

Long-term Unemployment Collaborations in Five Countries Challenges and Lessons Learned

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Publication date:
2020

Document Version
Publisher's PDF, also known as Version of record

Citation for published version (APA):
Hansen, M. P., Christensen, S. E., & Triantafillou, P. (2020). *Long-term Unemployment Collaborations in Five Countries: Challenges and Lessons Learned*. Roskilde Universitet.

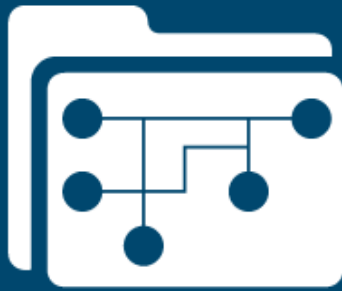
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TROPICO

Transforming into Open, Innovative
and Collaborative Governments

LONG-TERM UNEMPLOYMENT COLLABORATIONS IN FIVE COUNTRIES: CHALLENGES AND LESSONS LEARNED

Work Package 8 – Deliverable 8.2

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This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No.726840
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Deliverable number	D8.2
Deliverable title	Long-term Unemployment Collaborations in Five Countries: Challenges and Lessons Learned
Responsible author	Magnus Paulsen Hansen

Grant agreement no	726840
Project acronym	TROPICO
Project full name	Transforming into Open, Innovative and Collaborative Governments
Starting date	01/06/2017
Ending date	31/05/2021
Project website	http://tropico-project.eu/
Coordinator	Lise H. Rykkja
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Date of delivery	M42 = November 2020
Nature	R (Report)
Dissemination level	PU (Public)
Lead beneficiary	Roskilde University
Disclaimer	This document reflects only the authors' views and neither the Agency nor the Commission are responsible for any use that may be made of the information contained therein

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Executive Summary

This report is part of the European Commission's Horizon 2020 project TROPICO: Transforming into Open, Innovative and Collaborative Governments, which investigates how public administrations are transformed into more open, innovative and collaborative governments with a particular focus on how digitalisation and information and communication technologies (ICT) can enable this transformation. This is the second of two reports of the Work Package 8 "Effects of Collaboration for Legitimacy and Accountability", which explores the impact of collaborative governance practices on democratic legitimacy and accountability.

In the first report, D8.1, titled 'Networks of account-giving in long-term unemployment collaborations in five countries', we examined the accountability implications of collaborative governance through five in-depth case studies of innovative local initiatives in the Netherlands, Belgium (Flanders), Estonia, the United Kingdom (Scotland), and Denmark. We explored the complex accountability relationships, the tension between them and how they were mitigated locally. The case studies also paid attention to how ICT played a role in the account-giving. This was important because in the cases ICT was used in digital platforms to manage the individual plans and cases, and thus also to manage the accountability of various stakeholders, including the citizen. ICT was also important since cross-sectoral and public-private collaborations often encounter great challenges in sharing data, where ICT in the case studies both played the role of catalyst as well as barrier to collaboration.

In this report, we build on the findings from D8.1. **First**, we contextualise the case-studies presented in the D8.1 report by mapping the governance of long-term unemployment in the five countries. The mapping focuses on the governance structures in place as well as the accountability relations, including the role of the various accountability types and the role that ICT plays in the governance and accountability relations in each country.

In terms of political and legal accountability, the five countries have quite different arrangements. From a system in which state agency implements employment policies and is accountable to the ministry/parliament (Estonia), to a system where the accountability is



distributed between a state agency and regional level (UK), to a system in which the regional level is the main accountable level although the state and local levels still play a role (Belgium), to systems where the accountability is mainly distributed between the state and local level (Denmark and the Netherlands). Except for the UK, social accountability, through the involvement of social partners, play an important role. This varies from highly formalised accountability through the representation of social partners in boards or councils (Belgium, Estonia) to more informal but nonetheless extensive involvement (Denmark, Netherlands). In all countries there seems to be little involvement of (long-term) unemployed citizens/users as account holders. Rather they are the last link in the chain of accountees in the arrangement underpinning managerial accountability that all five countries have introduced during the last 10 to 20 years. Whereas all five countries have introduced marketization in the service delivery, it is only in the UK and Estonia that this has become the predominant way of delivering services.

Second, the report returns to the case studies by comparing the collaboration types and accountability relations. The purpose of the case study comparison is to expose both difference and similarities regarding the accountability relations embedded in handling longterm unemployment in a collaborative fashion. Of particular importance here is to highlight how these accountability relations support or at times challenge the effectiveness and legitimacy of the collaboration. At the most general level, the comparative analyses suggest that demands for account-giving has been growing, more new types of accountability are entering the field, and ICT systems play an important role in supporting these. On the one hand, the many accountability channels, relations and types are providing legitimacy to the collaborative governance processes. On the other hand, they raise a number of challenges that at times seem to be impeding the goal of providing collaborative services revolving around the needs of the individual citizen. Based on the experiences from the five case countries, we have issued a set of recommendations for handling these challenges. Thus, we conclude the report by suggesting what we see as key attention points and tentative recommendations for practitioners engaged in similar collaborative activities, see table 3.3 below.



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Chapter 1: Introduction

This research report (D8.2) is contributing to meeting the aim the TROPICO Work Package 8, which seeks to assess the impact of collaborative governance practices on democratic legitimacy and public accountability.

It builds on the insights of the five comparative case-studies reported in D8.1. That report mainly focused around task 8.2, i.e. “comparative case studies of collaborative governance with a specific focus on its effects for accountability, based on interviews, document studies and observations in public authorities intensely engaged in collaborative service delivery in five countries”. Thus, D8.1 was focusing on mapping the forms of collaborative governance and their implications for accountability relations.

This research report is mainly focused around task 8.3, i.e. “Conducting a social network analysis to identify contact patterns of account-giving and the assessment and sanctioning of such accounts, including for emerging innovative ICT-supported accountability mechanisms. The assessment is followed by a forward-looking analysis of how public officials can manoeuvre between the conflicting demands of various forms of accountability.” Thus, this report further delves into the specific patterns and types of accountability relations within the collaborative arrangements around longterm unemployment in the five case countries. Based on this in-depth analysis, we tease out the tensions around the various demands for account-giving and reception and provide some recommendations for policymakers, public managers, frontline managers and other stakeholders on how to try to tackle the tensions and the barriers such forms and relations of accountgiving and -reception are producing.

Collaborating in the shadow of hierarchical accountability

Like other forms of governing, collaborative governance must be accountable. Collaborative governance is subject to various types of accountability – from vertical accountability types (political, legal, and managerial) to more horizontal types (social, professional, and peer). In the two reports we examine accountability effects by zooming in on the handling of the



problem of long-term unemployment. We do so, because long-term unemployment is an exemplary ‘wicked problem’ encompassing a ‘system of inter-related problems’ (Ackoff, 1974, p. 21; see also Head and Alford, 2013), ranging from social and economic dynamics to a number of health and family-related matters. These issues are at the same time often embedded in one and the same client and spanning across several sectors and levels of government. It is thus increasingly recognized by governments, national as well as local, that tackling the problem of long term unemployment induces collaborative and holistic efforts in which involved actors coordinate their actions according to the personal and complex needs of the client.

In the first report, D8.1, titled ‘Networks of account-giving in long-term unemployment collaborations in five countries’, we examined the accountability implications of collaborative governance through five in-depth case studies of innovative local initiatives in the Netherlands, Belgium (Flanders), Estonia, the United Kingdom (Scotland), and Denmark. We explored the complex accountability relationships, the tension between them and how they were mitigated locally. The case studies also paid attention to how ICT played a role in the account-giving. In the cases, ICT was an important issue in at least two ways. First it was used in digital platforms to manage the individual plans and cases, and thus also to manage the accountability (legal compliance and performance) of various stakeholders, including the citizen. Second, ICT was a major issue when cross-sectoral and public-private collaborations often encounter great challenges in sharing data. Here, ICT in the case studies both played the role of catalyst as well as barrier to collaboration.

In order to tackle the ‘wicked problem’ of long-term unemployment, many countries have recently experimented with ‘holistic’ and collaborative initiatives. However, such experiments take place in the shadow of policies aiming at ‘activating’ the unemployed and governance reforms seeking to strengthen the hierarchical accountability of service providers. These reforms are largely inspired by New Public Management (NPM) ideas and instruments of financial incentives and performance measurement (Larsen, 2013).



Through the five in-depth qualitative case-studies, we pinpointed the tensions and challenges and ways of mitigating the diverging accountability demands. The case studies showed how collaborative initiatives were often placed in a tension-filled space with diverging accountability demands. The collaborations are accountable to the citizen, as they relate to the complex individual situation and needs, which presumes mutual trust in between all actors in the collaboration. At the same time, the collaborations as well as the citizen must be accountable to satisfy standardised performance indicators set from above. Further, the actors providing services are often accountable to different professional standards and legal bodies challenging collaboration.

In this report, we build on the findings from D8.1 by zooming out, seeing the case studies in a larger perspective. We do this in two ways. First, we contextualise the case-studies by mapping the governance of long-term unemployment in the five countries. The mappings focus on the governance structures in place as well as the accountability relations, including the role of the various accountability types and the role that ICT plays in the governance and accountability relations in each country. Second, we compare the case studies by comparing the collaboration types and accountability relations to identify unique as well as common challenges across countries. This enables us to outline some key attention points and tentative recommendations for practitioners engaged in similar collaborative activities.

Aim and structure of the report

In the first report, D8.1, we zoomed in on the networks of account-giving in and around collaborative initiatives targeting long-term unemployed. The initiatives we studied are located in the Netherlands, Belgium (Flanders), Estonia, the United Kingdom (Scotland), and Denmark. Our case-studies are based on interviews with key actors involved, around 10 for each case, and document studies of written account-giving and account-reception.¹ The main

¹ The research design/analytical framework, including the research protocol, is presented in the D8.1 report: <https://tropico-project.eu/download/d8-1-networks-of-account-giving-in-long-term-unemployment-collaborations-in-five-countries/?wpdmdl=1800&refresh=5fad8d5a4cd541605209434>



research questions guiding the case-studies were *How, what and to whom do the individual actors and networks collaborating in/around the service delivery of integrating long-term unemployed give and receive accounts?* and *What are the effects of such account-giving on the accountability of the policy-making and the service delivery targeting the long-term unemployed?*

Integral to the questions, the case studies also paid attention to whether and how **ICT** plays a role in the account-giving, which were important in the case studies in at least two ways. First, many public employment services (PES) use digital platforms to manage the individual plans and cases, and thus also manage the accountability of various stakeholders, including the citizen. Often these digital tools are based on forms of performance accountability that may or may not foster collaboration in between the stakeholders. Secondly, cross-sectoral and public-private collaborations often encounter great challenges in sharing data, where ICT can play the role of catalyst as well as barrier to collaboration. The five cases are all somehow confronted with such challenges related to ICT.

In this report we are still concerned with these research questions. However, while the first report presented five unique cases, this report is concerned with the *general* takeaways across countries and cases. We ask *what are **commonalities and differences in collaborations** as well as the **accountability relations** between the five cases?* and *What are the key **accountability challenges** across the five cases?* In order to do this, we will first take a step back and situate the case studies in their national political, institutional and administrative context. We have done this by mapping the reform trajectories and governance of long-term unemployment in the five countries. The country mappings focus on the governance structures in place as well as the accountability relations including the role of the various accountability types and the role that ICT plays in the governance and accountability relations in each country. Although the countries certainly have their own unique history and governance structure, the mappings also reveal a number of shared reform trends and instruments. We present these in a summary and comparison of the mappings in **chapter 2**. The mappings can be read in their full length in **Annex 1**. The mappings focus on four elements: 1) the overall historical policy development since the late 1990s , 2) the current governance structure of policies targeting



the long-term unemployed (the key public and private actors in the design and the delivery of services, their responsibilities and tasks), 3) the current types of accountability mechanisms entailed in policies for handling long-term, and 4) the current ICT systems used to support account-giving (and account-reception).

The contextualisation of the case studies enable us to compare the general relevance of findings across different initiatives and governance structures. In **chapter 3** we gather the findings from the case studies by comparing the collaboration types and accountability relations to identify unique as well as common challenges across countries. This, finally, enables us to outline some key attention points and tentative recommendations for practitioners engaged in similar collaborative activities.

Before moving to the mappings of national governance structures in chapter 2, we will, first, briefly present the analytical framework² and, second, provide a summary of the five studies.

Although the three chapters are written by the Roskilde team (WP8 lead), they are based on a collective and collaborative effort and thus would not have been possible without the dedicated work and valuable input from our colleagues from the Erasmus University Rotterdam, University of Antwerp, Tallinn University of Technology, Cardiff University and the University of Bergen (TROPICO Coordinator). More specifically, Chapter 2 is based on the mappings of national governance structures in the Netherlands, Belgium, Estonia, the UK, and Denmark that can be read in Annex 1. Chapter 3 builds on both the mappings as well as the five case studies that can be read in their full length in the D8.1 report.

Analytical framework

In this section we present a condensed version of our analytical framework. The analytical framework and mapping of the networks of account-giving draws on the existing academic literature on the accountability of collaborative governance. Like other forms of governing,

² A more thorough presentation of the framework can be read in chapter 1 in report D8.1.



collaborative governance must be accountable. Studies have shown that collaborative governance is subject to various types of accountability (Romzek and Dubnick, 1987; Bovens et al., 2014). Accountability is almost always understood as a relationship between two parties in which one party is obliged to provide accounts for her or his actions to another party. Robert D. Behn (2001), for example, sees accountability as a relationship between two clearly separated parties: an **accountee** and an **accountability holder**. While the former is entrusted with the making of actions and decisions, the latter holds the decision-maker to account (Behn, 2001; Esmark, 2007).

To this, many add the issue of responsibility and potential **sanctions**. That is, the collaborative network required to provide an account is responsible not only for account-giving, but also for the state of the situation accounted for. Here we find a further distinction between accounts covering the collective actions of the network and accounts for the actions of individual members of the collaboration. This distinction is important as some scholars insist that it should be possible to sanction the person or organisation providing the account. This is implied, for example, by Mark Bovens' well-known definition of accountability as *'a relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgement, and the actor may face consequences'* (Bovens, 2007, p. 3).

Being a relational concept, the categorization of accountability into different types should logically reflect the different relationships between the actor providing account and the forum receiving it. Most of the existing typologies seem to reflect a combination of the relationship and the overall purpose of the accountability relationship. Despite the plurality of terms, we find six main accountability types (Hansen and Triantafillou, 2020): **legal, political, managerial, social, professional, and peer accountability**. Whereas the former three types are mostly related to **hierarchical** accountability relationships that ultimately makes the collaboration accountable to the electorate and the institutions representing it, the latter three are more **horizontal** relationships dealing with accountability to the various stakeholders (e.g. Bovens, 2007; Skelcher and Torfing, 2010).



Political (or electoral or representative) accountability refers to the relationship between elected politicians, governments, and (at times) leading public managers who are expected and often legally obliged to provide account of their action to voters, to parliament, or to political parties. Under this general heading, studies point to the ability of citizens to hold the government to account through regular elections (Papadopoulos, 2010, p. 1032), and to the presence of countervailing powers or sanctions that can put limits on the power exercised by strong governments (Bovens, 2007).

Legal (or judicial) accountability refers to the relationship between the two parties in which one is obliged to provide account for the legality of actions to the other party. It is thus a matter of how and to what extent collaborations are obliged to account for its legal compliance, to the administration and in the end to legal bodies, such as courts, prosecutors, judges and other magistrates. In the case of the public sector, the recipient of the accounts could also include ombudsmen, state auditors and regulatory agencies (Romzek and Dubnick, 1987, p. 228–229).

Managerial (or performance or output) accountability entails accounts provided by regular civil servants, frontline workers and public managers to administrative bodies and regulators, including state auditors, ombudsmen and various regulatory agencies (Romzek and Dubnick, 1987). The general aim of managerial accountability is to monitor and assess the results of the public money they spend. It is often labelled performance or output accountability when focused on results, as opposed to financial, fiscal, or economic accountability when focused on expenditure.

We now move on to describe the three horizontal types of accountability. **Social (or sometimes interactive or stakeholder) accountability** encompasses accounts from the collaboration to the parties directly affected by these actions (Bovens et al., 2014). Parties directly affected could be various groups of citizens, NGOs, private companies, interest organisations, etc. If the forum receiving the account is a mixed group, so is the potential group expected to provide the account. In this perspective there are few, if any, limits to the kinds of societal actors engaged in designing, producing, and delivering policies and services.



Like social accountability, **professional accountability** is a horizontal mode of account-giving pointing specifically to the accounts regarding compliance with professional standards and codes of conduct. Accounts could thus for example be given to professional associations and disciplinary tribunals (Bovens, 2007; Byrkjeflot et al., 2014), but they could also be related to more informal accountability relations such as work-related self-control based on professional expertise (Pellinen et al., 2018).

The final accountability type, **peer (or reputational) accountability** refers to the, often, informal accountability dynamics within a collaborative network. It is also sometimes termed intra-network (Jos, 2016), mutual (Lehtonen, 2014), or internal (Mees and Driessen, 2019) accountability. The dynamic of this type of accountability functions by holding actors within a network accountable to each other by peer pressure and fear of naming and shaming (Papadopoulos, 2010).

The research literature points to at least three important accountability challenges in collaborative networks: **Lacking sanctions, insufficient transparency, and multiple and fuzzy accountabilities** (Hansen and Triantafillou, 2020).

The first challenge, **lacking sanctions**, refers to whether the account-holder can hold the accountees to account by means of sanctions. In general, accountability criteria regarding responsibilities, consequences regarding performance, responsiveness to other actors, and checks and balances are difficult to uphold in diffuse networked collaborative approaches (Armitage et al., 2012, p.252). The result can be free-riding (Papadopoulos, 2003), blame gaming (Bache et al., 2015), or blame avoidance (Papadopoulos, 2010; Pellinen et al., 2018),

The second challenge, **insufficient transparency**, relates mainly to electoral democracy. Here, scholars point out how informal deliberations and opaque processes (Papadopoulos, 2007) reduces transparency and visibility (Macdonald and Levasseur, 2014) and the possibility for public control (Dahlström et al., 2011) and scrutiny (Khan, 2013). The role of the media as the 'fourth estate' is often seen as integral to the transparency problem.



Several scholars, including the ones that are generally positively inclined towards collaborative governance, point to the problems of transparency (Bäckstrand, 2006, p. 300; Zadek and Radovich, 2006, p. 3). The general argument is that the informal nature of collaborative governance and its orientation towards generating results rather than accounting for the ways in which they do so, is not conducive to transparency. Some hold the position that transparency can be obtained in collaborative networks (van Meerkerk et al. , 2015), and that stakeholder participation may even enhance transparency (Iusmen and Boswell, 2017, p. 473).

The third challenge, **multiple and fuzzy accountabilities**, relates to the tension between vertical and horizontal accountability forms. Collaborative governance often result in a multitude of the formats of account-giving (Schillemans and Bovens, 2011), which in turn may lead to ‘fuzzy’ accountability (Millar, 2013, p.257). These complex multiple accountabilities lead to a problem of ‘many hands’ (Papadopoulos, 2003, 2007; Esmark, 2007; Cengiz, 2012; Bache et al., 2015) with an unclear division of labour (Pellinen et al., 2018, p. 627). Actors may simultaneously be both accountability holders and accountees (Esmark, 2007), as well as ‘principals’ and ‘agents’ (Agranoff and McGuire, 2003).

Drawing on Koppell (2005), some speak critically of a ‘multiple accountabilities disorder’ (Bache et al., 2015; Lindquist and Huse, 2017) and ‘tangled accountability relationships’ (Christensen and Lægreid, 2015) where actors are confronted with demands of both horizontal and vertical accountability (Edelenbos and van Meerkerk, 2012; Millar, 2013). The result is tensions between performance accountability and political and social accountability (Page et al., 2015), and between competing values of efficiency, equity and democratic accountability (Lindquist and Huse, 2017). This may, in turn, diminish flexibility and performance (Christensen and Lægreid, 2015) and lead to accountability overload (Lewis and Triantafillou, 2012).



Brief summary of the five case studies

The five cases presented in the forthcoming section share several commonalities. Firstly, they are all concerned with personalising services towards long-term unemployed persons. Secondly, all five initiatives seek to bring the long-term unemployed closer to the labour market. Thirdly, all initiatives work with the presumption that bringing the long-term unemployed closer to the labour market requires some kind of collaborative effort. Fourthly, and finally, in all cases this collaboration plays out in the shadow of other forms of governance as well as other types of accountability. Whereas the five case studies all investigate initiatives targeting long-term unemployed, they differ substantially in the concrete services delivered, the levels of governance involved and, last, but not least, in the scope and content of collaboration. In the following, we provide a brief outline of the five cases.

In the **Dutch** case, the Municipality of Helmond is experimenting with an innovative way to tackle long-term unemployment, after the decentralisation of long-term unemployment policies to the local level in the Netherlands which encouraged municipalities to find integrated approaches for people with disability and distance from the labour market suffered from more than one problem (i.e. health and social problems). It is a pilot project which started in 2017 and will run till 2022. The project *OZO verbindingzone* tries to provide integrated assistance to clients by looking at more than one problem by introducing multidisciplinary teams that are assisted by an online platform for the coordination of their services. The pilot was acknowledged by the Dutch Ministry in 2018 as one of the most innovative practices in long-term unemployment and health.

In the **Belgian** case, the municipality of Courtrai in Flanders are working with the *Temporary Working Experience* programme. These contracts are a particular activation instrument, founded at the federal level targeting people in social assistance from long-term unemployed people to immigrants, refugees or other underprivileged groups. However, the activation of this group faces challenges. TWE aims to be holistic and offers unemployed people a *trajectory* that aims to reduce their distance to the regular labour market. Key to the programme are so-called 'article 60 contracts', where an employee is on the payroll of the local government but



can be working in other workplaces as well. The collaboration for the service delivery of the TWE-trajectory is complex and involves different private and public organisations on multiple policy levels.

