present their stance is often wary or disengaged, not least because there are issues about how the promotion of special activities and solutions for minimum income recipients fits with their wider roles. It is likely that improving economic conditions, leading to the emergence of labour shortages, offers the best climate in which to engage both employers and trades unions in more purposeful dialogue.

The willingness of one institution or individual to take the lead, in initiating coordinated arrangements and taking responsibility for them, appears also to be crucial. This is one of the paradoxes of coordination: that it depends on leadership capacity, but also on the ability to establish consensus and avoid over-dominance.

2. Goals and purpose
The following issues stand out.

- The need for a balance between ‘top-down’ and ‘bottom-up’ approaches. This is implicit in the discussion above about structures. Coordination measures need support from above, and may even need on occasion to be initiated from above. The great weight of findings from the reports
indicates, however, that it is through local initiation and local ownership that progress can best be made. In particular, local actors need to some extent to be able to choose their own partners, rather than being ‘obliged’ from above. This has implications however for the uniformity of the resulting arrangements. The more that local initiative is allowed to flourish, the more diverse will be the resulting arrangements.

- The importance of shared goals and purpose at local level. Again, this is implied in the discussion above, and is perhaps the biggest single indicator of whether coordination will be a ‘lived’, or will simply be a bureaucratic project. There is huge scope in the field of activation for different and, to some extent, conflicting expectations. An obvious example concerns whether activation measures are to be aimed at primary labour market outcomes, or at other objectives which may include rehabilitation, the recovery of confidence and self-esteem, help with problems that are barriers to employment rather than with gaining employment per se, and so on. A major finding is that activation schemes for minimum income recipients are increasingly dealing with clients who have difficult sets of problems, and for whom the open labour market seems some way off. It seems important that this is recognised in the establishment of coordination schemes. The establishment of the schemes will of itself serve to increase the visibility of those who cannot be easily placed. This has implications for the actors involved (see above) and for the length of time over which results are expected to materialise. The issue is in part about how broad the concept of integration is taken to be – whether it is seen as being primarily about occupational integration, or about a more holistic approach based on a wider view of the causes of poverty and exclusion.

- A particular issue that needs to be addressed is the different professional orientations of those based in social welfare and employment settings. These different orientations can lead to ‘cross-pressures’ in local working, with contradictory expectations being placed on workers. This underlines the importance of establishing transparent goals and objectives.

3. Resources
Coordination measures need to be underpinned by three types of resources: people, money and information – the three being closely interlinked. A point which covers both ‘people’ and ‘money’ is the need to staff coordination arrangements adequately. In the national experiences there are instances of services operating at little more than ‘emergency’ level because of extreme and persistent shortfalls in employee capacity. This issue is absolutely crucial because of the fact that intensity of effort emerges as a key indicator of success in terms of casework (see below). Skills are also critical in creating a capable service. The findings indicate that we are seeing the emergence of a new professional orientation: the development of competences that support working on the boundaries where ‘employment services’ and ‘social assistance’ meet. The skills that make up this orientation are reasonably ‘routine’ in that they comprise normal management behaviours such as effective communications, project working and so on. They need however to be present in combination, and involve some difficult balancing acts: for example, balancing the capacity for clear leadership with the avoidance of excessively dominant behaviour. Managers also need to be aware of the ways in which HR policies – in areas such as terms and conditions, appraisal and rewards, accommodation and training – can help or hinder coordination efforts. All the evidence suggests that these issues can be very important in embedding coordination practices.

A further issue in relation to resources is the way in which flows of money can help or hinder coordination. Having sufficient budgetary autonomy to make decisions at local level about what
can be offered to clients can be a key ‘energising’ factor for local bodies, and an important way of building an ethos of coordination. On the other hand, there is a risk of demotivation if local bodies perceive that the costs of coordination fall to them but that any financial benefits – such as savings from increased efficiency – do not. Information flows and systems are also crucial: having the capacity to track activation and integration measures in terms of their effects at both the individual and aggregate level.

A final and crucial point about ‘resourcing’ is the need to have solutions available – in the form of training, work experience, jobs and other forms of support – which meet clients’ needs within their own locality. This is a very basic point, but one which is likely to frustrate the coordination effort, no matter how well clients are handled. The need is greatest in those areas where clients have the most substantial and multiple problems; yet it is also in these areas that social and economic infrastructures are often least adequate, and resources hardest to come by.