In **Estonia**, the focus of the study is on the case of ‘work practices’ which is a service targeted at people out of employment for a long time or with no earlier working experience. In the programme, clients benefit from learning and acting in a group, which helps them to keep up their motivation and to find out more about themselves and their opportunities at the labour market. In 2018, the provision of work practices saw a considerable systemic adjustment with the aim of increasing the impact of the service. The goal of achieving a clear outcome for every participant in the work practice was set – either moving to employment, moving to another service or into education. The success of finding the best individual solution for every participant in such a system depends on close collaboration of actors engaged in planning and implementing the service and working with the unemployed persons – from the individual caseworkers and group facilitators to the service coordinators.

The **UK** study focuses on the Scottish case of *Fair Start Scotland* (FSS) around the council of Falkirk. FSS is the Scottish Government’s voluntary employment support programme. It aims to help people with complex and enduring health needs improve their employment opportunities. The service is primarily designed to meet the needs of those who may face a range of challenges in obtaining work (e.g., the disabled or those with caring responsibilities) and who have been unemployed for a long time (e.g., those reaching two years on Job Seekers Allowance/Universal Credit). It aims to provide a tailored, coherent range of support which can respond flexibly to meet the individual needs of people and their employers and make the best use of resources. The study focusses specifically on a contract called the Forth Valley. The contract, with an estimated value of up to £5m, was awarded to Falkirk Council who deliver the services in collaboration with Stirling Council, Clackmannanshire Council and NHS Forth Valley, as well as several third sector and private companies who deliver services.

The **Danish** study looks into the initiative of the *Cohesive citizen plans* (CCP), launched in 2016 in the municipality of Furesø. The CCP aims to strengthen collaboration, firstly, within the



various administrations involved in services targeted citizens with complex problems (long-term unemployment, physical and mental health, substance abuse problems, parenting, etc.) and, secondly, between the municipality and the citizen. Citizens with complex problems are normally handled by several different administrations within and outside of the municipality that are based in each their legal corpora as well as administrative and professional logics without much, if any, coordination in between them. The CCP aims to strengthen collaboration mainly by means of three instruments: one individualized citizen action plan covering all activities, a team of cross-sector case workers, and so-called 'network meetings' between the citizen and all the professional parties involved in the life of the citizen.



Chapter 2: Governance and accountability long-term unemployment policies in five European countries³

In this chapter we present the mappings of the governance of long-term unemployment in the Netherlands, Belgium (Flanders), Estonia, the United Kingdom (Scotland), and Denmark. We first present and compare the governance structures in place. While we focus on the governance surrounding long-term unemployment, we also provide a brief comparison of the general traditions of collaborative governance in each country. Hereafter, we present and compare the accountability relations including the role of the various accountability types. We focus on the three vertical accountability types since these are the predominant in the formalised governance structures. We end by comparing the role that ICT plays in the governance and accountability relations in each country. A more detailed mapping of the governance and accountability structures in the five countries can be found in Annex 1.

Governance

In the perspective of Esping-Andersen's framework (Esping-Andersen, 1990), and subsequent extensions of it (Ferrera, 1996; Fenger, 2007), the five countries represent a variety of welfare regimes – the conservative Continental model (Belgium and the Netherlands), the social-democratic Scandinavian model (Denmark), the liberal Anglo-Saxon model (the UK), and a newly emerged mixed welfare regime (closest to the liberal model, Estonia). The countries also represent different political systems that grant different degrees of autonomy and decision-making power for the state, regional and local levels of government. The governance structures of long-term unemployment in the five countries are thus a rather complex mix of these different trajectories in combination with substantial reforms that in various ways attempting to align their governance arrangements towards the goal of re-integrating the unemployed back into the labour market. All five countries can thus be said to be hybrids

³ The chapter is written by Magnus Paulsen Hansen and Peter Triantafillou, but it is based on the contributions from Wolf van Buuren, Vidar Stevens and Erik Hans Klijn (the section on the Netherlands), Dries Van Doninck and Jan Boon (the section on Belgium), Külli Sarapuu (the section on Estonia) and Cate Hopkins, Benedetta Bellò and James Downe (the section on the UK). The complete country mappings can be found in Annex 1.



combining elements from several welfare and governance regimes. Still, there are noteworthy differences in the mixes of services and governance in each country. Table 2.1 attempts to summarise the similarities and differences.

Table 2.1: Governance structures targeting long-term unemployment

	Netherlands	Belgium	Estonia	UK	Denmark
<i>Policy-making</i>	Nationally in parliament and through involvement of social partners and locally in city council as well as in collaborative networks of various local and regional stakeholders.	At federal level in parliament (benefit levels) and local level but mostly regional (VDAB agency) level represented by regional government and social partners (activation, budgets, tenders).	Mainly nationally in parliament as well as in board of EUIF with representation of social partners	Mainly nationally in parliament as well as strong role for DWP in tendering process. Some role for regions in areas connected to employment (social and health)	Nationally in parliament and strong role for STAR in shaping reforms. Some role for local governments in setting goals and strategies.
<i>Service delivery</i>	Municipalities with key role – providing services (jobcentres) and coordinating collaboration with other stakeholders including private actors. Also, regional inter-municipal collaboration.	Regional agency VDAB providing activation, private actors, and local municipal social welfare centres. Inter-municipal collaborations around local employment agencies.	County offices of EUIF. Activation often procured from private and non-profit providers. Local governments providing social services.	DWP organises service provision by primary provider organisations ('Primes'). Many services provided by the charity sector.	Municipal jobcentres organise services and delivers some activation alongside unemployment insurance funds and private actors.
<i>Governance forms</i>	A combination of NPM style central performance-based budgetary steering of municipalities and collaborative forms of governance aiming at integrated service delivery	Increasing performance management and some marketization. Some collaboration between regional and local actors.	Mostly procedural governance with limited performance management but some marketization. Limited collaboration.	NPM style central performance-based through tendering. Some but limited inter-agency collaboration.	NPM style central performance-based budgetary steering of municipalities and emerging collaborative forms of governance aiming at integrated service delivery



The Netherlands⁴

Among the five case countries, the Netherlands may be the one with the longest tradition for collaborative governance, though its forms and contents has changed substantially over time (Kickert, 2004). Due to the compelling necessity of getting people with different economic position (landowners, tenants, workers) and religious standing (Catholics and Protestants) to work together, in particular to avoid flooding and control waterways by way of extensive canal and dike systems covering large parts of the country, the Netherlands has a solid tradition of collaborative governance, though mainly at elite level (Lijphart, 1992). This seems to have spilled over into more recent public management experiments and reforms, not only in the areas of land use and water control, but also in a range of other social policy areas at both central and local levels (Edelenbos and Monnikhof, 2001). Like the other countries, the Netherlands has seen its fair share of New Public Management-style reforms in the shape of the development of autonomous (semi-) public organisations, the delegation of responsibility of policy implementation from central to local levels, new forms of budgeting and not least comprehensive performance measurement systems (Pollitt and Bouckaert, 2011). Still, the overall impression is that collaborative governance is flourishing, both in modest experimental forms but also in more institutionalised renditions (Koppenjan et al., 2008; van Buuren et al., 2012; van Meerkerk et al., 2015).

This tradition for collaboration also seems to manifest itself in the governance of long-term unemployment. Municipalities and the employee insurance agency of Ministry of Social Affairs and Employment (UWV) are responsible for the payment of social assistance benefits and employee insurance, respectively. These policies are generally handled in job centres (*werkpleinen*). Following decentralisations, municipalities have acquired much more freedom in how they shape their social assistance policy, most notably in the field of activation and reintegration of the unemployed. As is the case at the national level, municipal councils are political accountees of office holders, possessing the same instruments. Formulation of

⁴ Based on mapping by Wolf van Buuren, Vidar Stevens and Erik Hans Klijn, Erasmus University Rotterdam, the Netherlands. See Annex 1.



(un)employment policy on the regional/municipal level is often described as a collaboration process between the three O's: *overheid* (government), *onderwijs* (education) and *ondernemers* (entrepreneurs) (Inspectie SZW, 2013). The municipal umbrella organisation *Vereniging van Nederlandse Gemeenten* (VNG) plays an important role in policymaking that often coordinates collaboration processes and intermunicipal experiments.

In 2004, an increased decentralised *social assistance* provision (from the previous N-Awb) became visible with the coming of the *Wet Werk en Bijstand* (WWB). The WWB was designed under the notion that 'work precedes income', and thus the main goal of the act was client activation (TK 28870, no 3, p. 3-4). The WWB fully decentralised the budgetary responsibilities and rules with respect to reintegration into paid employment, sanctions, and extra allowances. As a result, the (financial) risk of policy failure now laid in the hands of municipalities instead of the national government (Bannink, 2014). Under the new financing system, municipalities received two budgets in advance: one for social assistance payments, and one for active labour market policies. When municipalities exceeded the payment budget, they had to draw on their own resources for financing. In case the budget was not fully used, they could spend the saved resources as they wished (Borghini and van Berkel, 2007). The reintegration budget of the UWV was halved and the number of UWV locations was reduced from 98 'local' to 30 'regional' locations.

Dutch employment policy can be divided in two systems. The first one is the unemployment insurance system (*werknemersverzekeringen*). This system is financed by employers, who deduct a premium from their employees' wages. Employers then make contributions to the UWV, an autonomous administrative authority that is responsible for the evaluation of applications for and payment of unemployment benefits. The second one is the social assistance system (*sociale voorzieningen*), which covers a range of benefits and other forms of support for unemployed and is financed entirely through taxes. From 2002 and onwards, the Implementation Structure for Work and Income (SUWI) has led to an entirely new governance structure for the social security policy implementation. First, SUWI led to a state-oriented implementation of employee insurances: the department SZW took over the management and supervision of the insurance system, whereas up until the 1990's employers



and employees had played a central role. Secondly, SUWI lead to the *centralisation* of the system: the previously decentralised business associations were merged into a single nationwide organisation, UWV, under direct supervision of the Ministry of SZW. Third, under SUWI, the implementation of reintegration for unemployment benefits recipients was privatized (Witkamp et al., 2015).

The SUWI system was changed twice, once in 2009 and 2012. The changes in 2009 aimed mostly at increasing collaboration with municipalities and reaching ‘integrated service delivery’. The UWV and municipalities were to form a joint front office, called *Werkpleinen*. The decentralisation of social assistance system increased the need for collaboration on a regional level increased, above all to align job market policies (Witkamp et al., 2015). This emerging collaborative agenda is often referred to as a so-called collaboration process between the three O’s: *overheid* (government), *onderwijs* (education) and *ondernemers* (entrepreneurs) (Inspectie SZW, 2013). One specific manifestation of this regional collaboration is the 35 regional *Werkbedrijven*, in which the UWV, municipalities/VNG and various social partners work together to offer more jobs to people with work disabilities. This regional collaboration is continuously pursued, aiming for more integrated service delivery, notably in terms of job placement although it has thus far been obstructed by competition in between involved parties.

Belgium (Flanders)⁵

As the only federal state of the five case countries, the image of Belgium’s public governance traditions and trends is a complex one. Apart from the federal government and the three regions (Brussels, Flemish and Walloon), Belgium also holds 10 provinces and 589 communes (Pollitt and Bouckaert, 2011, p. 239). Finally, the increasingly polarized political system, where the Flemish and Walloon politicians and populace at large differs on key political, economic, and administrative topics, entails that public management reforms often differ substantially between these two regions. Still, at the most general level, New Public Management (NPM)

⁵ Based on mapping by Dries Van Doninck and Jan Boon, University of Antwerp, Belgium. See Annex 1.



reforms seem to have been less influential in Belgium than in the other four case countries (Pauly et al., 2020), though NPM inspired ideas have played a noteworthy role, particularly in the Flemish region (Pollitt and Bouckaert, 2011). The federal government has also adopted several reforms to control budget expenditures, incentivizing civil servants to perform better, and pay more attention to the specific needs of citizens (ibid. p. 243). Like in the Netherlands, Belgium has a long tradition for elite collaboration around the regulation of water ways and land use. This is continuing today, now with more extensive inclusion of various societal actors (de Rynck and Voets, 2003).

With regards to long-term unemployment, Belgium is organised in a general dual system, with competences spread over two main policy domains, which combines policy initiatives that come forth from the unemployment insurance system with initiatives that attempt to lower the threshold to paid for those who live at a great distance from the labour market. Activation policy for the long-term unemployed is thus also spread across the federal, regional, and local level. Since the sixth state reform in 2014, on which we will elaborate later, most of these competences are at the regional level, of which we will focus mainly on the Flemish region. For Belgian unemployment activation policy, 2004 meant a bit of a shake-up. From this moment on, job seekers were not only evaluated for their availability on the job market, but also for the intensity of their search for work. If job seekers are not actively searching for employment, they can be penalized. The control of this new system was placed in the hands of the National Employment Office, who cooperated with regional public employment services to exchange information about the search behaviour of unemployed people (Cockx et al., 2007).

One could argue that one of the most significant changes in terms of unemployment policy is the sixth state reform of 2012-2014. This state reform was aimed at organising a more efficient federal state with increased autonomy for the regions. It shifted several competences of budgetary significance from the federal level to the regions. The activation of those who benefitted from the unemployment insurance became a completely regional competence. In practice, this meant that the regions took over the organisation of control of the availability of the (long-term) unemployed, sanctions regarding search behaviour, and the administrative



organisation of local employment agencies and the service voucher system from the National Employment Office (van Dooren, Struyven et al., 2014). The National Employment Office is responsible for unemployment insurance. They evaluate eligibility of the unemployed for the insurance system and determine the height of unemployment benefits. At the regional level, we find the *Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding* (VDAB), tasked with the activation policy of the Flemish region. It is an external agency of the Flemish government. VDAB has increasingly taken up the role of a conductor of the labour market. The shift to a more market-driven approach, using the tender model for service delivery, placed VDAB in a double role. On the one hand, they have an 'executive role' as they are an actor in the field of unemployment activation. On the other hand, they are the conductor of this public market, who directs and manages other actors that are involved in the tender model (Struyven and van Parys, 2016; van Dooren Coomans et al., 2014). Belgium is a social-corporatist system, in which employers' organisations and labour unions play an important role. On the Flemish level this shows in the board of directors of VDAB, in which the labour unions have a seat, as well as in organisations like the social-economic counsel of Flanders, an organisation that bundles all social partners for counselling and advising legislation. Similarly on the federal level, the board of governors of the National Employment Office consist of representatives of labour unions and employer's organisations and also in the National Labour Council, which advices processes of collective bargaining agreement, policy and legislation.

On the local level, another important actor are the social welfare centres. These local structures are also tasked with the payment of living wages and provide guidance to re-integrate people in society. As part of this re-integration, the social welfare centres have instruments to activate unemployed people. Since 2017, social welfare centres are integrated in local governments whereas before, they were separate structures.

Citizens with complex problems are normally handled by several administrations within and outside of the municipality that are accountable to each their legal corpora as well as based in each their administrative and professional logics without much, if any, coordination in between them. In recent years, the Flemish government has been encouraging local governments to organise themselves on a sub-regional scale to provide some activation



services. Cooperation agreements were reached between local governments to organise local employment agencies (which is called “*wijk-werken*” since 1/01/’18) and the support of the social economy. These sub-regional collaborations receive subsidies from the Department of Welfare according to the population they represent. Sub-regionally, VDAB is organised in provincial directions. In these provincial directions, several employer’s organisations and labour unions are also included. The provincial directions are a way for VDAB to have a close contact with these social partners and they also help implementing and translating VDAB’s policy to the local level. Moving on to the local level, the start of the new millennium meant a more integrated and local approach to the activation of the unemployed. Between 2000 and 2004 the Flemish government initiated the creation of local *job shops* (“*werkwinkels*”). These result from a collaboration agreement between VDAB, the local government and other private or public actors (Dumont, 2015).

Taken together, these dynamics point to the influence of both NPM and the New Public Governance (NPG) paradigms in the Flemish approach to labour market policies and unemployment services. On the one hand, public employment services increasingly appeal to private actors to fulfil new tasks related to unemployment services. The NPM approach to governance advocates the allocation of public services and responsibilities to external actors to make government and public administration organisations work more effectively according to a market logic. On the other hand, the increased focus on cooperation, both between public administration organisations on different levels (the federal National Employment Office, Flemish VDAB, and the local municipalities) and between public administrations and external, private, actors, highlights the influence of the NPG philosophy, stressing cooperation and centralisation in the interest of the citizen.

Estonia⁶

There is not any well-developed tradition of collaborative governance in Estonia, although design thinking and co-production have become more and more popular recently. Since its

⁶ Based on mapping by Külli Sarapuu, Tallinn University of Technology, Estonia. See Annex 1.



independence in 1991, Estonia has seen the development of a ministerial system with substantial legal and operational autonomy of the individual ministries. Over time, this system of ministerial discretion has contributed to increasing fragmentation of policymaking and implementation at the central level (Sarapuu, 2011). Coordination between the ministries does occur at a regular basis, but mainly in relation to the budget process, drafting of legislation, and EU issues (Randma-Liiv et al., 2015). From an early stage, the Estonian governance model has merged Weberian-style bureaucracy and rule of law with NPM-style reforms and performance management. Collaborative governance does take place at local levels in several policy areas. However, lacking traditions for systematic dialogue and coordination between central government agencies and local governments have in some cases dissuaded the latter to fully engage in collaborative processes with local NGOs and citizens (Tillemann et al., 2015).

The current governance structure surrounding long-term unemployment is the result of reforms of the last two decades. The provision of active labour market services has developed step-by-step in Estonia along with the general institutionalisation of the employment policy. The general framework for the active labour market services is provided in the Labour Market Services and Benefits Act that lists 14 different services and financial support measures from job mediation to working with a support person. Being the policy-making body for health, labour, social security, social services, children and families, gender equality and equal treatment the Ministry of Social Affairs plays a key role.

The most important agency in the field of employment is *Töötukassa* (Estonian Unemployment Insurance Fund, EUIF), a statutory state agency with a legal identity as a person of public law. EUIF was established with the implementation of the Unemployment Insurance Act in 2002. While the initial tasks of EUIF were related only to maintaining the unemployment insurance system, in 2009 together with the adoption of the new ECA the activities of the then Labour Market Board were terminated and its functions transferred to EUIF. With the 2009 reform, a single integrated labour-market agency was born. The merger reflected a wider trend in Estonia towards consolidation of administrative structure with a hope that new integrated bodies provide services with a better quality; reduce coordination



problems, and increase efficiency and effectiveness. The reform also introduced a tri-partite governance structure to the labour market issues. EUIF is directed by a six-member Supervisory Board, where the government is represented on equal terms (2 members) with representatives of employers and trade unions. The Minister of the Social Affairs is the chairman of the Board. EUIF consists of the Central Office and 15 county offices. With regard to the daily provision of active labour market services like trainings etc., many of them are procured by EUIF from private and non-profit providers and the relations are contractual. For example, the work practice – an active labour market service that is the most clearly oriented towards long-term unemployed – is conducted by private and non-profit service providers. EUIF can buy service from one of them directly (the format and content is co-designed) or buy-in through ‘mini-procurements’ within the framework procurement. The last framework procurement was conducted in May 2019 with about 40 providers selected. Over the years, many active labour market services have been financed from the structural support of the European Social Fund (ESF) that has created another layer of rules and reporting, but also some stability of funding and distance from day-to-day politics.

Although the employment policy is a responsibility of the national level, in dealing with the long-term unemployed, local self-governments have an important role through their supporting social services. However, the cooperation between EUIF and local governments has been hectic in practice. Among other reasons, because of the comprehensive local self-government reform in 2017 whereby the number of local governments decreased from 213 to 79. Therefore, the cooperation of EUIF with local self-governments is mostly on a case-by-case basis, depending on the needs and characteristics of the unemployed person. Compared to the other four countries, Estonia seem to be the country with the most centralised governance and thus where local governments play only a marginal role in the service delivery.



The United Kingdom (Scotland)⁷

Public governance in Britain is well-known for its incremental, but eventually very comprehensive public sector reforms seeking to break up traditional administrative, hierarchical steering with a mix of privatization, purchase/provider reorganisations and extensive performance management systems (Pollitt and Bouckaert, 2011). Initiated by Thatcher's Conservative government in 1979 with a rather narrow focus on privatization and breaking with the vested powers of administrative elites at the central level and political (elected) decision-makers at local level, reforms gradually came to include more systematic and mainly contractual interactions between the public and private sector, epitomized by Blair's notion of joined-up government. Thus, increasing control of central government departments over central agencies and local implementation went hand in hand with curtailing of the political autonomy and fiscal power of local governments in England (Skelcher, 2007). Accordingly, Klijn has argued that: 'the growth of governance networks in the UK differs from that seen in other countries in that it has a more strongly instrumental/managerial and vertical flavour' (Klijn, 2008). So even if collaborative governance arrangements exist at all levels, it tends to be structured if not obstructed by a strong drive for central government control by way of often relatively rigid performance measurement regimes (Pollitt and Bouckaert, 2011). The devolution of political power by way of legislative assemblies in 1997 / 1998 meant that public governance schemes often differ between England, Northern Ireland, Scotland and Wales. As explained in the case study, devolution sparked new collaborative ways of governing employment in Scotland.

With regards to long-term unemployment, the Department for Work and Pensions (DWP) funds labour market policies for the long-term unemployed. Until 2011 the DWP provided basic job-matching services via Jobcentre Plus, and manage services contracted out to other organisations, including private, public or third sector providers (Fuertes and McQuaid, 2013). Following the implementation of the Work Programme in 2011, Jobcentre Plus ceased to exist and all services are now executed directly through the DWP. Employment policy is the

⁷ Based on mapping by Cate Hopkins, Benedetta Bellò and James Downe, Cardiff University, the UK. See Annex 1.



responsibility of the UK government but the devolved administrations in the UK (the Scottish government, the Welsh government, and the Northern Ireland Executive) have responsibilities for a number of policy areas that are related to employment issues but are financed mainly by the UK Government through a block grant (Fuertes and McQuaid, 2016).