4. Processes and ways of working
Some points emerge clearly about the ways of working which appear to be most closely associated with coordinated approaches, and in particular an emphasis on:

- intensive, individualised caseworking: seeking to understand clients in the round and to build individualised solutions based on this full picture;
- diligence, commitment and follow-through: maintaining contact and providing repeated help and interventions;
- basing interventions on grass-roots knowledge: closeness of service delivery to the social and economic conditions of clients;
- advancement by stages: recognising the length of time that may be required to achieve progression, and that it may require a number of different stages; and
- the involvement of committed, energised individuals who are prepared to invest effort and resource in the establishment of working relationships. (This is a weakness as well as a strength. As noted above, arrangements that are dependent on key individuals are vulnerable and potentially fragile. Overly close relationships can also lead to a loss of rigour. There is a danger of slippage away from the original goals, if the purpose of coordination starts becoming the maintenance of certain relationships – possibly fuelled by resource allocations – rather than the achievement of outcomes related to clients.)

In some cases, these characteristics are supported by a one-stop shop structure, although this can mean different things in different settings. No clear conclusions can be drawn about the contributions that different forms of one-stop approaches can make. In some cases, the ‘one-stop’ is a new, joint institution. In other cases it is a person: the mediator or facilitator who crosses organisational boundaries on the clients’ behalf. Whatever ‘model’ is used, the key points appears to be, from the client’s perspective, that the support offered is coherent rather than fragmented, that it happens without frustrating delays, and that it takes account of the client’s detailed circumstances. It does appear, however, that a ‘one-stop’ approach offers the conditions in which these criteria have a particularly good prospect of being fulfilled.
The fact that a number of distinctive tools and methodologies have emerged to support the practice of individualised case management is also of note. For the most part these are diagnostic or counselling tools.

5. Impacts, outcomes and evaluation
The task of evaluating coordination is essential but also challenging, because of the difficulty of isolating its effects from other processes, and of understanding which are the key elements in coordination arrangements that really make a difference. There are also challenges in transposing lessons from one setting to another, and in allowing effects to be tracked over a sufficiently long timescale. There are also dangers that evaluation will be ignored, undervalued or done in a superficial way.

The national experiences, as expressed through the case studies, point to many positive signs in terms of clients’ satisfaction with the services they receive, the style in which the services are delivered, and the sense of progress which they experience. They also point to a number of problems and negative signs. Chief among these are the lack of appropriate options to which people can be referred, and the indications that those who are most employable are those who are being helped most and best by coordinated approaches. These are crucial points. It is those who have most difficulties and who are furthest away from normal employment for whom appropriate options will be hardest to find. This group – those who are particularly in need of help, who have multiple and severe problems and for whom persistent work will be necessary, possibly over many years – form a significant part of the client population with whom coordinated services deal.

The fundamental characteristics of coordination
What is striking about the experience of coordination is the extent to which it appears to involve a series of tensions, all of which have to held in balance if arrangements are to be effective. In particular we see the need to hold a balance between:

- top-down planning and spontaneous self-organising action;
- formal structures and informal networking: coordination needs to be formalised, but it also depends on the contacts and relationships developed by key individuals;
- existing administrative structures and new intermediaries;
- strong leadership but also collective approaches to decision-making: the importance of one institution or individual being prepared to take a lead, but not in ways which are excessively dominating;
- routine forms of contact and special innovative effort: coordination is both ordinary (part of the daily way of working underpinned by good communication) and extraordinary (dependent on continuing efforts to keep it in place);
- autonomy and discretion to respond flexibly to the circumstances and needs of localities and individuals, but also the requirements for equity of treatment and national solidarity: the problems, but also the necessity, of letting different localities have different solutions;
- outcomes focused on the primary labour market, and on other rehabilitative, supportive or ‘intermediate’ outcomes: maintaining a focus on the goal of employment, but also recognising that there will be some people for whom employment is not feasible, desirable or wanted; and
a desire to identify and disseminate good practice in establishing coordination arrangements, but at the same time a respect for the importance of the local context in understanding what works and what does not.

From this range of tensions it can be concluded that coordination is unlikely to produce a ‘static’ arrangement, but is likely to be dynamic. There will be constant rearrangement, and constant rebalancing between the various elements in tension. It can be concluded from this that effective coordination is most likely to be possible when those involved – the key actors and stakeholders – have the capacity to learn from their experience and adjust their ways of working accordingly. Once again, this underlines the importance of evaluation in pushing coordination forward.

**Fundamental pre-requisites?**

In the light of all this, does it appear that there are indeed any fundamental prerequisites for establishing effective coordination? Some suggestions and indications follow.

- Vertical coordination arrangements are required that are neither too weak nor too dominant. National/state-level governments should see their role as being to establish a framework, set standards and facilitate coordination at local level.