Scotland is a nation that is part of the United Kingdom. As such, it remains under the sovereignty of the UK Government in Westminster but with significant devolved powers. The devolution of powers to the Scottish Government was passed into law in 1998, following a referendum in 1997. The Act established the Scottish Parliament which opened in 1999 and gave it some of the powers that had previously been held at Westminster. The Scottish Government has the power to pass law and implement policy within all devolved matters. UK Parliament retains the power to legislate on any matter but typically will not legislate on devolved matters. The Scottish Independence Referendum of 2014 returned a vote to remain part of the UK, but in the political aftermath, a new range of powers was set out for Scotland by the Smith Commission including the devolution of contracted employment support which had previously been delivered by the Department for Work and Pensions (DWP) in the UK government. These powers were consolidated by the Scotland Act (2016)⁸ which officially transferred employment support for disabled people and those at risk of long-term unemployment from the UK to Scotland. .

The UK is probably the country among the five selected where marketization and out-sourcing of services is the most widespread. Tasks that are outsourced range from simple job placements to more complex social services (Zimmerman et al., 2015). Following a two-stage tendering process, the DWP has awarded 40 contracts to 18 primary provider organisations (referred to as 'Primes'). The Work Programme was generated by the DWP but without any formal involvement from the Department of Health, meaning that any partnerships between the NHS, providers, and their sub-contractors would only be on a case-by-case basis (Ceolta-Smith et al., 2015). The role of healthcare professionals is therefore limited. The charity sector

⁸ <http://www.legislation.gov.uk/ukpga/2016/11/contents/enacted>



is also vital for offering work experience, residential training and support for those with specific physical or mental health needs, providing support in employment skills, such as CV writing, interview techniques, communication skills, and confidence building exercises (Frank, 2016). Indeed, the role of NGO's is much more extensive in British policy than in most other EU Member States, and partnerships with these organisations in targeting marginalised people are significant to service delivery (Mailand, 2009).

Interagency cooperation as a key component to service delivery is designed around standardised action plans led by a personal adviser, with contracted external providers used for more specialist intervention (Lindsay and McQuaid, 2008). Dialogue with NGOs and third sector service providers is encouraged through processes such as National Action Plans (NAP), and these have been relatively successful in allowing communication between social partners and governing bodies (Mailand, 2009). In the UK, trade unions are rarely invited to local partnership meetings, in which all stakeholders involved in the delivery of employability services meet and are not habitually consulted on policy development relating to employability (Etherington and Ingold, 2012).

Denmark⁹

Denmark is usually seen as a well-functioning Neo-Weberian State in which strategic management, where increased user choice, citizen participation and digitalisation was adopted in the 1990s in order to increase the efficiency of the public administration (Johnston, 2013; Greve and Ejersbo, 2016). While Denmark is generally seen to have a strong (unitary) state, it also displays substantial local government autonomy. Regions and municipalities are both run by locally elected politicians and control more than two-thirds of total public expenses, mostly in the areas of education, health and social welfare (Nielsen and Rasmussen, 2012). The (central and local) government's large role in welfare service has gone hand in hand with a highly organised and active civil society. Voter turnout is exceptionally high, as is labour union membership, and participation in voluntary organisations. Denmark has a long tradition

⁹ Based on mapping by Magnus Paulsen Hansen and Peter Triantafillou, Denmark. See Annex 1.



of corporatism, i.e. institutionalised dialogue between the state, economic interest organisations and labour unions. Over the last three decades or so, this has been modified to include more diverse actors and diverse issues (Binderkrantz et al., 2016). Moreover, there has been a substantial rise of (non-contractual) interactions between local authorities and private citizens and organisations to deal with crime prevention, urban renewal, employment, and environment (Damgaard and Torfing, 2011; Nyseth et al., 2019; Torfing et al., 2020) .

The current governance structure surrounding long-term unemployment is around 15 years old. In the 2007, the reorganisation of local government in Denmark meant that the regional public employment services and local authority-led service centres were amalgamated in 91 one-stop-shop 'jobcentres', one in each municipality. The employment services were unified in jobcentres, replacing the old system where the state directly managed the system for the insured unemployed in regional offices. Benefit administration remained the responsibility of either local governments (for the uninsured unemployed) or unemployment insurance funds (for the insured unemployed) (Knuth and Larsen, 2010). Further, the possibilities for municipalities to contract out services have expanded since the early 2000s. To address problems of control and accountability, the state's oversight with the implementation and service delivery has become strengthened in the same period by a regime of benchmarking, performance-measurement, management by objectives, and quality management. The governance system of supervision of job centre performance is thus based on a variety of NPM tools together with rather minor collaborative elements. The pivot of the system is the performance goals set by the Danish Agency for Labour Market and Recruitment (STAR), an agency of the Ministry of Employment. Local government is then allowed to add a few other local goals. The performance goals are all written down in a local employment plan (*beskæftigelsesplan*) (Knuth and Larsen, 2010). The local jobcentres are monitored regularly and in annual audits by STAR through its Regional labour market offices as well as by Regional labour market councils (with stakeholder representatives, mainly unions and employers' organisations). Finally, but importantly, the state has strengthened the governance of job centres by attaching economic incentives to the use of different kinds of activation measures. In order to promote activation, municipalities are given a higher reimbursement from the state when unemployed are enrolled in 'active' schemes than merely 'passively' receiving



benefits thus putting frontline workers under pressure to start up activation measures as early as possible (Larsen, 2013, p. 118).

Alongside NPM style reforms, we find an emerging collaborative agenda with mixed results. The jobcentre reform in 2007 coincided with the establishment of collaborative network called the local employment councils with representatives from various local stakeholders (unions, employers, disability organisations), but despite promising results the councils were shut down in 2015 (Damgaard and Torfing, 2010). Today the agenda is driven mainly by the municipalities as well as the Ministry of finance. Under the heading of a ‘holistic effort’ (*helhedsorienteret indsats*), attempts are made to integrate interventions involving multiple caseworkers and action plans across different administrative sectors (employment, social, health, education). The 2013 reform of the early retirement scheme and supported labour schemes introduced ‘cross-disciplinary rehabilitation teams’ that were supposed to coordinate the effort towards people enrolled in ‘resource activation’. The holistic agenda entails bringing the needs of the citizen in the centre and thus a potential re-professionalization of the service delivery (Caswell and Larsen, 2015, p. 25).

Accountability relations and types

In the following, we outline the predominant accountability types in the governance of long-term unemployment in the five countries. The governance of long-term unemployment in all five countries is a mix of at least four accountability types – political, legal, managerial, and social. The mappings only address professional and peer accountability to a limited extent. This may be due to two different reasons. The first is that the horizontal forms of accountability are often less formalised and thus more difficult to capture in a mapping based on policy documents and secondary literature. The second is that collaborative forms of governance in the countries are limited or, if they are, not underpinned by horizontal forms of accountability. Both possible reasons will be further explored in the case studies.

In terms of **political** and **legal** accountability the five countries have quite different arrangements. From a system in which state agency implements employment policies and is



accountable to the ministry/parliament (Estonia), to a system where the accountability is distributed between a state agency and regional level (UK), to a system in which the regional level is the main accountable level although the state and local levels still play a role (Belgium), to systems where the accountability is mainly distributed between the state and local level (Denmark and the Netherlands).

Except for the UK, **social** accountability, through the involvement of social partners, play an important role. This varies from highly formalised accountability through the representation of social partners in boards or councils (Belgium, Estonia) to more informal but nonetheless extensive involvement (Denmark, Netherlands).

In all countries there seem to be little involvement of (long-term) unemployed citizens/users as account holders. Rather they are the last link in the chain of accountees in the arrangement underpinning **managerial** accountability that all five countries have introduced during the last 10 to 20 years. In all countries the accountability requirements of the long-term unemployed have been increased drastically the last decades. This means that several mechanisms of control and sanctioning have been installed to hold the unemployed to account in order to remain eligible for benefits and services. Whereas all five countries have introduced marketization in the service delivery, it is only in the UK and Estonia that this has become the predominant way of delivering services. Managerial accountability there, is integrated in the tendering processes and contractual arrangements of the private for-profit and not-for-profit actors. In the Netherlands and Denmark, performance measurement is mainly targeting the municipalities that are accountable both to the local city councils as well as to the state agencies controlling budgets. Belgium seems to be a kind of hybrid in between these two models in which the regional public agency carries out service delivery and handles tenders, while local governments play a role in delivering social services.



The Netherlands

In the Netherlands **political** accountability at the national level is centred around the permanent parliamentary committee Social Affairs and Employment, in which most of the legislative preparation and deliberation takes place. However, most bills are initiated by the government – specifically the Ministry of Social Affairs and Employment (SZW) and the relevant directorates. The national parliament is in two ways a political accountee to the government/ministry. The minister, subject to parliamentary control, gives shape to the system and supervises it through the Inspection SZW. Locally, following the decentralisations, municipalities have acquired much more freedom in how they shape their social assistance policy, most notably in the field of activation and reintegration of the unemployed. As is the case at the national level, municipal councils are political accountees of office holders, possessing the same instruments.

In terms of **legal** accountability, since 1996 *Nieuwe Algemene Bijstandswet* (N-Abw act) access to, as well as the amount and duration of, benefits were changed to keep the total costs manageable. Additionally, there were three notable changes (Fenger et al., 2011). The N-Abw installed a system of national basic standards and municipal allowances, forming a compromise between customized services and legal certainty. In addition, the act emphasized the fight against fraud, by expanding the instruments for municipalities and by implementing an accountability and control system through which municipalities had to account for the provision of benefits. Recently, the movement of the allocation of welfare services from a state actor to a private employer has led to diminished public safeguards for income maintenance in several ways. For example, conflicts over payments during absence are now regulated in civil law procedures (employee versus employer) instead of administrative law procedures, taking away some of the public safeguards of benefit claims during periods of illness. Before, the unemployed did not have to go to court immediately but could lodge an objection in writing. Administrative law also contained General Principles of Good Administration that offered specific protection to citizens.

The reforms in the Netherlands came with multiple other NPM-style measures in the form of performance measurement, hence strengthening **managerial** accountability types. For



example, the Ministry of SZW formulates a number of performance indicators in yearly 'UWV annual plans', which are then reported back on in four-monthly and yearly performance reports. The BKWI – more or less part of UWV – is the 'central information broker' of the Work and Income chain that facilitates information and knowledge exchange between the UWV and municipalities. In general, when it comes to social assistance policies, the municipality is accountable to the municipal council. The council surveys the activities of the job centres and, for example, the number of beneficiaries, since there is a direct financial incentive to reduce the number of social assistance beneficiaries. The effectiveness of policies is often measured by comparison, both temporal and by benchmarking with other municipalities. The council has a range of instruments with which they can hold the job centre accountable, such as inquiry, budgeting, and votes of no confidence for office holders. For this hybrid form of political and managerial accountability, there is usually a specialised council committee in which a council member of each political party is represented.

Regarding **social** accountability, both on the national and regional level, a variety of labour unions and other social partners are often involved with policy formation processes. These often play a role as informal or social accountees, engaging in public participatory policymaking and advising policymakers and practitioners.

Belgium

In terms of **political** accountability, both the federal parliament and the regional parliaments in Belgium are responsible for policy-making. Two federal administrations are particularly important in labour market policy development. First, the Federal Public Service of Employment, Work and Social Consultation is responsible for preparing, implementing, and monitoring the competences of employment policy and unemployment insurance that is still on the federal level. That means the employment insurance system and the controlling of the beneficiaries of that system. Second, the Federal Public Service of Societal Integration is responsible for policy and instruments regarding the activation of people on welfare. Since Belgium has a well-developed corporatist system, political accountability is mixed with **social** accountability forms in various councils and board of directors.



Reforms have introduced several **managerial** accountability instruments in Belgium. Every year, VDAB negotiates a “business plan” with the Flemish government. This is a sort of management agreement in which the objectives, means and strategies of VDAB are captured, in a quite detailed manner. Key performance indicators (KPIs) are assigned to the various objectives. Parliamentary questions are sometimes asked about the progress of VDAB on its objectives. The Minister of Work then answers these questions. The oversight of the activation policy in Flanders have expanded in recent years. Thus, activation initiatives provided by the local social welfare centres or by the sub-regional collaborations between local governments are now also evaluated with KWALIMON. People cannot participate in *wijk-werken* (the former *local job agencies*) or work under the *temporary working experience* (TWE) ruling if this does not fit in a trajectory to sustainable employment. These trajectories were integrated in VDAB’s *myCareer* approach. Public social welfare centres, or the sub-regional collaborations between local governments, therefore pay account to VDAB for some of their service delivery.

Estonia

In terms of **political** accountability, Estonia is a parliamentary democracy, where the unicameral Parliament *Riigikogu* (101 seats) performs the legislative function, and the executive power is accorded to the Government of the Republic. The capacity of the Parliament is to strategically steer policies and to perform the parliamentary oversight has been increasingly questioned. A central trait of the Estonian administrative system is its reliance on ministerial responsibility (see Sarapuu 2011; 2012). Although the ministries are small, they represent strong administrative actors that have considerable leverage over the issues belonging to their areas of governance. The most important public actor EUIF is legally independent organisations with considerable managerial and policy autonomy. As the ministries are rather small, multi-functional and often constrained in resources (money, people, expertise), their capacity to supervise and steer their subordinate agencies’ daily functioning is frequently limited. The general framework of vertical coordination relies considerably on ex-ante **legal** accountability mechanisms. The decisions and activities of the institutions active in the field of employment may be evaluated by the Chancellor of Justice (*Õiguskantsler*) – an independent official foreseen in the Constitution to ensure that laws and



regulations are constitutional and to protect the rights and freedoms of people. The Chancellor of Justice can investigate issues based on a complaint as well as is in her/his own initiative.

Due to the complexity of the issues handled by the agencies (especially government organisations and public institutions) and their frequent monopoly of expert knowledge, the influence of agencies on policies can be very high. Regarding EUIF, the issue of the proper organisational form for the labour market services has occasionally been raised as EUIF's legal status and tri-partite governance structure (ensuring **social** accountability) distance it from the political steering of the Ministry and assure considerable policy autonomy.

Regarding **managerial** accountability, the functioning of all agencies may be audited by the Estonian National Audit Office *Riigikontroll* (NAO), which performs both financial and performance audits. This has in some cases contributed considerably to the policy discourse. NAO is an independent audit body foreseen in the Constitution. NAO has conducted three audits on active labour market services – 2008, 2012, and 2016. The latest report from 2016 concluded that a further reduction of unemployment needs a combination of active labour market services, creation of new jobs, and long-term training of skills so that the unemployed could obtain a profession since ca 43% of them did not have a professional qualification (Riigikontroll, 2016).

The United Kingdom

At the UK level, **political** accountability is tied to the UK employment service, the DWP, located in Westminster. In the provision of employability services, there are also some aspects that affect the Department of Health and Social Care, and the Department for Education. The DWP are answerable to the Work and Pensions Select Committee, who conduct inquiries and issue reports into all matters relating to work, benefits, retirement, and pensions. The DWP is now working with several combined authorities/city regions to ensure local priorities influence the design and delivery of Work and Health Programme (WHP) by co-designing the programme with those areas. This aspect represents the difference between the previous programme,



characterised by an overwhelming national control. Even if the WHP continues to be based on the well-established model of programme delivery by service providers awarded contracts from government and the use of payment by results, some aspects are now devolved to local areas (National Audit Office, 2016). Devolved administrations (Scotland, Wales, and Northern Ireland) are responsible for a number of policy areas related to employability, such as education, vocational training, skills, and apprenticeships, which are legally defined by the 'reserved power' in Scotland and by legislative competencies in Wales (Fuentes and McQuaid, 2016).

In terms of **legal** accountability, the DWP provide information online for those who wish to complain about services provided by Work and Health Programme providers, offering support and information for citizens to address the organisation directly and, if that fails, offering information about how to complain to the DWP. The process of contract-making forms a legally binding agreement between partnership organisations (Lindsay and McQuaid, 2008). However, the process of tendering is one based mainly on **managerial** accountability of competitive contractualisation, which Zimmerman et al. (2015) argue promotes unrealistic targets set up by providers in order to win contracts, which sometimes has the long-term effect of providing inadequate support for those with the most complex needs.

The Work Programme's funding structure takes a 'payment by results' approach in which remuneration can be claimed by contractors for aiding clients into employment, if the candidate has a sustained employment for a 12-month period. However, some questions have been raised about this approach suggesting that it encourages contractors to exclude the most vulnerable and marginalised (Beatty and Fothergill, 2011). In the Work and Health Programme, contracts are stipulated between the DWP and the contractors. For example, Remploy is one of the five providers that are delivering the WHP across six national Contract Package Areas (e.g. Wales). It is paid on a Payment by Results (PbR) basis in order to drive sustained employment outcomes. To this end the providers must: provide participants with more tailored support than is available in their locality, have strong links to national and local employers, link up with health and social care services and other local services, and take a holistic approach to tackling the barriers to employment faced by participants. Policy



evaluation in the UK has tended to focus on the immediate or short-term outcomes of programmes, rather than longer-term retention or advancement (Kellard, 2017). Furthermore, there are several tensions that exist between competition and coordination, and between centralised commissioning, localised planning, and alignment of targets and funding (Green and Orton, 2009). Private sector service providers are held to account through the ‘black box’ method of commissioning.. Providers are awarded contracts on the basis that they can provide the services required and are expected to meet targets to demonstrate impact and effectiveness.

Denmark

With regards to **political** accountability, the national parliament is the main decision-making body when it comes to employment policy in Denmark. Much of the legislative preparation and deliberation in between parties take place in the Employment committee and Social committee. However, most bills are initiated by the government in close collaboration with the central administration. Due to its analytical capacity and implementation responsibility STAR, a subunit of the Ministry of employment, has played a central role in the policy-making phase of most reforms. Traditionally commissions appointed by the parliament has played an equally important role in developing new policy proposals. In addition to the Ministry of Employment, the Ministry of Finance, the Ministry of Social affairs, and the Digitalisation agency is involved. At the local level, the jobcentres are accountable to the city council on the basis of the yearly employment strategy.

In terms of **social** accountability, the interest organisation of the municipalities, KL, is an important player, for instance, in initiating the recent simplification act. Both unions and employers’ organisations, although to a much lesser extent when it comes to uninsured unemployed, are usually included in the policy-making phase. Nationally they are members of the National employment council and they partake in commissions together with appointed experts (usually economists). In policy-making targeted insured unemployed the unemployment insurance funds (with close ties to labour unions) are usually consulted.



The services targeted long-term unemployed in the municipalities concern several legal corpora making **legal** accountability quite complex. The handling of paying benefits and to apply sanctions takes in a separate 'allowance office' in the municipality. In these cases, the job centre provides accounts to the 'allowance office' which again provides financial accounts to the local council. Next to the jobcentre, the municipality has a 'social administration' handling family related matters as well as disabilities. The activities of the social department are legally accountable to Active social policy act (*lov om aktiv socialpolitik*) as well as the Service act (*serviceloven*). In addition, if the long-term unemployed has health problems the health department (accountable to the Health act is involved together with a number of potential actors outside of the municipality, such as general practitioners, physiotherapists, psychologists, and psychiatric institutions that raise issues of **professional** accountability. Finally, up-skilling may involve the education department and various educational actors, such as schools for vocational training. The legal compliance is handled by the Agency for appeal (*Ankestyrelsen*), an agency under the Ministry of Interior Affairs. Here, citizens can file complaints on decisions on service delivery by local governments. Further, the agency conducts its own audits of municipalities.

As already mentioned in the governance section above, the relation between STAR and job centres is substantially based on **managerial** accountability based on an elaborate system of benchmarking and financial incentives tied to performance indicators. Most of the surveillance and reporting is carried out in three Regional labour market offices (subunits under STAR). In case of non-compliance, STAR has recently been given extensive powers to sanction municipalities. STAR is accountable to the Minister of Employment and to Parliament, notably the Employment committee, as well as the National Audit Office that for instance produces annual reports of the efficiency of employment policies. Moreover, the Danish centre for social science research (VIVE) together with several consultancies play an important role in evaluating implementation and ongoing experiments. The local city council surveys the activities of the jobcentres through the Municipal employment committees. Here, the annual strategy of the job centre is debated and adopted. Thus, municipal politicians are holding the Job centre to account for its performance.



The role of ICT

ICT is a central topic for the TROPICO project and it plays a central role in the governance of long-term unemployment in all five countries. The mappings show that most of the ICT instruments in use in the services targeting long-term unemployed are in place to support **managerial** accountability. The performance of actors delivering services is measured and monitored through centrally governed ICT systems – some focusing on financial accounts and others on activation performance, which is sometimes developed into benchmarking rankings that are more or less publicly available. Moreover, all five countries have digital platforms for registering and monitoring activities of the unemployed, such as their job search. These systems vary between being organised and developed at the state level (Estonia, UK, Belgium, Denmark), and at the local level (Netherlands). There are also attempts to use or develop ICT tools for sharing data in between actors involved in service delivery (Estonia and Denmark).

The Netherlands

ICT plays an increasingly important role in monitoring the performance of the municipal employment services. Annually, the municipalities must share performance results that follow from their ICT systems. Based on this performance information, a ranking is made and published on a website to help civil servants, but also local council members assess the effectiveness of their unemployment service policies. At the same time, it allows to see if ‘best practices’ can be shared between municipalities. During the last years, most ‘innovative practices’ were local digital platforms on which job seekers can post their CV’s or where companies can present vacancies. An example of such a platform is ‘*Werkplein IJsselgemeenten*’. This digital platform functions as entry gate for unemployed people to find a job. In addition, it allows job seekers to make a personal plan or roadmap with a job coach to find a new job or voluntary work as quickly as possible. Also, the Dutch Unemployment Agency (UWV) has in the past years invested in a digital infrastructure to create a one-stop shop for unemployed people to have one office to contact for activation instruments and social benefits. Currently, the National Government works on the implementation of the National Digital Agenda 2018. In this Digital Agenda, specific tools are being developed to strengthen the job perspective for long-term unemployed people.



Belgium

The regional VDAB agency has a very innovative and integrated ICT system which registers every step in the pathway guidance in a personal profile for every employee and job-seeker called *myCareer*. This allows VDAB to monitor every single service delivery very closely. In addition, VDAB developed an instrument called 'KWALIMON' (Qualitative Monitoring) to evaluate partners they collaborate with for service delivery. The progress of employees and job-seekers can thus be monitored in the ICT system and tender partners receive a performance evaluation based on this KWALIMON instrument. Account-giving is further enhanced by the *myCareer*-platform. By having every experience and service, of VDAB itself and of external partners, registered in *myCareer*, VDAB can monitor every instrument very closely and is able to provide reports, for example to the minister or the department of work, about every instrument and its users. VDAB intermediaries receive a monthly report about the progress of jobseekers (for example no-shows and arriving too late, but also trainings and competences developed) with external tender partners through *myCareer*. The monthly report provides the intermediary with information to better guide the jobseekers to the right choices in the pathway guidance system. It also makes it possible for the intermediaries to monitor performance of jobseekers on the one hand (remember: VDAB is also responsible for sanctioning bad job seeking mentality) and tender partners on the other hand. *myCareer* thus enhances the account-receiving of VDAB from their, private or public, tender partners.

Estonia

The policy field of employment is part of a nation-wide digital ecosystem. Estonian digital government that is often perceived as a success both at home and abroad rests on e-government infrastructure based on two main pillars – the data exchange layer *X-tee* (X-Road) and a compulsory national digital ID (Kattel and Mergel 2019, p. 143). *X-tee* enables secure data exchange between various dispersed information systems. *X-tee* infrastructure focuses on interoperability and relies on a decentralised ownership of data – to share and to use the data of others, public and private actors become members of *X-tee*, describe the data that they share, and get access to the services and data of others. The electronic identity (digital ID) enables citizens to identify themselves digitally and to use the digital signature.



Unemployed persons, employment-seekers and employers can communicate with EIUF through *e-Töötukassa* – a self-service interface where it is possible to search for trainings and vacant positions on offer, for unemployed persons to follow the activities agreed with their personal consultant, to submit grant applications, register to trainings and inform EIUF of becoming employed. The employers can use *e-Töötukassa* to insert job openings, look at the CVs of job-seekers, follow the proceeding of their applications (e.g. wage subsidy applications) and to register to a consultation. The training partners of EIUF can manage their training programs in *e-Töötukassa*.

The United Kingdom

The availability of up-to-date ICT systems is generally regarded as an essential resource, and as such forms a vital element in the way in which case workers organise their caseloads and divide their time and effort (Fuertes and Lindsay, 2016). However, some problems are evident. Whilst ICT systems are regarded as a useful tool for collaboration purposes, it does not necessarily follow that the systems in place are suitable for the task. Employers who rely upon ICT systems, especially for recruitment purposes, run the risk of systematically excluding candidates with low ICT literacy by only offering digital recruitment processes (Ingold and Stuart, 2015). Companies who only offer job applications online are systematically excluding those without either access to the required technology, or the digital literacy to navigate the online terrain. IT skills have also been identified as a skills gap that may act as a barrier to older people entering the workplace (Brown et al., 2015) and the ability of individuals to enter the workplace is closely related to the ability of services to provide training in this area.

Denmark

ICT plays an increasingly central role for administering the unemployment services and for monitoring the performance of the municipalities, and it is crucial to support accountability. Beginning from the relation between (long-term) unemployed and the job centre, the unemployed must provide accounts of his or her activation efforts, including job centre meetings, job search, CV writing. All this documentation is organised through a digital platform called *jobnet.dk* run by STAR. The platform's 'CV bank' is supposed to function as an entry gate



for employers looking for labour. On this platform, the unemployed can access 'my plan', which provides information about the current course of activities as well as his or her legal rights and obligations. In conjunction with the reforms of simplification and building holistic services, several ICT instruments are in the making. To enable sharing of data across sectors and municipalities, STAR is developing a new digital gateway – the 'virtual job center'. The aim is to develop a platform in which various actors involved (such as unemployment insurance funds, unions, and private providers of activation) can develop targeted ICT-tools to develop self-service solutions, digital communication, and data sharing. Data sharing is part of the ambition to strengthen 'data-driven decision support', such as pre-emptive profiling tools, to caseworkers, citizens, and employers. Finally, the National digitalisation agency is collaborating with municipalities on new digital tools to coordinate financial management as well as the documentation of casework among the different administrative sectors involved in 'holistic' cross-sectoral efforts towards clients with complex needs such as long-term unemployed.



Chapter 3: Lessons learned and recommendations

In this final chapter we compare the collaboration types and accountability relations in the five case-studies. We conclude by suggesting what we see as key attention points and recommendations for practitioners engaged in similar collaborative activities.

Varieties of collaboration

The five cases presented in this report share several commonalities. First, they are all concerned with personalising services towards long-term unemployed persons. Second, all five initiatives seek to bring the long-term unemployed closer to the labour market. Third, all initiatives work with the presumption that fulfilling this goal requires some kind of collaborative effort. Fourth, and finally, in all cases this collaboration plays out in the shadow of other forms of governance as well as other types of accountability. Despite these commonalities, there are also significant differences between the cases. In this section we outline the role of collaboration in the five cases. The findings are summarised in table 3.1 below. In the next section we address the commonalities and differences in governance structures and accountability relations.

The first comparison relates to whether the collaboration is mainly centered around service delivery or policy design, or both. The types of account and the accountability relations differ importantly depending on whether they focus on design of policy or delivery of services. For example, legal, political and social accountability seems on the whole to be more important for policy design, whereas managerial, professional, and peer accountability is playing a large role in service delivery. The different types and relations also give rise to somewhat different tensions and challenges, though many of these are shared across the two policy stages. Collaboration around **service delivery** is pertinent in all five cases (although less the focus of attention in the Dutch case study). In the Estonian and Scottish case, services are delivered by private procurers and thus collaboration is between the procurers, the public employment agency, and the client. In the Belgian case, it is a collaboration between the Flemish public employment services, the local welfare centre, employers (public and private), and the client.



In the Dutch case, collaboration is between the client and professionals engaged on so-called ‘neighbourhood teams’. In the Danish case, it is a combination of Belgian and Dutch case, entailing collaboration between the client, case-workers and professionals within and outside of the municipality, and employers. As in both the Dutch and Danish cases, the Scottish initiative also works with what they term ‘multi-disciplinary teams’ including health professionals from the NHS.

With regards to collaboration around **policy design**, this is most present in the Dutch and Danish cases. In the Dutch case, actors collaborate locally around the development of a new IT tool and in the Danish case local actors collaborate to develop a new form of casework as part of a nationally instigated network of experimenting municipalities. In the Estonian and Scottish cases there are negotiations around policy design, in particular in the latter case during the making of the tender involving several local councils and private providers. In the Belgian case the policy is designed by the Flemish public employment services, for which they collaborated with the association of Flemish cities and municipalities.

Table 3.2: Collaboration around service delivery and policy design in the five cases

	Netherlands	Belgium	Estonia	UK	Denmark
Service delivery	Personalised support plan based on multi-disciplinary professional ‘neighbourhood teams’	Temporary work experiences at an employer (24 months outlook)	Work practices (40-60 day course) by private procurers	Multidisciplinary personalised employability programme, services delivered by private procurers	Working with one personalised action plan across sectors
Actors collaborating	Client, municipal professionals/caseworkers	Client, Flemish PES, personal counsellor of local public welfare centre, and employers	Client, county agency caseworkers, private procurers, and employers	Client, council caseworkers, private procurers, health professionals	Client, municipal caseworkers, health professionals, employers.
Policy design	Local development of digital platform for self-management and communication between clients and consultants	PES collaborated with the Flemish Association of Cities and Municipalities to design the TWE.	Limited	Initial collaboration between partners. Renewal of contract based on performance	Local development of practice, inter-municipal network feeding into national policy debate

<i>Actors engaged</i>	City council, Social Domain department, IT company, representatives' of the different departments, social workers	Flemish PES and Association of cities and municipalities.	Limited	Scottish government, councils, local politicians	Caseworkers, municipalities in network, local politicians, municipal sector managers
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Accountability types and networks of account-giving

As described in chapter 1, the introduction of collaborative forms of governance instigates horizontal forms of accountability. These are mainly social accountability to affected stakeholders, professional accountability ensuring adherence to professional norms, standards and codes of conduct, and peer accountability that describe the more tacit accountability relations based on trust and reputation. However, the horizontal forms are introduced in a context of already existing accountability relations. These include legal accountability, that is compliance to national legislation, as well as political accountability relations to national, local, and sometimes also regional level (Scotland and Flanders). On top of that, chapter 2 showed that in all five countries the will to activate the unemployed has come with a number of NPM style governance tools that are underpinned by managerial account-giving using benchmarking, performance measurement and are tied to contractual arrangements and budget steering. Finally, with the exception of the UK, more traditional corporatist forms of social accountability through the representation of social partners is also present. Table 3.2 below summarises the various accountability types identified in the five cases.

As the illustrations of the networks of account-giving in each case have shown, this results in highly complex accountability relations, mixing accountability types with different levels of government and a wide array of public and private actors (Table 3.2). At first sight, this certainly confirms the thesis of 'multiple and fuzzy accountabilities' presented in chapter 1. Accountability seem scattered around so many actors and levels of government that it is difficult to locate a center. However, the case studies also reveal not all accountability relations are equally important and not all are equally active. In other words, the studies show substantial differences between the formal networks and the actual processes of account-giving and account-reception.



Table 3.3: Accountability types in the five cases

	Helmond/OZO (Netherlands)	TWE (Flanders/ Belgium)	Work practices (Estonia)	Fair Start (Scotland/UK)	CCP (Denmark)
<i>Political</i>	Alderman with implementation responsibility accountable to city council.	Local college approves collaboration agreement.	Limited engagement of politicians. Limited collaboration with local governments.	Limited (local) political accountability: Ensuring councils were 'on-board'.	At national level, experiment is approved and evaluated. Locally, council approve accounts.
<i>Legal</i>	Compliance with privacy rules (GDPR).	Administrative check of formal registrations. Client can defend his or her actions in front of special committee.	Administrative check of formal rules. Possibility of the client to submit complaint on the preach of GDPR.	Limited options for arbitration beyond contacting the Citizen's Advice Bureau.	Mix of legal corpora raises issues of legal accountability in case the citizen wishes to file a complaint.
<i>Managerial</i>	Performance requirements in three year contract with IT company.	Quarterly report at the college of mayor and aldermen about the number of the TWEs. Accounts to centre and PES about personal progress.	County service consultant as account-holder of performance.	Scottish gov. and local politicians are account-holders of performance.	Job centre director and steering committee as account-holder of performance of CCP.
<i>Social</i>	IT company engages users through caseworkers Client subscribe to personal support voluntarily.	Team leader in welfare centre negotiates a collaboration agreement with private workplaces. Client consulted but obliged to participate. Limited formal sanctions.	Tripartite meetings between client, service consultant and provider. Client collaborates in writing progress report. Limited formal sanctions.	Operational meetings with stakeholders. Client can sanction through exit (limited arbitration or advocacy).	Coordination meetings with all involved caseworkers and professionals. Client's ability to sanction plan supported by citizen consultant.
<i>Professional</i>	Buddy system between professionals.	PES oversees that the professional standards are met by the local public welfare centre.	Evaluation by the colleagues in the qualifications committee. Caseworkers discussing cases with colleagues	Codes of conduct, in particular for health professionals involved (barrier to sharing information)	Feedback from colleagues in team. Strong professional code of conduct around 'holistic' effort.



Two points should be made concerning the complex accountability patterns illustrated in Table 3.2 above. First, there is a methodological point to be made. It takes in-depth studies of what is actually going on to understand the role of the various accountability relations in place. The studies show that many accountability relations are in fact inactive or rarely, if ever, lead to sanctions. Also, many accounts are not handled according to the formal rules due to a number of different reasons, such as lack of resources or because the accounts make little sense to the accountee and/or account holder. Finally, some of the account-giving, in particular the horizontal account-giving, is not based on written but on oral accounts, for instance in meetings. The studies thus point to the need for further research into the complex relation between formal and informal and active and inactive forms of accountability.

The second point is more practical and normative. The case studies show that the actual accountability of accountability relations, i.e. the account-giving and -receiving, is not simply a matter of whether the account-giving is active, but rather whether and how accountability relations are activated *when appropriate*. The question of appropriateness of accountability relations is a question of what effect an account-giving relation has on the other relations within the network, especially the ones that were supposed to foster collaboration to tackle the wicked problem of long-term unemployment. The findings show how an accountability relation established to ensure the performance of actors involved can easily end up being counter-productive by demanding accounts (and actions) that turns the attention of actors towards the *measured* performance rather than *real* performance.

The case studies point to the need to pay closer attention to the ways in which accountability relations unfold in practice, and how managerial NPM-style accountability forms are not necessarily the most significant barrier to collaboration. The findings are therefore relevant to the growing literature that has pointed to the great potential of network-based forms of governance that induces collaboration between various agencies and professionals (Lindsay and Dutton, 2012; Fuertes et al., 2014; Considine et al., 2015; Andersen et al., 2017).



Accountability effects and challenges

In this final section, and based on the insights from the case-studies, we outline **seven accountability effects** that should be seen as focus points of attention for researchers and practitioners. On the one hand, they are potential pitfalls that risk jeopardizing the collaborative efforts. On the other hand, awareness towards these issues may strengthen collaborations and, in the end, the aim of personalised services for people caught in long-term unemployment. Hence, we outline some tentative recommendations to practitioners for how to address and mitigate the challenges.

The first two, **effects of quantifiable performance indicators and of standardised accounts**, illustrate some possible unintended effects of managerial accountability. The third concerns **the role of local politicians** and thus political accountability. The latter four effects all concern horizontal accountability. The fourth points to **the ambiguity of the client** as both accountee to performance requirements while also being an account-holder as a key stakeholder ensuring social accountability. The fifth points to **the importance of informal practices to increase trust** between actors collaborating, and thus relates to peer accountability. The sixth concerns **the effects of lack of resources for account-giving** whereas the seventh concerns **the challenges of sharing data** between collaborating actors. This latter effect as well as the second effect concerns the role of ICT. The challenges and recommendations are summarised in table 3.3, and further explained below.



Table 3.3: Seven accountability challenges and recommendations

Accountability challenge	Recommendation
1. Unintended effects of quantifiable indicators	Design and select indicators with great care and interpret the results emanating from applying indicators cautiously and in dialogue with the employees delivering the services and, if possible, with the citizens making use of the services.
2. Standardised accounts and the danger of reductionist understandings	Balance carefully the need for standardisation of contents and formats of accounts with a depiction of the sometimes complex realities relevant to understand and help citizens who are struggling to enter the labour market. Public managers and, in particular, caseworkers should be involved in the design and continued modification of ICT systems used to provide accounts.
3. Superficial participation of local politicians	Politicians should meet with top public managers and with representatives of the caseworkers to explicate in what ways and how often they (the politicians) intend to discuss and provide feedback regarding the collaborative services and the results they produce.
4. Ambiguity of the client as both accountee and account-holder	Consider allowing and enabling the client to act as a producer of social accounts that may be used to gauge whether the services provided are actually useful and how they may be improved.
5. Importance of trust and informal accountability	Balance the need for trust and informal accounts with the necessity of formalising accountability. Public managers need to think about what the best strategy is for how and to what degree accounts should be formalised.
6. Collaboration takes resources	Politicians and public managers should carefully consider the extra operational costs that are often necessary to deliver collaborative services and balance these with realistic prognoses for the longterm benefits by better handling the social problems of the longterm unemployed, improving their skills and moving them closer to labour market participation.
7. Data sharing via ICT	Public managers and caseworkers should play a prominent role in the design of new and the upgrading of existing ICT systems in order to meet legal concerns over privacy, managerial concerns over effective accountgiving, and, not least, social concerns over the ability to produce useful and effective services for and with the citizens in need.

1. Unintended effects of quantifiable performance indicators

With the exception of the Flemish/Belgian case, quantitative indicators play an important role in the managerial accountability of the service delivery in the cases we studied. The intended effect of these indicators is to steer actors towards the set goals. On the positive side, such shared goals align actors' interests and provide some freedom in decision-making as long as targets are met. For instance, this seems to be the case in the Danish CCP where the shared



goal of employment have eased the collaboration. However, we also see various unintended effects of these quantifiable performance indicators.

First, quantitative indicators, such as measuring the number of clients in internships, may neglect important qualitative dimensions, such as whether the internship was meaningful to the client, giving the client new competences, etc., that are difficult to measure in quantitative terms. In the UK/Scottish there was a more qualitative aspect, such as the wellbeing of clients, to service provision that was not immediately apparent to the public. Statistical measures did not capture the qualitative nature of some of the work that is carried out by those delivering the programme. Also, and perhaps as a result of this, those who were involved in the delivery of services expressed limited awareness of the quantified measures that were used to evaluate services. In the Estonian case the contractual relationships and quantitative measurement form barriers to collaboration since requirements were rather strict and focused on the price rather than the quality of service.

Second, when adherence to quantitative indicators become the most important goal, they may result in choices neglecting the real quality effects. In both the Danish and the Estonian case, the strong demand for measurable results ended up excluding relevant target groups from the services. In the Danish case, demands for measurable employment effects from the political level and difficulties measuring health effects reduced the target group to only those who were seen as employable. In addition, a performance target of increasing the numbers of internships resulted in a short-term strategy of putting clients as quickly as possible in such internships rather than the highly hand-held and time-consuming process of finding a personalised match that had previously characterised the effort. In the Estonian case, an expectation of measurable results and impact of certain work practices constricted the circle of clients suitable to the service and left out clients with durable social problems. A demand to move towards employment has also created tensions, for example, tension between what legal corpus clients ought to be accountable to and less space for the caseworkers to deal effectively with complex clients.



In order to reduce the problems linked to the quantifiable indicators, we recommend that the indicators are designed and selected with great care and that the results emanating from applying these on collaborative actions are interpreted cautiously and in dialogue with the employees delivering the services and, if possible, with the citizens making use of the services.

2. Standardised accounts and the danger of reductionist understandings

In order to ensure consistency and predictability in casework, all five cases adopted some form of standardised accounts. Standardisation has many advantages and are necessary for recordkeeping purposes, in particular for managerial account-giving through ICT systems. However, the abstraction and reduction of complex cases necessary to produce standardised accounts may at times be problematic for providing proper service. In the Dutch case the use of a strict protocol (and questions to answer in the test phase) was found to only allow for restricted and very structured reactions and feedback. The result was that changes were mainly made between the project leaders who translated the daily routines into the transition process. In the Scottish/UK case one of the key hindrances identified of ICT was the inability of the software to accurately express the complexity of some of the work that was being undertaken. For instance, because the software would allow to record a contact with a client, but not whether it had taken several attempts to make that contact, the nature of the information required by the systems failed to accurately reflect some of the more qualitative experiences of both service providers and clients.

Caseworkers in the Danish case also note the difficulties designing and using a holistic and cohesive plan for the individual citizen when ICT systems are based on standardised registration schemes rather than on what the citizen needs. In the Flemish/Belgian case a new additional ICT system that aimed to bundle information about clients and their counselling resulted in double registration, substantially increased the workload and, ultimately, resulted in counsellors only registering the minimum of information necessary. In all examples the effect is a formalistic and at times very superficial accountability where the account-giving is somehow deprioritized which again makes it difficult for account holders to respond to the accounts.



Our recommendation is that the need for standardisation of the contents and formats of accounts is carefully balanced with the need to depict the sometimes complex realities relevant to understand and help citizens closer to the labour market. Public managers and, in particular, caseworkers should be involved in the design and continued modification of ICT systems used to provide accounts.

3. Superficial participation of local politicians

The third effect concerns the role of local politicians in the collaborations and thus relate to the (local) political accountability. Politicians – also at local government levels – are busy people and cannot be expected to closely follow specific collaborative service delivery arrangements. Still, it is noteworthy that in all five cases, the relevant politicians seemed to act rather passively as approvers of numbers and budgets, that is upholding managerial accountability, but at a rather superficial level. In the Estonian case, this seem to be the result of limited role of local governments in general due to the fact the state is accountable for the employment services. In all the other cases, local governments do play a central role, but the local politicians remain rather passive. In the Scottish/UK case managers had to ensure that politicians across the three councils were ‘on-board’ and they attended the launch of the programme, but that was the extent of the engagement. In the Flemish/Belgian case the local college of mayor and aldermen approves collaboration agreement without many problems and with little feedback. In the Dutch case and Danish cases, the city council is updated but mainly concerned with meeting the budget and key performance indicators. The fact that members of the local council criticised parts of the collaborations do indicate a certain level of engagement, even if these criticism had little effect. The Danish case points to a rather paradoxical role of account-giving: while the council and steering group is mainly concerned with the meeting of key performance indicators, the politicians and municipality has a very different way of giving accounts to the public, that is citizens or other municipalities. Here, what matters is narratives about individual citizens presented for instance in videos at the website of the municipality. There is thus an unsettled tension in between the political accountability and **legitimacy** of the council members who tell good stories and the managerial accountability of the employees who provide politicians with good numbers.



Our recommendation is not that politicians should directly engage in the collaborative service delivery arrangements. This is neither realistic nor necessarily desirable. Yet, in order to render such arrangements legitimate, politicians must pay attention not only to the design of these, but also to the processes and results coming out of collaborative services. Therefore, politicians should meet with top public managers and with representatives of the caseworkers to explicate in what ways and how often they (the politicians) intend to discuss and provide feedback regarding the collaborative services and the results they produce.

4. The ambiguity of the client as both accountee and account-holder

The fourth effect concerns the role of the client, the long-term unemployed, in the collaborations. One can think of the client as both an accountee and an account holder in the collaborations. In terms of social accountability one can think of the client as a key stakeholder. The client is in other words an account holder, in particular since all five programmes aim to provide personalised services based on the needs of the client. In practice the role of the client as account holder is quite limited. In Estonia, Netherlands and Belgium they are to some extent indirectly represented by the labour unions, although it is uncertain to what extent the unions themselves take on the task of representing the long-term unemployed. Apart from representation through unions, we see no initiatives to include the long-term unemployed clients as a stakeholder ensuring social accountability. Even in the Dutch and Danish cases where policy design is part of the collaboration, the voice of the clients are only indirectly represented providing feedback through their caseworkers. Thus, the main input from the unemployed citizens may come from the national evaluation of the Danish CCP case does include surveys and interviews with clients. In the Dutch case clients were selected which could be used as a kind of guinea pigs to test the system but their feedback, which mainly concerned functionality, was provided by their caseworkers to the ICT company.