- Coordination arrangements need to based on clear ownership, at local level. One institution should take the lead, and do so clearly, but in ways that enable other institutions, as appropriate, to take part in decision-making.

- The local actors who come together in coordination arrangements must share a sense of purpose. They must know what it is they are trying to achieve, believe that these things are important, and understand what specific goals and objectives are required in order to turn the mission into an achievable strategy.

- They must also possess or be able to acquire the set of skills, attributes and behaviours that appears to characterise effective coordination.

- One-stop structures offer a model that has great potential for meeting clients’ needs in a coordinated way. But on the basis of this report it is not possible to say that they are the only way of providing effective coordination. What seems more important is how the people in the prevailing structures work which should be centred on...

- Intensive, one to one case-based approaches, aiming to understand all aspects of a client's problems and recognising the time that progression might take.

- Local structures need the capacity to plan strategically as well as function operationally. This is especially important in settings where non-state actors are involved, to ensure that these resources are harnessed in ways which best meet the needs of clients and the local community. The capacity to function strategically as well as operationally implies that organisations should work towards joint planning and budgeting arrangements, which can make coordination institutionally based rather than dependent predominantly on the actions of charismatic individuals.

- Local structures also need access to the range of services that will be required in finding holistic solutions for those who are a long way from the open labour market and who may have severe, multiple or persistent problems.
They also need time to establish the arrangements and to begin identifying impacts.

Employers must be involved in shaping the responses and services which coordinated arrangements offer.

Resources must be available that take account of the nature and size of the job to be done. These must include the necessary money, personnel and information systems, and must take account of the need to provide incentives for individuals and organisational units to engage in coordinated behaviour.

Coordination structures at local level need a new professional ‘orientation’, which bridges the traditional outlooks of social welfare and employment. Supporting the creation of this orientation requires the commitment of ongoing resources for training and continuous professional development.

They must be supported by human resource policies (in training, career development and appraisal) that reinforce coordination and can help cut across organisational boundaries, and by budgetary arrangements that create incentives rather than disincentives.

Evaluation must be an integral and fundamental part of coordination arrangements, and aim to capture the experience of clients, the outcome for clients, and the contribution that the coordination arrangements make to these results.

But above all…coordination arrangements must take account of and reflect the profile and needs of the clients they serve. Meeting the needs of those who are furthest from the labour market and have the most serious sets of problems should be at the heart of their mission. This is essential because it is easy to assume that coordination is a good thing in its own right - yet it is only good and valuable if it meets the needs of clients better than would have happened otherwise. Being clear about who the clients are and what they need is essential if coordination is to avoid becoming either an institutional end in its own right or a way of off-loading problems onto other people.

**Recommendations**

In the light of these conclusions, what recommendations can be drawn together to guide policymakers and practitioners? We look in turn at key points for the following: European Union bodies and programmes, national and regional governments, local managers, employers and trades unions.

**European Union bodies and programmes**

There are striking findings within the National Reports about the impact which European Union initiatives and funding can have in enabling coordination to take root, especially in those countries where European Union programmes have been substantial and significant. This indicates the potential for the EU to set the climate for coordination.

The European Union should:

- use its funding programmes to support coordination, especially in areas where the problems of minimum income recipients are acute and where resources to tackle them are lacking;
seek to provide financial support over timescales that can provide a degree of stability and promote long term planning; (there is a risk otherwise that energies at local level will be diverted into short term planning and the search for other resources;)

- use European planning mechanisms, such as the National Action Plans, to reinforce a coordinated approach;
- continue to promote learning between Member States about good practice;
- promote the evaluation of coordination by ensuring that sound evaluation plans are built into programme funding arrangements; and
- work with the ETUC and with UNICE to promote the involvement of trades union and employers’ organisations at national level.

**National and regional governments**

As indicated throughout this report, national and regional bodies have a crucial and sometimes sensitive role to play in supporting coordination through setting clear direction and yet also fostering the development of local solutions. In doing this, they should:

- review whether policy changes may be needed at national or regional level to overcome the barriers created by ‘dual systems’: the existence of separate assistance arrangements for those on insurance-based and safety net schemes respectively;
- remove any legislative barriers to coordination – for example, legislation that prevents casework or client information from being transferred from one organisation to another;
- provide resources for local services in a form that permits the development of long-term planning and commitment; initiatives that rely wholly on time-limited project-based funding are unlikely to be successful;
- ensure that those responsible for implementing the coordination strategy at local level have sufficient authority and discretion to tailor services to local circumstances;
- make evaluation arrangements a condition of all funding provided to support local services;
- set guidance for local services about how best to undertake evaluation, for example by disseminating an evaluation template;
- make arrangements for upwards feedback: the capacity to learn from local projects about how national policies should be shaped; and
- provide services to support local initiatives where this is likely to provide for greater efficiency; an example would be the organisation of training and development to support the skills profile identified in Chapter 5.