A reason for the limited involvement of clients as account-holders is perhaps due to the fact that clients are simultaneously treated as accountees. They are the last link in the chain of managerial accountability of surveying the performance of services. In all five cases, the accountability of the client is established through personal development plans. However, the



role of the client in shaping and following the plans differ. The client as an account-holder capable of sanctioning the plan takes place in this ambiguous environment of more or less voluntary engagement in the programmes. Thus, whereas the plan should also hold other actors involved to account, this seems to fade away in practice. This happens, for instance, for the accountability of employers involved. In the Flemish/Belgian case the accounts given by the workplace to the public welfare centre mainly concern the progress made by the client in terms of working attitudes and competencies. No direct accounts given about the guidance and support offered by the workplace. Similar lack of means to hold employers to account is identified in the Estonian case.

The Danish case may give some insights to what it takes if the client is going to be an equal stakeholder in collaborations. In addition to the possibility of exit, the collaboration around the personal plan is organised to ensure that the voice of the client is taken into account. For instance, it is the client that is deciding the agenda of the joint coordination meetings with involved caseworkers and professionals. Further, the client has a personal 'citizen consultant' whose role is to support the client in voicing concerns and wishes.

The ambiguity between the client's role as accountee and account-holder cannot and, probably, should not be eliminated. **Our recommendation is rather that relevant public managers and caseworkers work towards ensuring more involvement of the client not only as the object of managerial accounts, but also as a subject or producer of social accounts that may be used to gauge whether the services provided are actually useful and how they may be improved.**

5. The importance of trust and informal accountability

Both the Scottish/UK and Danish cases point to the importance of ongoing meetings and discussions to exchange information and gain trust in each other. The Belgian case also shows that it was the lack of sanctions that was enabling open discussion and mutual trust. The loose and informal accountability relations, thus, supported the collaboration because it created trust between the people collaborating. The ongoing encounters, thus, seems to function as



an informal sanction mechanism similar to the dynamics in peer accountability. The ongoing informal meetings can also enhance professional accountability, since it enables transparency and openness between colleagues and sharing experiences and cases with colleagues.

However, the Danish and Scottish/UK cases also show how fragile such trust-based relations can be since they are often dependent on the engagement of specific persons. In the Danish case, the programme was highly dependent on the passionate engagement and competences of key managers and caseworkers. Hence, when some of these people left the municipality for other career opportunities, the support from management would be less univocal and the strong professional spirit around the initiative would diminish. The Scottish/UK case was affected by a recent changeover of staff at a strategic level in the collaboration, leading to either cancellations of meetings or meetings being held informally. Another issue is that the informal forms of peer accountability may result in opaque accountability relations in which it is not clear what are the requirements to in- or excluded as stakeholder. For instance, in the Danish case concerns were raised about the risk of 'turn in on itself' and forget collaborating with other actors not included as stakeholders.

The complex and delicate relationship between trust and informal accounts makes any straightforward recommendations difficult. On the one hand, trust is clearly crucial to make collaboration work between key managers, caseworkers, and citizens navigating across legal and organisational boundaries. Such trust should not be undermined by insisting on highly formalised and standardised accounts. On the other hand, in the absence of trust and dedicated individual staff, formalised procedures stipulating when, who should give what kind of accounts is likely to be an advantage if not a legal requirement.

Our recommendation is that public managers need to carefully consider the importance of trust and informal relationship when thinking about what the best strategy is for how and to what degree accounts should be formalised.



6. Collaboration takes resources

The sixth effect points to the rather simple but important point that if accounts are in fact to ensure accountability and engaged reception, resources and attention need to be allocated towards them. An example is the communication between case workers and group facilitators in Estonia, that did not occur on an ongoing basis but was limited to become initiated in the case of problems. Similarly, the counsellors of the public welfare centre in the Flemish/Belgian case would like to evaluate more often and more thoroughly, but lack the capacity to do so. Another example from the Flemish/Belgian case is an audit where the public employment services visits the public welfare centres and assesses the quality of the '*pathway guidance*'. While the initial goal is to evaluate the quality of the personal counselling, in practice, the assessment is rather administrative and formal due to limited resources. In the Scottish/UK case network members expressed that their workload sometimes precluded them from engaging fully with the account-receiving procedures.

Our recommendation is that politicians and public managers carefully consider the extra operational costs that are often necessary to deliver collaborative services and balance these with realistic prognoses for the longterm benefits by better handling the social problems of the longterm unemployed, improving their skills and moving them closer to labour market participation.

7. Sharing data with ICT

The final issue is a challenge related to data sharing between the involved actors/ organisations. This is a major challenge in all cases and with no definitive solutions at hand. In the Scottish/UK, Danish and Dutch cases, actors were challenged by the incapacity of integrating different ICT systems either residing in different local governments or in different sectors within the municipality. In the Scottish/UK case there was no uniform ICT system across the three councils involved, which proved to be a hindrance to the sharing of information and accountability horizontally between providers. In the Danish case, the ICT systems for the filing of cases and decisions are based on legal and organisational compartmentalisation and are thus not able to communicate with each other. Since there is



no overarching ICT system in which the personal plan can be registered, the same plan is registered in all the sub-ICT-systems. In the Dutch case the registration systems of the different professionals involved in the neighbourhood teams follow other protocols and work routines than the transition of the municipality demands.

Moreover, privacy regulations, e.g., the General Data Protection Regulation (GDPR), restricts data and knowledge sharing in all the cases. In the Scottish/UK case the IT systems are only accessible by council employees who are involved in the specific programme, not NHS employees or third sector organisations taking part in the programme, as this would be considered a breach of data governance. This means that whilst there will be documentary evidence of clients' progress through the programme, the systems are not able to communicate with each other easily. In Estonia, the communication with the service providers still relies on exchanging e-mails at this point, and the group facilitators cannot access the information on the clients that they are working with in the digital platform due to the concerns with privacy and the potential of revealing sensitive personal data. In the Danish case, the legal clauses on data protection and sharing, such as GDPR, seem to have inhibited data sharing to an extent that the ambition of developing a unified system has been abandoned. In Flanders a system exists which gives every client of the Flemish public employment services a personal profile where all the information that is important to guide him or her towards a sustainable employment is brought together. Because all information about the clients is bundled in the personal profile, an integrated approach that builds on the counselling the client received from the public welfare centre can be offered. However, some information is intentionally not written and counsellors of the public welfare centre have limited access to the client's profile because of privacy issues. The Dutch case study is in fact about a local attempt to build an integrated digital platform, but it is still confronted with outstanding GDPR issues. It is thus likely that cross-disciplinary and cross-sectoral collaborations targeting citizens with complex problems and needs will have to find alternative, and perhaps more traditional, ways of sharing knowledge and data among each other in order not to collide with legal accountability to the right to privacy.



Our recommendation is that public managers and representatives of the caseworkers play a prominent role in the design of new and the upgrading of existing ICT systems in order to meet legal concerns over privacy, managerial concerns over effective accounting, and, not least, social concerns over the ability to produce useful and effective services for and with the citizens in need.



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Annex 1: Mappings

Dutch employment policy and governance tackling long-term unemployment

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Historical policy development

During the mid-70's oil crisis and the subsequent recession, the rapid growth of the number of beneficiaries sparked a public debate about the functioning of social assistance and employee insurance policies. The main concerns were the rising costs and the alleged misuse of the systems. Consequently, in the 1990s, a number of critical reports by government commissions marked a shift in the design of the Dutch welfare state. Two particularly impactful reports are discussed.

In 1993, the Minister of Social Affairs (SZW) installed the Van der Zwan Committee (1993) to assess the extent of improper use of the *Algemene Bijstandswet* (Abw). This law, which regulated *social assistance* benefits since 1965, had developed from an income provision for exceptional cases to a structural income provision for large groups of benefit recipients. According to the report, there were a large number of cases of 'forgery, organised scams, calculated adjustments in personal circumstances, the avoidance of paid work, carelessness of civil servants and a too wide interpretation of the law' (Fenger et al., 2011, p. 78).

In the same year, a report by the Buurmeijer Committee (1993) concluded that the *employee insurance system* was in urgent need of redesign as well. Until then, the system had a corporatist organisation of unemployment and disability schemes. Employers' and employees' associations were responsible for the implementation of the schemes. This system, however, encouraged welfare dependency instead of reintegrating unemployed and disabled workers into paid employment. The associations focused mainly on quick and generous disbursement and were accused of using disability benefits as an 'exit gate' for (mainly older) redundant workers. Public steering and independent supervision were lacking.



The reports were a trigger for two major reforms in 1996. Following the Van der Zwan Committee, the Abw was replaced with the *Nieuwe Algemene Bijstandswet* (N-Abw). The act was in some ways an adjustment to the old Abw; access to and amount and duration of benefits were changed to keep the total costs manageable. Additionally, there were three notable changes (Fenger et al., 2011). First, the N-Abw installed a system of national basic standards and municipal allowances, forming a compromise between customized services and legal certainty. Secondly, the act emphasized the fight against fraud, by expanding the instruments for municipalities and by implementing an accountability and control system through which municipalities had to account for the provision of benefits. Thirdly, outflow and activation of benefit recipients received higher priority.

Following the Buurmeijer Committee, the introduction of the *Wet Uitbreiding Loondoorbetaling Bij Ziekte* (WULBZ) in 1996 changed the way in which employee insurance was arranged (Eleveld and Van Vliet, 2013). First, the act compelled the employer to pay 70 per cent of the previous earned income during the first 52 weeks of disability, thus 'privatizing' sickness insurance (later increased to 104 weeks under the *Wet Verlenging Loondoorbetaling bij Ziekte* (VLZ) in 2004). With these reforms, the employee insurance became more activating; employers received a financial incentive to reintegrate their sick workers as soon as possible. On top of this, in 2002 the *Wet verbetering poortwachter* came into force, which obliged employers and employees to take a number of steps towards reintegration, such as reporting sick employees to a company doctor and designing a plan of action towards reintegration.

In the following years, government continued to look for ways to reform the implementation system for long term unemployment insurance disbursement. With the *Wet Structuur Uitvoeringsorganisatie Werk en Inkomen* (SUWI) of 2002, the previous corporatist organisation was replaced with a more centralised, state-led system. The business associations were merged into one autonomous administrative authority (zbo), called the Employee Insurance Agency, commissioned by the Ministry of Social Affairs and Employment (SZW). With this system the government hoped to better safeguard the 'public interest' and to lose the previously mentioned 'perverse effects' that came with the previous system.



In 2004, an increased decentralised *social assistance* provision (from the previous N-Awb) became visible with the coming of the *Wet Werk en Bijstand (WWB)*. The WWB was designed under the notion that ‘work precedes income’, and thus the main goal of the act was client activation (TK 28870, no 3, p. 3-4). Social assistance was no longer seen as simply income support, but rather, as a means of recipient activation and the prevention of benefit dependency, through re-employment and the prevention of benefit claims, while maintaining the minimum income guarantee. The WWB fully decentralised the budgetary responsibilities and rules with respect to reintegration into paid employment, sanctions and extra allowances. As a result, the (financial) risk of policy failure now laid in the hands of municipalities instead of the national government (Bannink, 2014).

With the WWB, the Dutch State hoped that financial responsibility would increase incentives for municipalities to reduce social assistance dependency. Under the new financing system, municipalities received two budgets in advance: one for social assistance payments, and one for active labour market policies. When municipalities exceeded the payment budget, they had to draw on their own resources for financing. When the budget was not fully used, they were free to spend the saved resources (Borghini and van Berkel, 2007). As a result, policy success was mainly defined in terms of re-employment, as the number of social assistance beneficiaries corresponded directly with the financial health of the municipality. Beneficiaries were obligated to work towards re-employment, supported by an obligation upon municipalities to offer support to clients in their re-employment efforts, and an individual obligation to utilise the offered support (Bannink, 2014).

The WWB provided the legal basis for the *Work First* programmes that many municipalities started to deploy. In these obligatory programmes, municipalities attempt to limit the inflow of social assistance recipients by getting people to work, often through short term contracts for easy work (Vrooman, 2010). Especially in the first years after the WWB, municipalities prioritized use of their reintegration budgets for people who were more likely to find work, which Blommesteijn et al. (2012) refer to as ‘quick wins rather than long-term investments.’



In the following years, there were a number of attempts of improving the participation of specific groups. The most prominent of these groups were younger people. Under the *Wet investeren in jongeren* (WIJ) of 2009, municipalities were forced to help youth under 27 years old get a job, an education or a combination of both. If this help were declined, the person would not receive any benefits (Fenger et al., 2011). This law was later abolished in 2011 and instead incorporated in the WWB with several changes. Younger people now had to search for a job or an education themselves for four weeks, after which the municipality would judge whether the person had searched sufficiently to receive benefits. Thus, activation policy for youth now put more emphasis on the 'own responsibility' of younger people (TK-32815, no. 3, 2010-2011).

In 2007, the Netherlands was struck by the great recession. In the aftermath, the Netherlands was faced with 270.000 people who had been unemployed for more than a year, which represented about 3% of the labour force. This was a score worse than, for example, Germany, the US and the Nordic countries, and is explained by a slower economic recovery with an extra economic dip in 2012-2013 (De Graaf-Zijl et al., 2015). With this subpar economic performance came the political desire to make cuts in government spending. As the centre-right government had proposed in its coalition agreement in 2011 (Rutte and Verhagen, 2011), this led to a number of changes to the social security system.

The SUWI system was changed twice, once in 2009 and once in 2012. The changes in 2009 aimed mostly at increasing collaboration with municipalities and reaching 'integrated service delivery'. The UWV and municipalities were to form a joint front office, called *Werkpleinen*. The way in which these offices took shape was not specified. The SUWI system was changed once more in 2012, with reducing operational costs as a main driver. The reintegration budget of the UWV was halved and the number of UWV locations was reduced from 98 'local' to 30 'regional' locations. It was argued that employers search for employees on a regional labour market (rather than a local market), and that the regional UWV offices were a better fit for collaboration with municipalities. Municipalities were instructed to shape 'labour market regions' in which municipalities and the UWV work together on subjects such as labour



market, employer services and the registration of vacancies and job seekers (Witkamp, Engelen, Boer and Trommel, 2015).

For municipalities to make more people participate in labour, allocate budgets more effectively and efficiently, and to further prevent people from becoming dependent on welfare benefits, the coalition agreement also called for the reform of the WWB. This resulted in the *Participation Act* of 2015. This grand reform, often dubbed 'the three decentralisations', strengthened the coordinating role of municipalities in the social domain. The Participation Act must ensure that more people find work, including people with a work disability. Under the Participation Act the partly overlapping WWB, *Wajong* and *Wet sociale werkvoorziening* (WSW) (two acts that provided special assistance for specific groups of people with a distance to the labour market due to a mental or physical handicap) were merged into a single act. In the so-called *Participatiesamenleving* (participation society), every person had the obligation to participate to their own ability, and the municipalities received the instruments to realise this increase in labour participation. However, the main benefit of the new act is to be found in operational efficiency. As Edzes and Van Dijk (2015) points out, the financial incentives of the WWB were so strong that municipalities screened clients for rights to the Wajong and Wsw, and subsequently passed them on to those schemes. The Participation Act served as a solution to this system failure, as municipalities were now responsible for these groups as well.

In summary, over the last 25 years we see a government that continuously seeks to make unemployment policy more efficient and more activating. The end result is, roughly, a centralised SUWI-system that implements employee insurance policies, and a decentralised social assistance system implemented at the municipal (and increasingly, regional) level.

Governance structures

Dutch employment policy can be divided in two systems. The first one is the unemployment insurance system (*werknemersverzekeringen*). This system is financed by employers, who deduct a premium from their employees' wages. Employers then make contributions to the UWV, an autonomous administrative authority that is responsible for the evaluation of



applications for and payment of unemployment benefits. The second one is the social assistance system (*sociale voorzieningen*), which covers a range of benefits and other forms of support for unemployed and is financed entirely through taxes. This system is delivered by municipalities.

From the mid-90s and onwards, both systems have seen significant reforms that changed the governance structure. Here, we see *governance* as a process through which outcomes are achieved, and *governance structure* as the organisational arrangements through which the employment policy is processed. The two systems will be discussed separately in the following paragraphs.

Unemployment insurance

The reforms that have taken place in the area of unemployment insurance can be described as a shift from the state to employers. Before the introduction of the WULBZ in 1996, employers would pay a premium to a *public*, sector-specific business association, which would pay out insurance after an employee had been sick for longer than two days. Like the Buurmeijer Committee (1993) concluded, however, the task of controlling payment volume was neglected entirely; the business associations had no financial incentives to reduce the number of benefit recipients. With the WULBZ, this insurance scheme was partly privatized. Instead of a public body, employers themselves now had to pay 70% of the previous earned income to employees for the first 52 weeks of sickness, which was extended to 104 weeks in 2004. Because of this, employers received a direct financial incentive to reintegrate their sick and disabled employees into paid work as soon as possible. After these two years, the UWV becomes at the service of the unemployed.

As Eleveld and van Vliet (2013) state, this movement of the allocation of welfare services from a state actor to a private employer has led to diminished public safeguards for income maintenance in a number of ways. For example, conflicts over payments during absence are now regulated in civil law procedures (employee versus employer) instead of administrative law procedures, taking away some of the public safeguards of benefit claims during periods of illness. Before, the unemployed did not have to go to court immediately but could lodge an



objection in writing. Administrative law also contained a number of General Principles of Good Administration that offered specific protection to citizens.

From 2002 and onwards, the Implementation Structure for Work and Income (SUWI) has led to an entirely new governance structure for the social security policy implementation. SUWI was mostly an operational reform that aimed to achieve a more activating, 'client-focused' and efficient implementation of employee insurance and reintegration policy (de Beer et al., 2010). In order to achieve this, three major shifts took place. First, SUWI led to a state-oriented implementation of employee insurances: the department SZW took over the management and supervision of the insurance system, whereas up until the 1990's employers and employees had played a central role. Secondly, SUWI led to the *centralisation* of the system: the previously decentralised business associations were merged into a single nationwide organisation, UWV, under direct supervision of the Ministry of SZW. These two developments are in some ways contradicting to 'new modes' of governance (Borghgi and van Berkel, 2007), however, they were deemed better at protecting the public cause. Third, under SUWI, the implementation of reintegration for unemployment benefits recipients was privatized (Witkamp et al., 2015).

With SUWI also came a number of other NPM-style measures in the form of performance measurement. For example, the Ministry of SZW formulates a number of performance indicators in yearly 'UWV annual plans', which are then reported back on in four-monthly and yearly performance reports. These indicators are set in seven themes: payout, (re)assessment (of labour capacity), job mediation and promotion of reintegration and outflow, client focus, efficiency of implementation, efficiency of data processing, and legality.

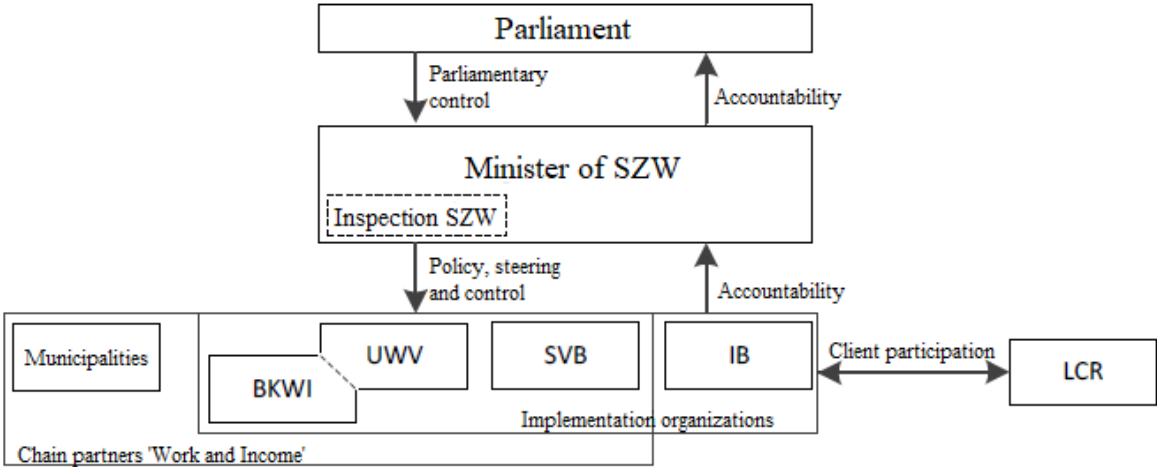
Figure A1.1¹⁰ summarises the work and income implementation (SUWI) system. The minister, subject to parliamentary control, gives shape to the system and supervises it through the Inspection SZW. The UWV is the central implementation body in the system, responsible for

¹⁰ The SVB is the autonomous administrative authority responsible for a number of national insurance schemes such as pensions and child benefits and has been excluded from this discussion.



disbursement of unemployment insurance, medical assessments, and job placement. The BKWI – more or less part of UWV – is the ‘central information broker’ of the Work and Income chain that facilitates information and knowledge exchange between the UWV and municipalities. The IB is the ‘decentral information broker’, that mostly supports municipalities with legality checks of benefits disbursements. Lastly, the LCR is a consultative body for national client organisations and client councils that each represent individual clients.

Figure A1.1: The SUWI-system



Source: Witkamp et al., 2015.

Social assistance

Changes in the governance arrangement of social assistance policy has decentralisation as a common denominator. Throughout the last two decades, implementation has shifted almost entirely from state level to municipal level, the latter becoming increasingly financially responsible for implementation results, while national regulation was reduced.