**Local managers**

Managers of local services that deliver coordinated approaches for minimum income recipients should:
ensure that they understand the population that they serve and identify those organisations that need to be involved in meeting them; this may involve a mapping or auditing exercise to establish gaps in current arrangements;

recognise the needs of those who have multiple and severe problems and who may be a long way from the open labour market; plan rehabilitative, intermediate and supportive measures involving education, health, housing and family support services as appropriate;

establish the capacity for strategic management as well as operational delivery; goals and objectives should be set out in a way that can be readily communicated;

involve employers and trades unions in this strategic management capacity;

arrange their services to provide intensive, one-to-one caseworking, recognising the range of help and the duration of support that clients may need;

where possible ensure that clients see the same member of staff, or at least that all staff in contact with the client have the same information about them;

use joint planning mechanisms, shared budgets and shared training events to promote ownership of shared goals;

have performance measurement systems and appraisal systems that define ‘performance’ in terms of the objectives of coordination rather than of separate organisations or units; and

develop evaluation arrangements that capture clients’ perceptions of the service they receive, the quality of employment-related outcomes, outcomes over time, and impacts in relation to gender, age and equal opportunities.

Employers

The report shows that employers are beginning to be more involved in coordinated responses to the needs of minimum income recipients but that there is further to go. Employers should:

take part in the arrangements set up for the strategic management of coordinated services for minimum income recipients; this involvement should include advising on how best to connect the clients of these services with employers;

develop a role that acknowledges and embraces the wider, social, objectives of interventions with minimum income recipients; while this has to be done in the context of their commercial aims, there is common ground between the needs of minimum income recipients and the needs of employers for a climate of social and economic stability;

review how their recruitment and training practices could be adjusted to give greater opportunities to minimum income recipients who do not have traditional educational or employment backgrounds; this may include putting more emphasis on potential than on past track record; and

seek to learn from those employers who are adopting innovative approaches in these areas.

Trades unions

There is also scope for trades unions to play a greater and more strategic role than hitherto in the development of coordinated responses. Trades unions should:
ensure that, like employers, they are included in the arrangements set up for the strategic management of coordinated services;

- take an active interest in representing the needs of those who are a long way from the labour market as well as those near to it or currently employed;

- speak for groups who may be particularly at risk by virtue of their educational or employment histories, and ensure that their needs are represented;

- seek to learn from those places where trades unions have been influential in shaping coordination arrangements.

**Summing up: themes and priorities**

The issue that returns again and again in analysing coordination is that of purpose: how clear the local actors and those that support them are about the ‘mission’ of coordination efforts. A mission of some kind is clearly essential, since otherwise any coordination arrangements will quickly become administrative routines rather than energised projects. The tension in many settings is between seeing coordination either as mainly occupational in its focus, or as more holistic and addressing wider needs. This has immense implications for the actors involved, how they come together and what their intentions are.

The range of current practice in this sense is wide: from those with a sharply occupational focus to those with a more multidimensional slant, rooted as much in concerns about social exclusion as about employment outcomes. The central challenge for those involved in implementing coordination is to establish what this focus should be, foster shared understanding of it, and generate urgency in addressing it. Otherwise coordination will become an end in itself, rather than a means, and a process that loses sight of its central object: the beneficiary. Even less helpfully, coordination may become an excuse for inaction or for the passing of a problem from one institution to another. Signals come across in a number of the national reports about the need not to assume that coordination is always and everywhere a good thing. It is only positive in as much as it helps to meet needs in a better way than before.

Some of the recommendations discussed above appear to be of particular importance in achieving this clarity of purpose. These are identified below.

We would suggest that, at national and international level, a key priority is to ensure that policy and policy instruments that have impacts for the activation of minimum income recipients, are coherent and coordinated. This is likely to involve special attention from fora specifically designed for this purpose. Other priorities at national and international level should be to ensure that any legislative barriers to coordination are removed, and that the evaluation of coordination in respect of activation for minimum income recipients is a core governmental commitment.

At more local level, the key priorities would appear to be to ensure that:

- the goals of coordinated activities are explicitly discussed and agreed by all those involved;

- the pattern of actors involved reflects the needs of local clients; this includes recognising the often multiple and complex needs of those who are most vulnerable and most in need of
assistance; it is likely to involve ensuring access to a wide range of supporting and intermediary services - concerned with, for example, education, literacy, health, social skills and confidence - as well as to directly job-related services;

- opportunities are exploited to build ‘one-stop’ institutional frameworks;

- the social partners are involved in shaping coordination at the strategic level (that is, helping to plan what services and responses are available) and at the operational level (contributing to the running of the services); employers have a key role in advising those dealing with clients about their employment and training requirements, and also in fashioning their recruiting and working practices to enable minimum income recipients to be accepted and integrated;

- the style of working at local level is based on individualised, intensive caseworking, backed by local knowledge;

- staffing levels and skills are sufficient to support this intensity of effort; this report notes the particular skills that are important;

- human resource, financial and performance management systems support and incentivise coordination by encouraging cross-boundary working rather than reinforcing the boundaries; this has implications for planning systems, budgets, performance measures, training arrangements and rewards systems; these features of organisational life are crucial in helping or hindering coordination; and

- evaluation that compares intentions with outcomes, and learns from those outcomes, is undertaken.

Coordination is something that must be planned and maintained. It is unlikely to occur spontaneously and, when it does, it is unlikely to survive without resources, both human and financial. There are substantial transaction costs in achieving effective coordination: to put in place the required new physical arrangements, to facilitate the transition process and to support and reinforce the new arrangements will all cost time and money. However it is clear that organisational approaches that provide opportunities for innovation, as well as enhanced outcomes in terms of employment and social exclusion, do exist.
Appendices
Appendix 1
National experts and coordination group

National experts
Ana Cardoso, CESIS, Portugal
Eoin Collins, Nexus Research Cooperative, Ireland
Frans de Haan, TNO Arbeid, The Netherlands
Tommy Ferrarini, Swedish Institute for Social Research, Sweden
Laurent Fraisse, CRIDA, France
Ilse Friport, HIVA, Katholieke Universiteit Leuven, Belgium
Lina Gavira, Universidad de Sevilla, Spain
Francisco González, GEISE S.L., Spain
Walter Hanesch, University of Darmstadt, Germany
Matti Heikkilä, STAKES, Finland
Yuri Kazepov, Elaborando s.c.r.l., Italy
Elsa Kesikitalo, STAKES, Finland
Theodoros Papadopoulos, University of Bath, UK
Henrik S. Pedersen, Oxford Research A/S, Denmark
Ludo Struyven, HIVA, Katholieke Universiteit Leuven, Belgium
Koen Vleminckx, Katholieke Universiteit Leuven, Belgium

The authors also received assistance from the following University of York research students: Eda Tahiraj and Gyu-Jin Hwang.

Coordination group
Gunilla Malmborg, Ministry of Health and Social Affairs, Sweden
Michaela Moritz, Federal Institute for Health Systems, Austria
Bernard Le Marchand, FEMGE, Brussels
Henri Lourdelle, ETUC, Brussels
Jane Millar, University of Bath, UK
Olivier Richard, (formerly) UNICE, Brussels
Marie-Francoise Wilkinson, European Anti-Poverty Network, Brussels
Viviane Willis-Mazzichi, DG Employment and Social Affairs, Brussels
Ruth Paserman, DG Employment and Social Affairs, Brussels
Appendix 2
National case studies

The national reports on which this report is based contain a range of case studies (37 in total), which illuminate the practical experience of coordination. They are listed below. Those marked with an asterisk are referred to in the main body of this report.

Belgium
Case studies illustrating different actors and drivers in shaping coordination arrangements:

Ostend*
- cooperation between the Public Welfare Centre, the Employment Office and private employment agencies;
- a cooperation framework imposed from above; still in effect two separate integration 'circuits' that operate independently of each other;
- differing policy objectives among the various actors: the importance attached to labour market outcomes on the one hand, and a broader field of assistance on the other;
- the problems arising from having to attain target figures (for placements in work) that may be at variance with customers' limitations and needs; and
- the value of a neutral, independent figure in shaping cooperation between the PWC and the employment agencies.

Genk*
- a formal cooperative agreement – Network Genk – between the various local training and counselling bodies, aimed at stimulating labour supply; leads to
- more choice of options for customers; less fragmented approaches to employers; opportunities for discussions on the methodology of counselling;
- the influence of European funding; and
- as in Ostend, differences in emphasis between the objectives of the employment and assistance-related bodies.