With the WWB of 2004, the governance structure of the social assistance system changed according to the so-called ‘Three Ds’ (Bannink, 2014). The first D, ‘decentralisation’, refers to the aforementioned transfer of financial risks and resources for social assistance disbursement to the municipalities. With this transfer, municipalities could ‘profit’ from decreased numbers of disbursed benefits, thus leading to a more results-based approach to policy implementation.

The second D was 'deregulation'. In order to improve the discretionary policy implementation capacity, the amount and complexity of rules was decreased. This most notably allowed municipalities to allocate their re-employment resources to specific groups that had a high chance of reintegrating into paid work. This selective client approach of focusing on 'quick wins' was often criticised, as welfare recipients at a larger distance were neglected (Blommesteijn et al., 2012). The third D was the decrease of reporting obligations. By doing so, the state aimed to reduce 'bureaucracy' in order to improve problem-solving capacities at the municipal level. Overall, the WWB might best be described as an accountability arrangement of 'decentred policy resource risks and centred policy content capacities' (Bannink, 2014). The nationally defined policy objectives, e.g. 'work before income', are pursued by municipalities that have become financially accountable for the delivery of social assistance benefits.

The later Participation Act of 2015 made municipalities responsible for the reintegration of all people with a work disability or a distance to the labour market (instead of UWV), thus furthering decentralisation of social assistance system. Because of this, the need for collaboration on a regional level increased, above all in order to align job market policies (Witkamp et al., 2015). This emerging collaborative agenda is often referred to as a so-called collaboration process between the three O's: *overheid* (government), *onderwijs* (education) and *ondernemers* (entrepreneurs) (Inspectie SZW, 2013). One specific manifestation of this regional collaboration is the 35 regional *Werkbedrijven*, in which the UWV, municipalities/VNG and various social partners work together to offer more jobs to people with work disabilities. This regional collaboration is continuously pursued, aiming for more integrated service delivery, notably in terms of job placement. As Witkamp et al. (2015) point out, collaboration between UWV and municipalities has thus far been obstructed by competition; both parties have an interest in the outflow of their own population (unemployment insured versus social assistance recipients respectively). Furthermore, the difference in governance structures between both actor – decentral, autonomous municipalities versus a centralised UWV – has been an obstacle in the way of collaboration. These critiques, along with the rather ambiguous role for the municipality as a 'chain partner' in the SUWI-system, has led to a large variety of governance structures, ranging from no collaboration in some regions to fully integrated service delivery in other.



Table A1.4: Accountability structures

	<i>Accounter</i>	<i>Role of accounter</i>	<i>Accountee</i>	<i>Role of accountee</i>
Polymaking	Ministry of Social Affairs and Employment	National policy design: system reforms	1 National parliament 2 Labour unions, social partners	Political accountability: holding officeholders accountable, decision-making Informal accountability loop, e.g. round tables
	Municipalities	Formulation of social assistance and activation policy	1 Municipal council 2 VNG 3 Labour unions, (social) enterprises, knowledge institutions	Political accountability: holding officeholders accountable, decision-making Collaborative accountability: (coordinating) collaboration Informal accountability loop, e.g. round tables
Service delivery	Municipalities	Implementation of social assistance and activation policy	1 Municipal council 2 Inspection SZW	Political accountability: holding officeholders accountable, decision-making Evaluating local policies
	UWV	Implementation of employee insurance and activation policy	1 Ministry SZW 2 Inspection SZW 3 Parliament	Bureaucratic accountability: organisation and performance measures, intervention Policy evaluation Political accountability

Public accountability structures

Accountability structures here are seen as relationships where *accounters* (those rendering accounts) are held accountable for their behaviour and performance by *accountees* (those to whom account is rendered) (Klijn and Koppenjan, 2017). A number of main actors are listed, divided in policymaking and service delivery themes.



Policymaking

In relation to employment policy, the national parliament is the main actor in decision-making. Most of the legislative preparation and deliberation takes place within the permanent parliamentary committee Social Affairs and Employment. However, most bills are initiated by the government – specifically the Ministry of Social Affairs and Employment (SZW) and the relevant directorates. The national parliament is in two ways a political accountee to the government/ministry. First, new legislation (such as the system reforms discussed) needs to pass parliament by majority vote. Secondly, parliament possesses a number of instruments with which office holders can be held accountable, for instance by issuing a vote of no-confidence or through the right of inquiry. As illustrated earlier in the historical development paragraph, the latter has proven to be an effective measure, since parliamentary (and governmental) committees have often played influential roles in policymaking processes and realising large system changes.

Following the decentralisations, municipalities have acquired much more freedom in how they shape their social assistance policy, most notably in the field of activation and reintegration of the unemployed. As is the case at the national level, municipal councils are political accountees of office holders, possessing the same instruments. Formulation of (un)employment policy on the regional/municipal level is often described as a collaboration process between the three O's: *overheid* (government), *onderwijs* (education) and *ondernemers* (entrepreneurs) (Inspectie SZW, 2013). The municipal umbrella organisation *Vereniging van Nederlandse Gemeenten* (VNG) plays an important role in policymaking as a collaborative accountee; it often coordinates collaboration processes and intermunicipal experiments. Furthermore, both on the national and regional level, a variety of labour unions and other social partners are often involved with policy formation processes. These often play a role as informal or social accountees, engaging in public participatory policymaking and advising policymakers and practitioners.



Service delivery

Municipalities (355 in total, with around 45.000 inhabitants on average) and the employee insurance agency (UWV) are responsible for the payment of social assistance benefits and employee insurance respectively. The UWV is an agency of the Ministry of Social Affairs and Employment. Both municipalities and the UWV implement and are responsible for their own activation/reintegration policy. These policies are generally handled in job centres (*werkpleinen*). The UWV has an overarching job centre (www.werk.nl), but the way these job centres manifest itself in municipalities varies. For example, some municipalities arrange their own job centre within their social service department, while others set up collaborative arrangements between municipalities and sometimes with the UWV, essentially creating a job centre in the form of a joint venture. Thus, the way accountability is structured varies with how the job centres are designed.

In general, when it comes to social assistance policies, the municipality is accountable to the municipal council. The council surveys the activities of the job centres and, for example, the number of beneficiaries, since there is a direct financial incentive to reduce the number of social assistance beneficiaries. The effectiveness of policies is often measured by comparison, both temporal and by benchmarking with other municipalities. The council has a range of instruments with which they can hold the job centre accountable, such as inquiry, budgeting, and votes of no confidence for office holders. For this form of political accountability, there is usually a specialised council committee in which a councilmember of each political party is represented. The name of this committee and the scope of the subjects covered differs per municipality.

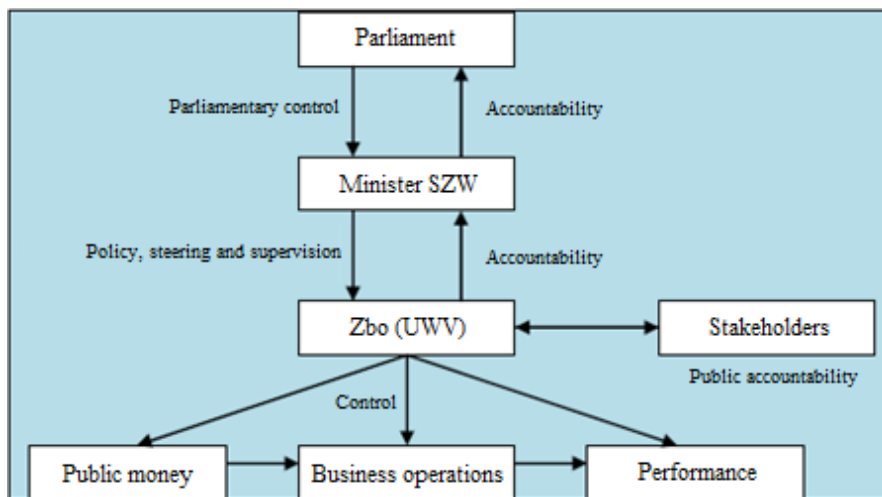
The UWV is an autonomous administrative authority (zbo) of the Ministry of SZW. This entails an organisation that performs a specific government task (laid down in the law), but that is not hierarchically subordinate to a minister. In other words, the UWV is self-governing to a certain extent. However, the minister is still politically accountable to parliament for the actions of the UWV, and still has a wide array of instruments for intervention available in case the UWV fails to perform well. This form of administrative accountability includes the ability to appoint, suspend and dismiss directors, to abolish decisions made by the zbo and to make



policy rules so that the zbo can properly perform the range of tasks (Kaderwet zelfstandige bestuursorganen, 2015).

Figure A1.2 summarises the accountability structure. The UWV itself is primarily responsible for the functioning of service delivery, given its status as an autonomous administrative authority. The UWV has its own owner (the Secretary General of the Ministry), responsible for organisation-related affairs, and its own contractor (the Directorate General), responsible for the operations. Additionally, UWV has to deal with various administrative and policy-related stakeholders with whom contact is maintained/cooperated, including municipalities, employers 'and employees' organisations, the VNG, client councils and the National ombudsman. With the Participation act of 2015 the roles of these stakeholders have become more important, since the UWV, municipalities, social partners and employers increasingly form collaborations and engage in contractual agreements.

Figure A1.2: The accountability structure for Zbo's



Source: Ministry of SZW: Toezichtbeleid SZW, UWV en SVB (2017).

Evaluation by the Ministry of SZW of service delivery by the UWV as well as municipalities happens via the Inspection SZW, the supervisory body of the aforementioned ministry. The Inspection evaluates the 'system of work and income' as a whole, that is the combined effort of both municipalities, the UWV and other collaborative partners on outcome level, and looks



for areas of improvement. This information is then shared with the minister, who can inform parliament and adjust the implementation where necessary. The Inspection may also evaluate a specific policy implementation of an individual body (e.g. a new municipal activation policy), but only if the minister specifically asked for this.

ICT

ICT in the field of unemployment services increasingly plays a role in monitoring the performance of municipalities. Annually, the municipalities have to share performance results that follow from their ICT systems. Based on this performance information, a ranking is made and published on the website: www.waarstaatjegemeente.nl. The performance information helps civil servants, but also local council members, to assess the effectiveness of their unemployment service policies. At the same time, it allows to see if ‘best practices’ can be shared between municipalities. To foster such a kind of collaboration, based on the ICT information, the National Association of Municipalities (in Dutch: Vereniging van Nederlandse Gemeenten – ‘VNG’) presents since 2015 – when municipalities became responsible for among other things long-term unemployment services after the Decentralisation of the Social Policy to the local level – a Municipal Monitor Social Policy¹¹. In the monitor, specific attention is dedicated to innovative practices of municipalities. Past years, most ‘innovative practices’ were local digital platforms on which job seekers can post their CV’s or where companies can present vacancies. An example of such a platform is ‘Werkplein IJsselgemeenten¹²’. This digital platform functions as entry gate for unemployed people to find a job. In addition, it allows job seekers to make a personal plan or roadmap with a job coach to find a new job or voluntary work as quickly as possible. Also, the Dutch Unemployment Agency (UWV) has in the past years invested in a digital infrastructure to create a one-stop shop for unemployed people to have one office to contact for activation instruments and social benefits¹³. Currently, the National Government works on the implementation of the National Digital Agenda 2018. In this Digital Agenda, specific tools are being developed to strengthen the job perspective for

¹¹ https://www.waarstaatjegemeente.nl/jive/report?id=gmsd&input_geo=gemeente_1680

¹² https://www.ijsselgemeenten.nl/ijsselgemeenten/werkplein-ijsselgemeenten_268/

¹³ <https://digid.nl/inloggen>



long-term unemployed people. No specific ICT measures are mentioned so far. Nevertheless, a special program office is set up within the Ministry of Social Affairs to develop-by-design new ICT instruments and test them in field labs at the local level in the Netherlands¹⁴. The results of this field lab are expected to be presented in 2020.

¹⁴ <https://www.digitaleoverheid.nl/actielijn/programma-toekomst-gegevensuitwisseling-werk-en-inkomen/>



Belgian employment policy and governance tackling long-term unemployment

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As in multiple other countries, assistance to the (long-term) unemployed in Belgium is organised in a general dual system, with competences spread over two main policy domains. On the one hand, the policy domain of labour and employment *inter alia* develops a multitude of policy initiatives that comes forth from the unemployment insurance system. On the other hand, initiatives of the policy domain of welfare focus on lowering the thresholds to paid work for those who live at a great distance from the labour market. These initiatives generally focus on people who receive social welfare benefits. We will, in the duration of this report, follow this dual system and use it as a framework to explain the multiple organisations and services and the accountability structures between them. Belgium is a federal state with a substantial amount of competences placed at the regional level. Activation policy for the long-term unemployed is, thus, also spread across the federal, regional, and local level. Since the sixth state reform in 2014, the majority of these competences is at the regional level, of which we will focus mainly on the Flemish region.

Historical policy development

Some unique characteristics determined the Belgian job market and the policies that regulated it during the 1970s: high and early labour participation among women, an active baby boom generation, and a relatively high dependency on old modes of industry. While many of these characteristics helped the Belgian economy grow and flourish, they also amplified the consequences of the 1970's oil crises. The Belgian economy not only suffered quite a big hit, unemployment rates rose to very high levels, never to recover on their own. In 1976, the federal government issued the law on public welfare centres. The goal of these local public welfare centres is to make a valuable life possible for every human being. One of their main tasks is to organise the system of living wages. Article 60 of this law creates the possibility for public welfare centres to hire people who benefit from a living wage. This *Article 60 labour* became a rather important instrument to activate the long-term unemployed and



is meant as a stepping stone to more durable employment in the regular economy (de Coen et al., 2018).

After years of incremental policy-making regarding activation of long-term unemployment, the end of the 1980's saw various policy initiatives that came into being. Some initiatives focused mainly on lowering the threshold to employment by creating jobs for unskilled workers, following the *article 60* labour mentioned above. *Local employment agencies* were set up by municipalities and provided jobs that served the local community. Jobs in local employment agencies are even more accessible than *article 60 labour* and is thus a complementary instrument. In 1993 these local employment agencies became mandatory for every municipality. Later on, in 2004, the instalment of the *service voucher* was another initiative that targeted the supply side of the labour market for unskilled workers. This time, also private individuals could participate. With service vouchers private individuals can hire domestic help for which the government provides a contribution in order to create new jobs for unskilled workers. Many local employment agency employees went on to work in the system of the service vouchers, which was then executed by the federal government.

The third state reform in 1988-1989 transferred more competences from the federal level to the regions, thus making the activation of the long-term unemployed a more regional issue. In 1989, the *National Employment Office*, a federal institution, underwent restructuring and three new regional PESs ("Public Employment Services") were installed, VDAB in Flanders, FOREM in Wallonia and BGDA¹⁵ in Brussels. Unemployment insurance schemes remained the responsibility of the National Employment Office, while responsibility for employment and reintegration of job seekers was based mainly in the hands of the Flemish government and the VDAB (Struyven and van Hemel, 2009). Activation policy regarding the policy domains of social security and welfare also remained at the federal level, implemented locally by social welfare centres.

¹⁵ BGDA was later renamed Actiris.



In the second half of the 1990's, initiatives and policy development regarding employment have been characterised by a prominent focus on the thorough and continuous guidance of job-seekers throughout their search for employment and beyond. This service is called *pathway guidance*. One could say that, in essence, pathway guidance focuses on the job-seeker himself, as opposed to focusing on vacancies (de Cuyper et al., 2004). From 1997 on, this system became the frontrunner of a more active and activating approach to the Belgian welfare state (de Cuyper et al., 2004). Pathway guidance was executed by the regional PES. The Flemish VDAB's pathway guidance evolved throughout the years to a modular system in which all job-seekers have a place and receive tailor-made support matching the specific position in their careers. Long-term unemployed people are thus supported in the same way, but they may have already completed several modules that have led them to different services, provided by different actors. This modular pathway guidance will be explained more in the discussion of service delivery.

Other legislative initiatives around the turn of the century focused on certain societal groups or demographic categories. Throughout the years, multiple initiatives were launched including wage subsidies or reductions on social contributions for employers. The aim is to reduce the cost for organisations that hire people of groups vulnerable to (long-term) unemployment, like older people for example, and, thus, preventing vulnerable job-seekers to remain unemployed for a longer period. These mostly federal initiatives were called *target group reductions*.

2004 meant a bit of a shake-up for Belgian unemployment activation policy. From this moment on, job-seekers were not only evaluated for their availability on the job market, but also for the intensity of their search for work. When job-seekers were not actively searching for employment, they could be penalized. The control of this new system was placed in the hands of the National Employment Office, who cooperated with regional PES to exchange information about the search behaviour of unemployed people (Cockx et al., 2007).

The new millennium also meant a policy paradigm shift resulting in a more decentralised and collaborative approach to activating labour market policy. VDAB started looking at



collaborations with other partners, both profit and non-profit, for service delivery along the lines of the tender model (Struyven and van Hemel, 2009). The VDAB therefore increasingly took on the role of *conductor* of the public market for activation of the unemployed. Also at the beginning of the 2000's, the creation of job shops meant the enablement of local '*one stop shops*' through collaboration agreements between local governments, VDAB, and other partners. These collaboration agreements were based on an inter-administrative framework agreement that was reached between the federal government, the Flemish government, and local authorities. The job shops fulfilled all front office functions for those in need of unemployment services, provided by VDAB, the National Employment Office, the local job agencies, GTB (an organisation for job-seekers with an impairment), and the social welfare centres (Struyven and van Hemel, 2009). In 2013, VDAB, along with the Association of Cities and Municipalities, reviewed the spread of these job shops. As a result of this, some job shops were shut down. Nowadays, job shops are primarily located in the larger municipalities and cities.

One could argue that one of the most significant changes in terms of unemployment policy is the sixth state reform of 2012-2014. This state reform was aimed at organising a more efficient federal state with increased autonomy for the regions. It shifted several competences of budgetary significance from the federal level to the regions. The activation of those who benefitted from the unemployment insurance became a completely regional competence. In practice, this meant that the regions (of which we will focus on the Flemish region) took over the organisation of control of the availability of the (long-term) unemployed, sanctions regarding search behaviour, and the administrative organisation of local employment agencies and the service voucher system from the National Employment Office (Van Dooren, Struyven et al., 2014).

In recent years, the Flemish government has been encouraging local governments to organise themselves on a sub-regional scale to provide some activation services. Cooperation agreements were reached between local governments to organise local employment agencies (which is called "*wijk-werken*" since 1/01/'18) and the support of the social economy. These sub-regional cooperations receive subsidies from the Department of Welfare according to the population they represent.



Local governments still have some instruments to activate unemployed people living on welfare benefits. *Temporary working experience* (TWE) have replaced *article 60 labour* in 2017. This new system also enables social welfare centres to hire long-term unemployed people for jobs in the local social welfare centre or with local partners. The loans are subsidized by the Flemish department of Welfare. Like *article 60*, local governments hire TWE's to give them an opportunity to gather experience and use the TWE as a stepping-stone to a more durable employment in the regular economy. The system is now reformed and integrated in VDAB's pathway guidance. Similar is the *local service economy*. This local economy provides accessible job opportunities that are '*services of general interest*'¹⁶.

Governance structures

As mentioned, the sixth state reform of 2012-2014 meant a transfer of competences related to the activation of the (long-term) unemployed from the federal level to the regions, making it an increasingly regional issue. In the following section, we will provide an overview of the current situation. We will delineate the actors at the different government levels and their role in the activation of (long term) unemployment and the services they deliver. As stated before, we will mainly be focusing on the Flemish region.

Starting at the federal level, the National Employment Office is responsible for unemployment insurance. They evaluate eligibility of the unemployed for the insurance system and determine the height of unemployment benefits. These benefits are then paid by the Employment Benefit Fund or by registered labour unions. Also on the federal level, there is the National Social Security Office. They are responsible for receiving and managing the social security contributions, and for financing diverse social security benefits. Before the sixth state reform, the National Social Security Office was responsible for *target group reductions* regarding social security contributions. Since then, this competence has been moved to the regional level (van Dooren et al., 2014).

¹⁶ https://ec.europa.eu/info/topics/single-market/services-general-interest_nl



At this regional level, we find the PES VDAB, tasked with the activation policy of the Flemish region. It is an external agency of the Flemish government. This means they perform a specific public task, which is decided in legislation, but they are not under the direct authority of a minister. VDAB has increasingly taken up the role of a conductor of the labour market. The shift to a more market-driven approach, using the tender model for service delivery, placed VDAB in a double role. On the one hand, they have an 'executive role' as they are an actor in the field of unemployment activation. On the other hand, they are the conductor of this public market, who directs and manages other actors that are involved in the tender model (Struyven and van Parys, 2016; van Dooren, Coomans, et al., 2014). In response to this dual role, the management agreement between the Flemish government and VDAB guarantees a division in management, direction and budget between the agency's conductor role and its executive role (as first contact in the pathway guidance) (Struyven et al., 2007).

The sixth state reform (2014) added competences that allowed VDAB to control and penalize the availability of job seekers, essentially putting carrot and stick together at the same government level. The monitoring of job seeker availability is integrated in the modular pathway guidance system, whereas the penalizing is dealt with separately within VDAB's structure. *Target group reductions* for social security and incentives for target groups for employment benefits were transferred to the regional level (Dumont, 2015). These reductions are organised by the Flemish government's Department of Employment.

In 2007, a cooperation agreement between the PES of the regions resulted in a new organisation: Synerjob. This non-profit organisation was founded to align employment policy and services across the regions. From 2015 onwards, Synerjob started focussing on job mobility between the regions. To enable this objective, the Synerjob partners use an automatic matching ICT system that was already used by VDAB.

Sub-regionally, VDAB is organised in *provincial directions*. In these provincial directions, several employer's organisations and labour unions are also included. The provincial directions are a way for VDAB to have a close contact with these social partners and they also help implementing and translating VDAB's policy to the local level.