Zennevallei*
- a bottom-up collaborative venture between a number of public welfare centres and third party organisations; the organisations chose each other;
- led by one of the public welfare centres that emerged as the driving force: a shift from provider to network controller;
- aimed at making use of third party services rather than competing with them; the emergence of new private sector parties as the catalyst for the collaborative venture; and
- the use of 'route counselling' as a key mechanism; the emergence of more forms of initiative among the route counsellors.
Charleroi
- the leading role of the Public Social Assistance Centre in social and labour market integration of people on income support;
- bilateral contacts between the centre and a range of other players, but a lack of substantive coordination; and
- current debate about who should take responsibility for achieving greater coordination.

Denmark
The experience of statutory coordination at local level, led by municipal coordination committees:

Ravnsborg*
- a highly coordinated social and labour market programme, in an area of high long term unemployment;
- a joint municipal partnership between four municipalities, the employment service, employers’ confederation and trades union confederation;
- local conditions (lack of jobs) as the strongest barrier to integration of marginalised groups; and
- training and other measures promoting a mix of welfare, labour market and environmental aims: the interlinking of employment measures with other political areas.

Fredericia*
- an area of high economic growth and rising employment;
- as above, a municipal partnership which includes the Employment Service and representatives of employers and trades unions;
- highly developed cooperation between the Employment Service and municipality: housed in the same building;
- highly targeted employment measures, based on a careful assessment of needs and problems; and
- differences of emphasis in terms of client assessment: case assessment as the priority for the municipal team; getting people straight into jobs as the priority for the Employment Service.

Ringkøbing*
- a similarly constituted coordination committee, in an area of low unemployment/labour shortage;
- a concern to promote the concept of the ‘flexible labour market’: the opportunities for businesses to appoint people on special terms; and
- a difference of emphasis between employers and trades unions, who are concerned to keep people in jobs, and the municipalities whose concern is the integration of those with special needs.
Finland

Case studies illustrating the role of social welfare departments in instigating cooperative work, in a context of local self-determination and using different models:

**Vantaa**
- a strongly cooperative approach between the employment and social welfare administrations;
- a new cooperative model – the Work Orientation Centre: an individual style of service for the long-term unemployed and young, aimed at tailor-made services and a long-range plan;
- the objective of bringing together expertise from different fields, and examining client circumstances in the round; and
- differing perspectives between employment and social welfare staff in terms of their purpose.

**Hämeenlinna**
- cooperation between employment and social welfare administrations;
- a job creation scheme for those most difficult to employ, managed by an entrepreneur, rather than someone trained in social welfare or unemployment benefits;
- perceptions of the different competences and interests of social welfare and employment staff: supporting clients as against offering employment; and
- the relief work nature of the jobs provided: the distance between these and the open market.

**Kitee**
- an interdisciplinary, client rehabilitation service cooperation group, with a long history and stable membership;
- an objective of social rehabilitation rather than merely of achieving employment;
- the limited effectiveness of the group despite its careful consideration of individual cases: insufficiently able to address complex and long-standing problems; and
- limited cooperation between the employment and social welfare administrations: a lack of new cooperative structures.

France

Examples of local integration bodies working within nationally prescribed frameworks, but in different ways:

**Ille-et-Vilaine**
- devolved municipal administration: the role of the city of Rennes in administering the RMI;
- innovative approaches to assisting job seekers: supply/demand intervention teams that work with clients and also with employers (influencing the recruitment practices and attitudes of employers in their dealings with clients);
- a clear focus on occupational integration; a history of coordination; a climate of political consensus; and
- the development in one part of Rennes of a form of one-stop shop, bringing together the RMI administration, social welfare, work placement and other related services.

Isère*
- a highly structured approach, whereby local integration committees act as ‘resource centres’: initiating integration projects and mustering resources and players;
- the committees’ budgetary autonomy and strong decision-making powers, which aid rapid responses to real needs;
- the emergence of a new group of staff: local integration counsellors, acting as intermediaries and providing specialised support; and
- tensions between the role of the National Employment Agency (large-volume processing) and the more individualised role of the committees.

Oise*
- a rural environment, with a strong cultural homogeneity between the various players and reciprocal goodwill;
- but a strained and difficult political climate, which has inhibited political reflection and debate in relation to integration;
- concerns to tackle the stigmatisation which can arise in a close-knit small community; and
- passivity on the part of the recipients.

Germany
Examples of coordination and leadership at city-wide local authority level, in support of measures aimed heavily at labour market integration:

Cologne*
- an intensive form of co-operation at planning, budgetary and case management levels between the employment office and social services office, based on a joint philosophy;
- the role of job exchanges as the medium for this intensive cooperation: decentralised and close to clients’ problems and living conditions;
- the one-stop principle: integrated assistance from a single source; and
- the Cologne model as an exemplar: in particular the Cologne ‘young people’s job exchange’.

Offenbach*
- the concept of the ‘Offenbach funnel’: graded intervention aimed at ensuring the concentration of resources on those most in need;
- an advisory and placement service outsourced to an independent contractor;
- influence of the mayor's personal and political authority in gaining acceptance of the model;
- a new balance between obligations and opportunities: more of both; and
- attempts made at evaluation, but with gaps and limitations.

**Dresden**
- a guided activation procedure, aimed at direct placement or secondary employment options;
- a non-profit advisory and guidance centre which draws up individual employment profiles; lack of definition and clarity in relation to its role and tasks; and
- a dense network of coordinating bodies, but with scope for stronger cooperation through joint planning and projects.

**Osnabrück**
- the experience of a large rural district;
- the 'building block' concept;
- the Osnabrück district regional network, which brings together all those concerned with the employment situation;
- outsourcing advisory and placement services to private sector non-profit agencies; and
- the attention being given to assessing effectiveness.

**Ireland**

Examples illustrating the operation of and interaction between two national initiatives: the Local Employment Service and the Employment Action Plan:

**Blanchardstown**
- the operation of the Local Employment Service in a new town with a heavy concentration of disadvantage;
- provision of access to opportunities for the unemployed, a professional placement service, services for employers and networking with/influencing other service providers;
- a wide representation from relevant agencies in the running of the service, including representation from unemployed people;
- linkages with employers, but scope to develop further;
- the positive impact on ways of working of previous collaborative experience; and
- the lack of appropriate options for clients in the local area.

**Cork City**
- the operation of the Employment Action Plan: coordination between the national Training and Employment Authority and the Department of Social, Community and Family Affairs;
the role of the EAP Tracking System in facilitating this coordination;

- close and effective cooperation, underpinned by shared objectives and existing good relations; and

- potential for some tension between the full exchange of information across organisations and the rights/privacy of clients.

**Cobh, County Cork**
- the operation of the Employment Action Plan in a rural area;
- the effects of a lack of dedicated staff resource: delays for clients and a less developed service, in comparison with Cork City;
- the lack of local training facilities, which combines with travel constraints to set up barriers for clients; and
- the role of the plan as a control mechanism, rather than a facilitator.

**Italy**
Examples which show the emergence of new mediation professions and of a new professional orientation, also the key role of the voluntary sector in certain settings:

**Milan**
- a background of changing social needs: new types of unemployed clients;
- integration and coordination between two municipal offices; the flexible and adaptable outlook of the Training and Labour Office, which takes the lead;
- the role of professional mediators employed on a contract basis; networks that bring together three types of actors/skills (social work, psychology, mediation);
- the need for closer links with other external institutions (housing, health); and
- coordination well developed in operational terms, but less so in terms of strategy, planning and evaluation.

**Cologno Monzese**
- an area included in the RMI pilot scheme;
- coordination geared to individual case management, and led by the social workers as the linchpin in the network; and
- the effects of the RMI scheme as a stimulus for the further development of existing coordination arrangements.

**Naples**
- an RMI pilot area in a very difficult socio-economic context;
- the fundamental role of voluntary sector bodies in running assistance projects; their cultural leanings and technical ability as critical factors in successful intervention;
- extreme resource shortfalls and pressure on staff: a major constraint; and
- the lack of involvement of local business; concerns about cooperating with officialdom.

**Bolzano**
- favourable labour market conditions which facilitate integration;
- integration measures targeted chiefly at those with social and/or physical and mental problems;
- some risks that energetic protection of weak groups within the labour market could be tantamount to their exclusion; and
- a possibility of coordination overload, yet also inadequate capacity to develop joint plans for the social development of the local community.

**The Netherlands**
Examples of policy initiatives aimed at new forms of coordination in relation to complex policy problems:

**Leiden (1)**
Partnership for Work and Income/Structure for the administration of Work and Income
- the operation of the ‘centres for work and income’;
- the provision of a single point of access (one-stop shop) bringing together a range of contact points and services; and
- shared premises and knowledge of one another’s activities as the basis for cooperation between all parties.

**Leiden (2)**
Urban policy:
- cooperation between the separate departments and services of the local authority, in a way which focuses on problem-solving;
- an interactive approach to policy-making involving all partner organisations and selected residents; which has led to
- more transparent relations between the local authority and central government.