Moving on to the local level, the start of the new millennium meant a more integrated and local approach to the activation of the (long-term) unemployed. Between 2000 and 2004 the Flemish government initiated the creation of local *job shops* (“*werkwinkels*”). These result from a cooperation agreement between VDAB, the local government and other private or public actors (Dumont, 2015). Local job shops provide an integrated, accessible one stop shop for every job-seeker and even for employees looking for a career switch (de Cuyper et al., 2004). Two types of *job shops* emerge. First, the regular job shop where job seekers can meet with consultants who guide them through VDAB’s modular pathway guidance system. Second, there are sectoral job shops, which are an internal service of specialized employees of VDAB who operate within that specific sector of the labour market.

Another important actor on the local level are the social welfare centres. These local structures are also tasked with the payment of living wages and provide guidance to re-integrate people in society. As part of this re-integration, the social welfare centres have instruments to activate unemployed people. Since 2017, social welfare centres are integrated in local governments whereas before, they were separate structures.

As VDAB exclusively relies on tendering for service delivery, except for the first steps of guidance which occurs in job shops or in the online ‘*my career*’-platform, other actors include private and public organisations that are selected by VDAB on the basis of the needs in the labour market, quality requirements for the service and the price of service delivery.

Public accountability structures

The public accountability structures in policies and services regarding the labour market and unemployment closely follow the governance structures outlined above. In the following section, we will discuss how these bodies handle accountability relations and in which ways they are interconnected. We will do so following the logical cycle of policy implementation, focusing firstly on policy-making and implementation, then on service delivery and finally on the monitoring of services.



Policy-making and implementation

Because the competence of developing employment and labour market policy is still split between different levels of government, both the federal parliament and the regional parliaments are responsible for policy-making. Two federal administrations are particularly important in labour market policy development. First the *Federal Public Service of Employment, Work and Social Consultation* is responsible for preparing, implementing, and monitoring the competences of employment policy and unemployment insurance that is still on the federal level. That means the employment insurance system and the controlling of the beneficiaries of that system. Second, the *Federal Public Service of Societal Integration* is responsible for policy and instruments regarding the activation of people on welfare.

Belgium is a social-corporatist system, in which employers' organisations and labour unions play quite an important role. On the Flemish level this shows in the board of directors of VDAB, in which the labour unions have a seat, but also in organisations like *the social-economic counsel of Flanders*, an organisation that bundles all social partners for counselling and advising legislation. On the federal level, similar trends can be observed, in the *National Labour Council*, which concludes collective bargaining agreements and gives advice on policy, and the board of directors of the National Employment Office.

The importance of the social partners also shows in two advisory bodies at the regional level that are important in the process of labour market policy development. Besides the aforementioned social-economic counsel of Flanders, there is also the *Flemish economic and social consultation committee*. This consulting body assembles the Flemish government and the social partners. Agreements that are reached by consensus in this body have to be executed by the partners, or at least defended by the Flemish government in parliament. These bodies also have subregional divisions named SERR and RESOC respectively.

Since the sixth state reform, the Flemish Department of Employment has the task of organising *target group reductions* on both employment insurance and social security contributions. In negotiations and policy discussions with VDAB regarding the local policy level, local governments are mostly represented by the Association of Cities and Municipalities.



Service delivery

Both the regions and the federal level have shared competences in the service delivery and implementation in the labour market field. The sixth state reform has, as mentioned before, reshuffled these competences.

The federal level still has some responsibilities in providing passive unemployment and social welfare benefits. The National Employment Office is responsible for the managing and calculation of unemployment benefits (van Dooren, Coomans et al., 2014). As mentioned, these benefits are then paid by the Employment Benefit Fund or by registered labour unions. As has become clear throughout this report, the regional public employment services (VDAB, Actiris and Forem) play a central role in the service delivery of activation policy. Especially in Flanders, VDAB has been profiling itself as a conductor of the labour market. VDAB is mainly tasked with job search and placement, training and counselling. The method used by VDAB is the pathway guidance. A modular system that provides tailor-made support for employees and job-seekers that match the needs of their specific profile, history and point in their careers. The first phases (modules) of this modular trajectory are delivered by VDAB itself. They provide information and registration of job seekers. Then they assess the further steps to be taken. VDAB sets up partnerships with public and private players in the labour market that fit specific needs. In recent years, VDAB relies increasingly on ICT and online services for this service delivery.

However, VDAB still employs *VDAB-intermediaries* who play an important role in service delivery. If, for some reason, jobseekers are not able to register with VDAB and find jobs or other career moves, themselves, then it is possible for them to receive personal guidance from a VDAB-intermediary. It is also his or her job to detect possible problems and if necessary refer the jobseeker to the next step in the pathway guidance system.

Regarding the organisation of social welfare and living wages, the local governments are responsible for service delivery through their social welfare centres. In the last few years, they have been encouraged by the Flemish government to organise themselves subregionally. Local governments have to set up collaboration agreements to deliver some activation



services on a larger scale (minimum 60.000 people). The activation instruments are partly financed with Flemish subsidies and these are divided according to the population the subregional collaborations represent. These collaborations then provide service delivery.

Implementation oversight

Every year, VDAB negotiates a “business plan” with the Flemish government. This is a sort of management agreement in which the objectives, means and strategies of VDAB are captured, in a quite detailed manner. *Key performance indicators* (KPIs) are assigned to the various objectives. Parliamentary questions are sometimes asked about the progress of VDAB on its objectives. The Minister of Work then answers these questions.

VDAB has a very innovative and integrated ICT system which registers every step in the pathway guidance in a personal profile for every employee and job-seeker called *myCareer*. This allows VDAB to monitor every single service delivery very closely. In addition, VDAB developed an instrument called ‘KWALIMON’ (Qualitative Monitoring) to evaluate partners that sign in on a tender. Progress of employees and job-seekers can thus be monitored in the ICT system and tender partners also receive a performance evaluation based on this KWALIMON instrument.

Last few years brought a bit of an evolution in the oversight of the activation policy in Flanders. Some activation initiatives provided by the local social welfare centres or by the subregional collaborations between local governments are now also evaluated with KWALIMON. People cannot participate in *wijk-werken* (the former *local job agencies*) or work under the *temporary working experience* (TWE) ruling if this does not fit in a trajectory to sustainable employment. These trajectories were integrated in VDAB’s *myCareer* approach. Public social welfare centres, or the subregional collaborations between local governments, therefore pay account to VDAB for some of their service delivery.

All these dynamics combined indicate the influence of both the New Public Management (NPM) and the New Public Governance (NPG) paradigms in the Flemish approach to labour



market policies and unemployment services. On the one hand, we see that public employment services appeal to private actors more and more to fulfil new tasks related to unemployment services. The NPM approach to governance advocates the allocation of public services and responsibilities to external actors to make government and public administration organisations work more effectively according to a market logic. However, on the other hand, the increased focus on cooperation, both between public administration organisations on different levels (the federal National Employment Office, Flemish VDAB, and the local municipalities) and between public administrations and external, private, actors, highlights the influence of the NPG philosophy, stressing cooperation and centralisation in the interest of the client/citizen.

ICT

As mentioned, VDAB has been always been very innovative and many of its ICT applications were later adopted by the other PES in Belgium and are a crucial component of VDAB's service. Two main ICT applications are particularly important.

First, the *myCareer* application is used for the registration and monitoring of employees and job seekers. It is the basis of VDAB's service. In this application, VDAB's customers (employees and job-seekers) are first registered and they receive a personal profile. Here, information, CVs, experience, trainings, and progress in different modules of the pathway guidance system are brought together so that the profile contains all information about a particular job-seeker or employee. This application also makes it possible for VDAB to closely monitor the progress of its customers, but also to have detailed analytic overviews of the effectiveness of services, etc.

In last years, some social welfare services have been integrated in *myCareer*. For example, a job-seeker who is temporarily employed in a *temporary working experience* (TWE), will see this experience shown in his *myCareer* profile. The ICT application hereby intends to achieve a more integrated support to a stable job with a service across policy domains.



Also, accountability is enhanced by the *myCareer*-platform. By having every experience and service, of VDAB itself and of external partners, registered in *myCareer*, VDAB can monitor every instrument very closely and is able to provide reports, for example to the minister or the department of work, about every instruments and its users. VDAB intermediaries receive a monthly report about the progress of job-seekers (for example no-shows and arriving too late, but also trainings and competences developed) with external tender partners through *myCareer*. This provides the intermediary with information to better guide the job-seekers to the right choices in the pathway guidance system. It also makes it possible for the intermediaries to monitor performance of job-seekers on the one hand (remember: VDAB is also responsible for sanctioning bad job seeking mentality) and tender partners on the other hand. *myCareer* thus enhances the account-receiving of VDAB from their, private or public, tender partners.

Second, an automatic matching system called '*Elise*' matches these *myCareer* profiles with job openings and vacancies. What is interesting about *Elise*, a Dutch application, is that both vacancies and profiles can be altered with several parameters. This way, a more tailor-made matching can be set up. For example, a job-seeker from Brussels might not be interested in vacancies of the south of the Netherlands, but a job-seeker from the north of Belgium might. Due to this gathering of information from different parties, VDAB collects a significant amount of data about the labour market. This way, VDAB has established itself as a conductor of digital services for other players on the labour market (Struyven and van Parys, 2016). VDAB sets up partnerships to collect vacancies (for example with Federgon, the federation of private employment services; or of sectoral organisations looking for specific profiles) and match them automatically with *myCareer*-profiles. Since the *Elise* matching tool is able to add several parameters to both vacancies and job-seekers (in the form of *myCareer*-profiles) the *myCareer* and *Elise* ICT-tools also enhance collaboration of VDAB with external partners in the labour market.



Estonian employment policy and governance tackling long-term unemployment

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Unemployment in Estonia

The Estonian labour market has gone through turbulent changes since the beginning of the 1990s. After the dissolution of the Soviet Union and Estonia regaining independence in 1991, considerable labour market transformations took place. Transition to the market economy, extensive privatisation, and contraction of the public sector caused widespread job losses. The rate of unemployment increased rapidly since 1993 and achieved its highest level by 2000 (13.6%) with the rate of long-term unemployment peaking at 6.2% in the same year (Venesaar et al., 2004, p. 11). In the following years, from 2001 to 2007, Estonia enjoyed a period of economic growth (with the biggest GDP growth of 10.6% in 2006) and declining rates of unemployment (Marksoo and Tammaru, 2011). However, in 2008, the global economic crisis hit Estonia and brought about a severe economic recession – the GDP of Estonia fell by 5.1% in 2008 and 13.8% in 2009 (see Raudla and Kattel, 2011).

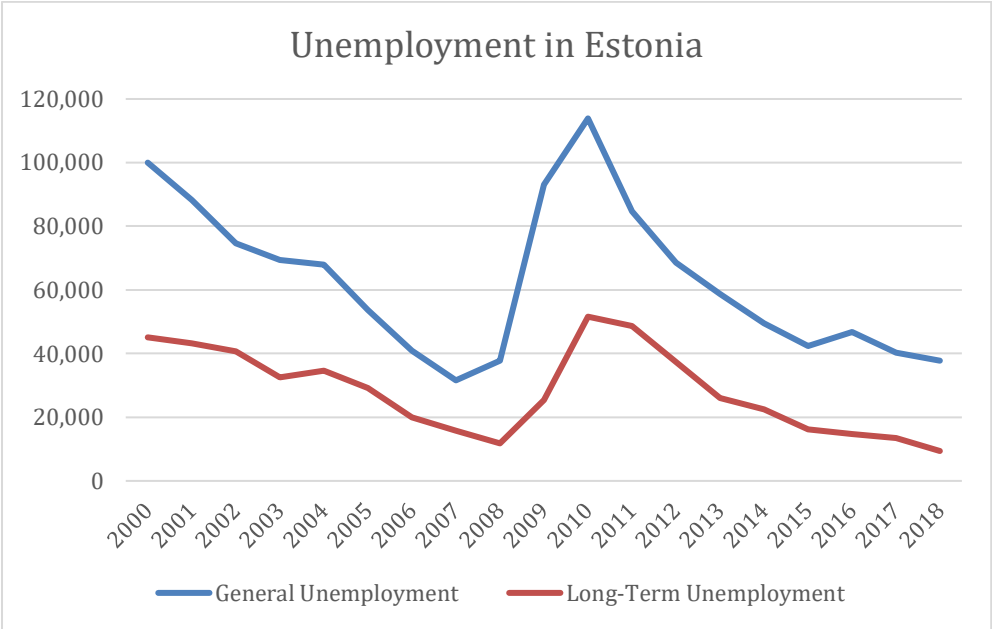
As a response to the crisis, the Estonian government adopted a range of austerity measures combining expenditure reductions (two supplementary budgets in 2009 totalling 7.5% of GDP in measures) and tax increases (Ibid.). The crisis resulted in major adjustments in the labour market – by 2010, the unemployment rate had grown to record 19.8% and the rate of long-time unemployed had increased to 7.7% with construction and manufacturing being the hardest hit, but adjustments also in trade, transport and communication (Eamets et al., 2017; Marksoo and Tammaru, 2011). Unemployment rate started to decrease again in 2010 and has been declining since. In 2018, the rate of long-term unemployment was 1.3% (9400 people altogether) (Statistics Estonia, 2019a). The rate of general unemployment was 5.4% in 2018, and 3.9% in the first quarter of 2019, at its lowest since 2000 (Statistics Estonia, 2019a; Statistics Estonia, 2019b).

¹⁷ The author is thankful for the assistance of Hanna Heinnurm in gathering information for the analysis and compiling Figure 3.3.



As can be seen from the above, the rates of unemployment and long-term unemployment have fluctuated considerably depending on the societal and economic developments in Estonia, with two peaks in 2000 and 2010 (see Figure A1.3). In economically prosperous times, integration of vulnerable groups to the labour market has increased. In economic hardships, unemployment rates have grown substantially. The main risk factors for being unemployed are low qualification, ethnicity (insufficient knowledge of Estonian language), and limited capability for work due to a health condition or disability. At the time of finalizing this overview (January 2020), the rates of unemployment and long-term unemployment are at all time low in Estonia.

Figure A1.3: Unemployed and long-term unemployment in Estonia from 2000 to 2018



Source: Statistics Estonia, 2019; compiled by Hanna Heinnurm¹⁸

Evolution of employment policy in Estonia

Similarly to the comprehensive societal changes, the employment policy also has gone through considerable transformations in Estonia. The changes have not been only structural, but also ideational with the simple neo-liberal ideology of the 1990s aiming towards a minimal

¹⁸ Long-term unemployment refers to people who have been unemployed for 12 or more months.

state being step-by-step complemented with the acknowledgement of state's role in providing societal safety net and responsibility in overcoming the skills mismatch in the labour market.

The current policy landscape started to evolve in the beginning of the 1990s, when the regaining of independence and transition from planned to market economy resulted in a need to pass a wholly new set of labour market regulations in Estonia. The current employment policy and its legislative framework has evolved in several steps. Comprehensive transformations have taken place both in the legislation as well as in the institutions since 1992 when the first Employment Contracts Act (ECA) was adopted. According to Eamets, Masso and Altosaar (2017), the 1992 ECA was adopted in a hurry, without proper analysis, and with an understanding that it would be a transitional law to be substituted in the future as most market and institutional reforms were still laying ahead. In the following years, several other labour market regulations were introduced (e.g. the Holidays Act adopted in 1992, the Salary act in 1994 etc.). The list included also the Social Protection of the Unemployed Act enforced in the beginning of 1995. The unemployment allowance as such had already been introduced in 1991 with a government order. The Act provided for the rights of unemployed persons and foresaw a state unemployment allowance for 180 days (Hinnosaar, 2003, p. 16). A new and more detailed redaction of the Act was adopted in June 2000 together with the Labour Market Services Act. The Acts came into effect in the beginning of 2001.

Both 2000 Acts were significant from the perspective of long-term unemployment. With regard to the latter as a specific labour market phenomenon, the state activities started with some delay compared to unemployment in general. Long-term unemployment was an unknown issue in the Soviet economic system and emerged only with the transition to the market economy when macroeconomic reforms and structural changes following the introduction of liberal economic policy resulted in the skills and jobs mismatch and laid basis for long-term employment (Marksoo and Tammaru, 2011, p. 219-221). The Ministry of Social Affairs initiated a pilot project addressing long-term unemployment in 1998 as a reaction to the Russian economic crisis, which had had a considerable impact on the Estonian economy (Ibid.). The Labour Market Services Act adopted in 2000 already listed long-term unemployed as a specific target group of services. The revised Social Protection of the Unemployed Act



extended the period of unemployment allowances to 270 days and provided different types of registered unemployed persons (allowance-receiving and not), thus giving long-term unemployed persons access to the labour market services that they did not have before (Arro et al. 2001, 39). The next important step followed two years later, when the Unemployment Insurance Act came into force in the beginning of 2002 (passed in June 2001) and the first benefits were paid out in 2003. The Act introduced unemployment insurance as a compulsory insurance with contributions shared between employers and employees (Kluve et al., 2007, p. 15). According to the Act, the contribution rate for the employers is 0.25-1.4% from the total wage bill paid out to all employees and for the employees 0.5-2.8% of their wages. The exact levels of the contribution rates are fixed by the Government of the Republic for a 4-year period based on the proposal by the governance board of *Töötukassa*, the Estonian Unemployment Insurance Fund (EUIF).

Another crucial development in the Estonian labour market policies took place at the beginning of 2006 with the enforcement of the new Labour Market Services and Benefits Act (passed in September 2005; still in force in 2020). Implementation of the Act introduced significant changes to the provision of labour market services, most of all the personalised approach towards employment-seekers (Marksoo and Tammaru, 2011, p. 221). The Act extended the opportunities for long-term unemployed to participate in active labour market services. 13 new labour market services were formulated with the Act, four of which were specifically targeting long-term unemployed: work exercise, wage subsidies, labour market training, and public work (Sotsiaalministeerium, 2006, p. 7).

On the background of the 2000s developments there was an increasingly felt need also for the new Employment Contracts Act (ECA). The second ECA (still in force in 2020) was adopted in December 2008 (entered into force on 1 July 2009), after extensive negotiations with social partners lasting over several years (Eamets et al., 2017). The central issue on the negotiation table was the balance between reducing employment protection, on the one hand, and increasing social security for the unemployed, on the other. The Act was passed with a promise of 'flexible security' or 'flexicurity' – both increasing the flexibility of labour arrangements for employers and introducing compensation for decreased protection of employees. However,



the adoption and implementation of measures oriented at the social security side (e.g. raising unemployment benefit replacement rate etc.) were initially postponed due to the ongoing economic crisis, and basically abolished with amendments passed in the Parliament in May 2012 with a result of less security and more flexibility in the Estonian labour market under the new ECA (Eamets et al. 2017, p. 111-118).

The latest of the reforms significant from the perspective of long-term employment was launched in 2016 and called 'the ability to work reform'. In 2012, about 10% of the working age population in Estonia received disability allowance while the OECD average was 6.6% (Kuuse, 2014, p. 6). As the disability allowance was part of the pension system, it meant that a high number of people were effectively detached from the active labour market services and many relied on it as an early-retirement scheme. The reform moved disability issues to the realm of employment and introduced a new centralised system of assessing disabilities and determining allowances. The aim of the reform was declared 'to change people's attitudes towards those with decreased working ability and help them find and secure employment' (EUIF webpage). The focus was not anymore on 'what people cannot do, but what they can do' (Sotsiaalministeerium, 2018). The reform contained also a new EUIF support system and services for people with limited capability to work.

The Work Ability Allowance Act was passed in November 2014 with an initial plan of enforcement already in July 2015. Although the implementation of the Act was postponed for six months to the beginning of 2016 in order to prepare the necessary by-laws, ICT systems and other details, the first years of putting the reform into practice were still very bumpy and riddled with problems. In addition to a considerable amount of people being dissatisfied with being left without disability status, the reform revealed a number of coordination problems. As the assessment of work capability by EUIF relied on information in the digital health system inserted by family practitioners and other medical specialists, the low quality and missing data led to several misjudgements intensely covered in the media. However, the lessons were learnt and in the spring 2018, the media reported that the reform has been 'surprisingly successful' with thousands of people with a reduced ability to work finding either a part-time or a full-time job (Koorits, 2018).



Altogether, the three main types of benefits available for the unemployed in 2020 are:

Unemployment insurance – paid to unemployed who meet the eligibility requirements, i.e. who have paid unemployment insurance contributions, are unemployed involuntarily (previous employment ended with no fault or own initiative), who are registered as unemployed and actively look for work (participate in the services provided by EUIF). Insurance benefits run from 180 to 360 days depending on the insurance period. EUIF pays benefits also those people whose employment ended on grounds of redundancy or employer's insolvency.

Unemployment allowance – paid to unemployed who are not eligible for the insurance benefits or whose insurance benefits have run out, but who qualify for the allowance (e.g. have not worked before, but have studied). Unemployment allowances provide only minimal financial support (175.15 EUR per month in 2019) and are paid for up to 270 days.

Working ability allowance – paid to persons between age 16 and the age of retirement who have been accorded the status of partial or no working ability. The full daily rate of working ability allowance was 13.79 EUR in 2019.

In addition, certain other grants and financial allowances are available. For example, business start-up subsidies for starting a business, wage subsidies to employers when they hire a person belonging to a vulnerable group in the labour market (e.g. long-term unemployed, young, persons with decreased working ability), commuting and accommodation allowances, and assistance to family caregivers. Importantly, since 2007 all the registered unemployed are covered by health insurance (Marksoo and Tammaru, 2011, p. 222). The availability of health insurance has proved to be an important measure bringing long-term unemployed out of home and participating in the EUIF labour market services.

To sum up, the provision of active labour market services has developed step-by-step in Estonia along with the general institutionalisation of the employment policy. The general



framework for the active labour market services is provided in the Labour Market Services and Benefits Act that lists 14 different services and financial support measures from job mediation to working with a support person. Since 2012, the implementation plan for active labour market policy is detailed in the National Employment Program adopted by the Government of the Republic after it has been approved in the EUIF governance board. The current National Employment Program runs for 2017-2020 and pays special attention to skills development and the prevention of unemployment (Explanatory note to the Program). It is the fourth Program in row as the preceding ones were approved for a 2-year period.