**The poverty trap**
- appointment of working parties to improve the coordination of policy regarding the ‘poverty trap’: defining the issue and formulating options;
- involvement in the latest working party of all the relevant ministries; followed by
- intensive dialogue with local authorities about their practices and the relationship between local incomes policy, the poverty trap and labour force participation.
Portugal

Examples showing the differing experiences of local support committees (LSCs) – the statutory bodies concerned with coordination for minimum income recipients – in five different settings:

Matosinhos*
- a coordination body made up of 23 public and private organisations, which achieves tangible results despite its size;
- the positive impact of prior experience of collaborative working;
- the role of very local, grass-roots knowledge in offering solutions to clients and getting credibility locally; and
- project-driven ways of working.

Vila Real de Santo António*
- LSC composed of a small number of partners, which functions informally and has a shared understanding of purpose and a sense of commitment;
- the GMI as a means of creating this shared sense of purpose, and of moving from good relations to more substantive joint working spanning health, education and housing as well as employment; and
- the effects of the GMI/LSC in creating a mechanism for discussing the wider social and economic needs of the region.

Covilhã*
- a large and complex LSC; some latent conflict of interest arising from the different expectations among LSC partners about its role and purpose;
- despite these tensions, the impact of the LSC in creating greater understanding of the social processes underlying poverty, and in creating a sense of wider responsibility for tackling them; and
- the shortage of personnel (technical and administrative).

Amadora*
- the problem of a local coordinating body that lacks the capacity to put decisions into practice;
- created as a result of a top-down approach: a lack of local autonomy; and
- a lack of resources to deal with the level of demand.

Ferreira do Alentejo
- previous knowledge between the partners as a result of anti-poverty programmes; but
- a lack of shared understanding of the role and purpose of the LSC, and some resistance to the principles of the GMI; and
the challenges posed by local economic conditions (a large informal economy and much seasonal work) and by the population most in need (itinerant, health and psychological problems, little tradition of entrepreneurial activity).

Spain

Examples of coordination arrangements being shaped by very different key actors, and the complex relationships between the actors:

Andalusia*
- the role of an NGO (Valdocco) in projects aimed at young people threatened by exclusion and other marginalised groups in a difficult employment setting;
- preventative nature of the initiatives;
- close links with families and social organisations;
- a network of formal and informal contacts with various bodies; and
- the use of experienced people by a well-established organisation closely linked to its surroundings.

Posa’t a Punt*
- a socio-vocational integration programme aimed at people with special difficulties: a sheltered market operated via public procurement for housing schemes;
- the involvement of social NGOs and private sector construction firms: tensions between these social and commercial perspectives, which have led to strategies for consensus;
- legislative amendments to state-level statutes, arising from the experience of operating the scheme; and
- the role of political courage and leadership in using housing renovation for social purposes.

Navarre*
- the ‘plan for combating social exclusion’;
- emphasis on housing, health, education and personal support as well as employment;
- the leading role of the Department of Social Welfare; but also
- a grass-roots process, initiated by popular demand for specific solutions; and
- the role of the university as a neutral player in helping to build consensus.

United Kingdom

Joint working arrangements aimed at a one-stop form of service and involving private sector contractors alongside social security and employment agencies:
Dungannon/ Lisburn*
- joint working arrangements between the Social Security Agency and Training and Employment Agency, aimed at a one-stop service with a close emphasis on active help into employment;
- issues arising from difference between the two organisations in terms of culture and working practices; and
- the effects on coordination of financial disincentives.

Warrington*
- a pilot for the ONE initiative, aimed at an integrated service for benefit claimants of working age;
- a single point of access involving intensive personal advice; and
- the role of a private sector contractor in delivering ONE.
Bibliography


Integrated approaches to active welfare and employment policies


European Foundation for the Improvement of Living and Working Conditions

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Over the past decade, European social policy has been oriented towards ways of integrating people into the labour market, moving citizens from welfare dependency to work. Recipients of social benefits are now generally required to participate in employment activation schemes. Many are also likely to need support from health, education, housing or other services. It is widely acknowledged that there is a great need for better coordination of welfare and employment policies at all levels: local, regional and national. This report presents an analysis of initiatives in all 15 EU Member States that aim to achieve better coordination of employment activation measures. It describes the role of the different agencies and actors involved in the planning, implementation and delivery of services. It shows the approach taken in some countries and localities towards better coordination through a range of new institutions and mechanisms. The report identifies measures in both policy and practice for improving coordination, including strategic as well as operational measures, and underlines the effectiveness of a comprehensive evaluation strategy.

The European Foundation for the Improvement of Living and Working Conditions is a tripartite EU body, whose role is to provide key actors in social policy making with findings, knowledge and advice drawn from comparative research. The Foundation was established in 1975 by Council Regulation EEC No 1365/75 of 26 May 1975.