Governance structure

Employment policy is a responsibility of the national level and is led by the Estonian Ministry of Social Affairs. The Ministry of Social Affairs is a rather small (190 employees), but very multi-functional Ministry with a wide area of responsibilities. It is a policy-making body for health, labour, social security, social services, children and families, gender equality and equal treatment. The Ministry has 15 core units, with four Deputy Secretary Generals leading the work (for labour and employment policy, health, social policy, and e-services development and innovation).¹⁹ Within the Ministry, Employment Department (9 persons) is the responsible unit. While there were two ministers in the Ministry from 2014 to 2019 (the minister of Health and Labour, and the minister of Social Protection), since Spring 2019, under the current governing coalition, the Ministry is led by a single political figure, the Minister of Social Affairs (as was before 2014).

The Ministry has different types of agencies working in its area of governance – four departmental agencies (Agency of Medicines, Social Insurance Board, Health Board, Labour Inspectorate), two persons of public law (EUIF and Estonian Health Insurance Fund) and a number of other agencies, including the Estonian Health and Welfare Information Systems Centre (TEHIK) providing ICT support to the area of governance. TEHIK was established in 2017 and has four main responsibilities: development of information systems; providing

¹⁹ Structure of the Ministry of Social Affairs: <https://www.sm.ee/en/introduction-ministry-and-our-structure> (14.01.2020)



information security; maintenance of services and infrastructure; and data analysis to support policy making, reporting, monitoring and supervision.

The most important agency in the field of employment is *Töötukassa* (Estonian Unemployment Insurance Fund, EUIF)²⁰, a statutory state agency with a legal identity as a person of public law. EUIF was established with the implementation of the Unemployment Insurance act in 2002. While the initial tasks of EUIF were related only to maintaining the unemployment insurance system, in 2009 together with the adoption of the new ECA the activities of the then Labour Market Board were terminated and its functions transferred to EUIF. With the 2009 reform, a single integrated labour-market agency was born. The merger reflected a wider trend in Estonia towards consolidation of administrative structure with a hope that new integrated bodies provide services with a better quality; reduce coordination problems, and increase efficiency and effectiveness. The reform also introduced a tri-partite governance structure to the labour market issues. EUIF is directed by a six-member Supervisory Board, where the government is represented on equal terms (2 members) with representatives of employers and trade unions. The Minister of the Social Affairs is the chairman of the Board. The Management Board with four members is responsible for the everyday management of the Fund. EUIF consists of the Central Office and 15 county offices.

The system of dealing with the unemployed persons can be characterised as person-based and integrated. EUIF assigns every registered unemployed a personal consultant whose role is to help the person to find a suitable job opportunities and support services. The focus is on the needs of an individual person and the consultant's function is to address all the issues related to the person's employability. As the approach of EUIF is person-based, the activities and support services revolve more around the needs and reasons behind unemployment and dealing with them, than the length of unemployment (i.e. focusing for example on overcoming addiction or mental health problems, not so much on the group of long-term unemployed as such).

²⁰ See: <https://www.tootukassa.ee/>



Although the employment policy is a responsibility of the national level, in dealing with the long-term unemployed, local governments should have an important role through their supporting social services. However, the cooperation between EUIF and local governments has been hectic in practice. Among other reasons, because of the comprehensive local government reform in 2017 whereby the number of local governments decreased from 213 to 79. In the recent years, the local level has been recovering from the reform and extensive mergers. One of the hopes put on the reform was that the birth of larger local governments will result in an increased administrative capacity and a higher competence in managing the local matters. Its actual realisation is still to be seen as the time distance to the reform is still short. Furthermore, although the mergers were supposed to be accompanied by a comprehensive revision of the existing legal framework for the local governments, both from the perspective of functions as well as their financial autonomy, this part of the reform has been delayed and still discussed in 2020. Therefore, the cooperation of EUIF with local governments is mostly on a case-by-case basis, depending on the needs and characteristics of the unemployed person. Some local governments have stipulated in their regulations the provision of services specifically for the long-term unemployed, but the capacity for that exists mostly in the bigger cities. Often, local governments are cooperating with NGO-s to provide services to the group (e.g. the capital Tallinn has had a few projects like that).

Last but not least, on the national level the foundation Innove (to be merged into Education and Youth Authority with several other agencies in the summer of 2020) operating in the governance area of the Ministry of Education and Research has also been engaged in the field of labour market services. The foundation promotes general and vocational education in Estonia, offers educational counselling and implements EU structural support in the fields of education and working life.²¹ Its tasks have included competitive calls for financing projects targeting unemployed and long-term unemployed as well as supporting employability and life-long learning through educational counselling. Nevertheless, the division of tasks between

²¹ See: <https://www.innove.ee/en>



EUIF and Innove has become sharper over the years, both because of better coordination as well as all-time low unemployment rates.

Accountability relations

According to the Constitution adopted in 1992, Estonia is a parliamentary democracy, where the unicameral Parliament *Riigikogu* (101 seats) performs the legislative function and the executive power is accorded to the Government of the Republic. The capacity of the Parliament *Riigikogu* to strategically steer policies and to perform the parliamentary oversight has been increasingly questioned. A central trait of the Estonian administrative system is its reliance on ministerial responsibility (see Sarapuu, 2011; 2012). Although the ministries are small, they represent strong administrative actors that have considerable leverage over the issues belonging to their areas of governance. The Prime Minister has a *primus inter pares* position in the Cabinet and does not have a governance area of its own. In the situation where the common government configuration has been a minimal winning coalition with three political parties sharing the executive power, the role of the Prime Minister has mostly been one of political leadership and assuring constructive working climate in the Cabinet. In terms of policy coordination, the Government Office and the Prime Minister's Office are equipped with restricted coordinating powers and constrained by limited resources.

The role of the eleven Ministries is mostly policy formulation while the implementation of the policies is carried out by various agencies under their supervision. In accordance with the ministerial responsibility, all public organisations are more or less directly subordinated to specific ministries, and their communication with the Cabinet goes through the parent departments. Agencies employ the vast majority of the public-sector employees and spend most of the state budget. As Estonia is historically strongly rooted in continental European legal thinking (with a considerable German influence), its public agencies are usually also differentiated and categorized by their legal status. Four types of agencies can be identified – (1) government organisations (most of them departmental agencies like the Labour Market Board terminated in 2009), (2) state agencies, (3) public institutions, and (4) private law bodies. The first two categories are semi-autonomous bodies without legal independence. The



third are legally independent organisations with considerable managerial and policy autonomy, and the fourth private law-based not-for-profit organisations established on behalf of the government with a central role for the state foundations like Innove.

The Estonian Health and Welfare Information Systems Centre (TEHIK) providing ICT support to the governance area of the Ministry of Social Affairs is a state agency (type 2, a ‘state agency under supervision of government institution’). Such agencies are financed from the state budget, and their main function according to the Government of the Republic Act is *not* to exercise public authority. These agencies are policy-implementation organisations that serve government institutions in the fields of culture, education, research, and support services. All state agencies report directly to the ministries. EUIF belongs to the third type. Such public institutions are created by law (i.e. parliamentary decision) to serve public interests and have traditionally enjoyed high autonomy. Issues related to their tasks, financing, steering and supervision are normally addressed on a case-by-case basis and prescribed in the individual case laws (the Unemployment Insurance Act in the case of EUIF).

As the ministries are rather small, multi-functional and often constrained in resources (money, people, expertise), their capacity to supervise and steer their subordinate agencies’ daily functioning is frequently limited. The general framework of vertical coordination relies considerably on ex-ante control mechanisms. Due to the complexity of the issues handled by the agencies (especially government organisations and public institutions) and their frequent monopoly of expert knowledge, the influence of agencies on policies can be very high. With regard to EUIF, the issue of the proper organisational form for the labour market services has occasionally been raised as EUIF’s legal status and tri-partite governance structure distance it from the political steering of the Ministry and assure considerable policy autonomy. The format of a public institution was the most logical one for EUIF in 2002 when it was established for managing the unemployment insurance funds. The services were then provided by the Labour Market Board (a government organisation). However, with the merger of the two organisations in 2009, EUIF grew considerably and its array of functions widened by services previously located closer to the Ministry.



With regard to the daily provision of active labour market services like trainings, etc., many of them are procured by EUIF from private and non-profit providers and the relations are contractual. For example, the work practice – an active labour market service that is the most clearly oriented towards long-term unemployed – is conducted by private and non-profit service providers. Töötukassa can buy service from one of them directly (the format and content is co-designed) or buy-in through ‘procurements’. The providers propose the format and contents of the practice according to the guidelines and cooperate with the local unit of EUIF throughout the practice to produce the best outcome for every long-term unemployed person in the group. Furthermore, over the years, many active labour market services have been financed from the structural support of the European Social Fund (ESF) that has created another layer of rules and reporting, but has also created some stability of funding and distance from the daily politics.

With regard to legal accountability, the functioning of all agencies may be audited by the Estonian National Audit Office *Riigikontroll* (NAO)²², which performs both financial and performance audits. This has in some cases contributed considerably to the policy discourse. NAO is an independent audit body foreseen in the Constitution. NAO has conducted three audits on active labour market services – 2008, 2012 and 2016. The latest report from 2016 concluded that a further reduction of unemployment needs a combination of active labour market services, creation of new jobs, and long-term training of skills so that the unemployed could obtain a profession since ca 43% of them did not have a professional qualification (Riigikontroll 2016). Last but not least, the decisions and activities of the institutions active in the field of employment may be evaluated by the Chancellor of Justice (*Õiguskantsler*)²³ – an independent official foreseen in the Constitution to ensure that laws and regulations are constitutional and to protect the rights and freedoms of people. The Chancellor of Justice can investigate issues based on a complaint as well as is in her/his own initiative.

²² See: <https://www.riigikontroll.ee/>

²³ See: <https://www.oiguskantsler.ee/en>



ICT

The policy field of employment is part of a nation-wide digital ecosystem. Estonian digital government that is often perceived as a success both at home and abroad rests on e-government infrastructure with two main pillars – the data exchange layer X-tee (X-Road) and a compulsory national digital ID (Kattel and Mergel, 2019, p. 143). X-tee enables secure data exchange between various dispersed information systems. X-tee infrastructure focuses on interoperability and relies on a decentralised ownership of data – to share and to use the data of others, public and private actors become members of X-tee, describe the data that they share, and get access to the services and data of others.²⁴ The electronic identity (digital ID) as the second pillar allows to identify citizens digitally and to use the digital signature. With their electronic identity, the citizens can access almost any public service in Estonia and by now take it to be self-evident that communication with the state is electronic. Nevertheless, despite nation-wide digital infrastructure and a central strategic guidance by the Ministry of Economic Affairs and Communications, the approach to the digitalisation of public services is decentralised in Estonia with individual Ministries being responsible for the digital development in their areas of governance (Sikkut, 2019). Furthermore, the existence of a robust underlying digital infrastructure has not materialized in an equally prosperous digital transformation of all aspects and policy fields of the state, for example, in the sphere of citizen engagement or welfare state services, the development has been more modest (see Kattel and Mergel, 2019).

Similarly to the rest of the public sector, EUIF also relies on X-tee to exchange data with other organisations and electronic ID to communicate with the citizens. The overview of state information systems and data (RIHA²⁵) lists nine information systems directly related to the field of employment – from the Register of Unemployed Persons, Employment Seekers and Labour Market Services (EMPIS2) to the Database of Work Ability Assessment and Working Ability Allowances (TETRIS/REDIS). The procurements take place through the electronic Public

²⁴ Estonian Information System Authority, <https://www.ria.ee/en/state-information-system/x-tee.html>

²⁵ <https://www.ria.ee/en/state-information-system/administration-system-riha.html>



Procurement Register.²⁶ Unemployed persons, employment-seekers and employers can communicate with EIUF through e-Töötukassa – a self-service interface where it is possible to search for trainings and vacant positions on offer, for unemployed persons to follow the activities agreed with their personal consultant, to submit grant applications, register to trainings and inform EIUF of becoming employed. The employers can use e-Töötukassa to insert job openings, look at the CVs of job-seekers, follow the proceeding of their applications (e.g. wage subsidy applications) and to register to a consultation. The training partners of EIUF can manage their training programs in e-Töötukassa.

²⁶ <https://riigihanked.riik.ee/rhr-web/#/>



UK employment policy and governance tackling long-term unemployment

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The aim of this report is to provide an overview of public policies, governance structures and accountability relations targeting the long-term unemployed in the UK. It provides a historical overview of policy development since the late 1990s, detailing the policy direction of the New Labour Government (1997-2010) and the subsequent direction taken by the Conservative/Liberal Democrat Coalition Government (2010-2015) and the Conservative Government (2015 to present day). It then gives an overview of the current governance structure of policies, before providing a deeper explanation of the roles of the government, the public sector, the third sector, and the private sector in service provision.

Historical policy development since late 1990s

Definition

The long-term unemployment rate in the UK refers to the share of unemployed persons (12 months or more) in the total number of active persons (those who are either employed or unemployed) in the labour market. The rate averaged around 2% from 1992 until 2019, reaching a high of 4.3% in 1993 and a record low of 0.9% percent in 2004.

Background

Prior to the election of the Labour Government in 1997, health and social policy in the UK followed a model of New Public Management (Fuertes and McQuaid, 2013). This approach, which was instituted in the late 1970s/early 1980s, produced a profound shift in the perception of the role of the state in public discussions surrounding welfare provision. It introduced private sector-style management techniques and entrepreneurial leadership into public service organisations on the assumption that this would lead to greater efficiency and effectiveness of services. The model was criticised as being inefficient and offering little in the way of substantive reform that benefited service users and state benefit recipients (Fuertes and McQuaid, 2013).



Labour Government 1997 – 2010

When the New Labour Government was elected in 1997, they attempted to address these criticisms through extensive reform, and tackle the relationship between the state, the individual, and providers of welfare services (Zimmerman et al., 2015). It was an approach that was characterised by the language of partnerships and multi-disciplinary teamworking (Lindsay et al., 2008). New Labour's public policy and processes were shaped by research from think tanks (such as the Institute for Public Policy Research), academic experts, scientific research, and other experts from across the various relevant sectors (Krapp and Panowitsch, 2017).

Activation

Labour Government policy on the long-term unemployed was characterised by discourses of activation, in which the pathways into employment for people who had been workless for long periods of time were expanded. Activation policies were designed to reconnect people experiencing long-term unemployment into the labour market, via skills and vocational training, rehabilitation measures for people with healthcare issues, work placement schemes, and various other similar interventions that work together to form an active 'welfare-to-work' labour market policy (Campbell, 2000). It was a policy agenda that emphasised rights and responsibilities of both the individual and the government, in which the right of the individual to receive support by the government is balanced by their responsibility to seek training and work if they are so able (Kellard and Stafford, 2007). The emphasis of the approach was 'work first,' in which the primary aim to move people from welfare into work is accompanied by such strategies such as health interventions or skills development (Green and Orton, 2009). One of the key elements of the approach is personalisation, in which participants are assigned a personal case worker who oversees an individualised action plan that encourages them into work (Fuentes and Lindsay, 2015). Activation in the UK is also characterised by the marketisation of labour market policies, in which skills development services and interventions are provided by third-party groups (Zimmerman et al., 2015). Claimants capable of undertaking some form of work were given a greater number of initiatives and non-adherence was met with sanctions (Taulbut et al., 2018).



Policies were also shaped by the European Employment Strategy, which was created in the mid-1990s and aimed to coordinate member states' various attempts to address persistently high levels of unemployment and low employment rates (Mailand, 2009). This meant that policy development, whilst focussed on the unique problems of the UK, was also in-line with wider European discourses of policy-based intervention that targeted long-term unemployment and preventative measures, in line with the National Action Plan for each member state. In the UK, for example, the establishment of the Learning and Skills Council (from 2001– 2010)²⁷ facilitated collaboration between local governments, social partners, and non-governmental organisations (NGOs) to produce a targeted approach at activating marginalised people into the labour market (Mailand, 2009).

Activation in the late 1990s was introduced by a series of 'New Deals' that targeted specific groups, such as the disabled, lone parents, and young people. These were built on a number of ideological assumptions: that paid work is the most effective way out of poverty, that welfare-to-work policies are necessary to keep workless people engaged in the labour market, that movements into work can be assisted by personalised casework that tackles barriers to work and improve employability, and an emphasis on the rights and responsibilities of individuals as well as that of the state (Kellard and Stafford, 2007). Crucially, it was founded on a willingness to work in partnership with the voluntary and private sectors in delivery of benefit and employment services. Welfare-to-work interventions, including strategies such as the minimum wage and in-work tax credits, focussed on partnership working that enabled people experiencing long-term unemployment into the workplace, including advice, training, and work placements (Beatty and Fothergill, 2011).

Prior to the 2008 financial crisis, unemployment was at a relatively low level in the UK, with 74.9% of the population in employment (Kellard and Stafford, 2007). In this environment,

²⁷ Further details can be found in the DWP document available from: <https://webarchive.nationalarchives.gov.uk/20090606023014/http://www.dwp.gov.uk/publications/dwp/2004/buildingonnewdeal/mainreport.pdf>



employment policy turned to harder to reach groups such as people living with a disability and aimed to reduce the number of children living in workless households. Part of the reforms of this period included the establishment of a one-stop shop for all benefit claimants who are of working age - the Jobcentre Plus - which was implemented in 2002 and deliver the government strategy for employment and employability as an executive agency of the Department for Work and Pensions (DWP) until 2011.

People experiencing long-term health problems were offered the Pathways to Work programme. This intervention was a relatively structured course aimed at those claiming sickness benefits which included an explicit focus to address health-related barriers to employment, via a personal case manager who conducted a series of mandatory one-to-one Work-Focussed Interviews, a Condition-Management Programme, and a range of voluntary support interventions from private and third-sector parties (Ceolta-Smith et al., 2015).

The early 1990s saw a separation of responsibilities for return to work between the Department of Health and the Department of Employment, and this was largely regarded as a failure resulting in a loss of the culture and skills that facilitate the reintegration of individuals into employment (Frank, 2016). As part of this policy direction, the NHS were no longer responsible for supporting those with mental, physical or health-related problems back into employment, and this responsibility was passed to the Department of Employment. The result was a development of private sector rehabilitation services that was funded by the insurance sector, which will be discussed in further detail later in this report.

Activation policies were also part of a drive to close uneven development of the labour market across the UK (Campbell, 2000), and much attention was given to the pockets of high unemployment that were not attracting the growth and development seen in other parts of the country. An example of one such initiative is the Working Neighbourhoods programme, which sought to target additional resources, encourage innovation, and respond to the needs of communities characterised by high levels of economic inactivity (Lindsay et al., 2008). The Working Neighbourhoods programme was available in England only, but was taken up in areas spread across the country such as Doncaster, Stoke-on-Trent, and Tower Hamlets, all of whom



have a higher population of workless people than the national average. The highly specialised nature of the intervention means that it is difficult to make generalisations about the programme²⁸, as each programme was designed to implement highly specialised service provision in a holistic approach to the complex needs of people experiencing long-term unemployment (Frank, 2016). However, research suggests that the Working Neighbourhoods programme addressed individuals' barriers to work in general aspects of their lives such as health, finance, family, and housing thereby addressing needs that were not directly related to labour market participation but still influential on their ability to work.

The Work Programme

The Work Programme²⁹ was introduced in 2011 by the Coalition Government. It predominantly targeted recipients of Jobseeker's Allowance or Employment and Support Allowance who had been assessed as capable of working and participants included the long-term unemployed, young unemployed, lone parents, disabled, and chronically sick people (Ingold and Stuart, 2015). It replaced all previous provision and extended across 18 Contract Package Areas across the UK (Ceolta-Smith et al., 2015). It consisted of a mandatory two-year programme in which the individual needs of those who are eligible work are met, primarily through employment and rehabilitation services provided by contracted private and third-sector organisations (Zimmerman et al., 2015). Conditionality had been introduced to a greater extent for previously inactive groups to participate in paid employment, although Taulbut *et al* (2018) note that whilst the development of unemployment policy has been shaped by the use of sanctions since 2001, there is little to suggest that this has had a positive impact on supporting individuals into the labour market in any substantive or sustainable way. Out-of-work and in-work benefits have been amalgamated into a single benefit, the Universal Credit, established in October 2013. This includes Disability Living Allowance being replaced with Personal Independence Payments, and similar consolidating reforms to Council Tax

²⁸ Further details of interventions across England are available from the Government website:

<https://www.gov.uk/government/publications/working-neighbourhoods-fund-project-study>

²⁹ Government guidance and fuller explanations of the Work Programme are available from the Department for Work and Pensions website:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/49884/the-work-programme.pdf



Benefits, community care grants, crisis loans, Child Benefits etc (Fuertes and McQuaid, 2013). Supporting older people into work was also a characteristic of the Work Programme, in which services are provided to support individuals over 50 into work, with an additional focus on those who have been unemployed for five years or more (Brown et al., 2015). The Work programme ended in March 2017.

The Work and Health Programme³⁰

The Department of Work and Pension (DWP) launched the Work and Health Programme (WHP) in November 2017. It is the new contracted employment provision to help persons who have a disability, the long-term unemployed and specified priority groups (known as Early Access groups) to find sustained work. The Programme, therefore, targets those who are most likely to benefit from the additional support and examines current and future local plans for service integration for individuals who have multiple barriers to work and/or have a disability.

Pilot schemes of the programme were launched in England (North West) and Wales between November 2017 and April 2018 and have informed a planned roll out to other regions in 2018. A range of providers are in place and they are paid a service delivery fee as well as outcome-related payments when a person reaches a specified level of earnings once in employment or reaches six months of being in self-employment.

The DWP has released statistics about the performance of the WHP. These provide information on a regular basis about the number of referrals to WHP and job outcomes³¹. Data up to May 2019 shows that since the WHP began there have been: 103,420 referrals for 87,400 individuals and 66,100 starts and 4,920 job outcomes. Most individuals come from the those

³⁰ <https://www.gov.uk/government/publications/work-and-health-programme-provider-guidance> and <https://www.gov.uk/government/publications/work-and-health-programme-statistics-background-information-and-methodology/work-and-health-programme-statistics-background-information-and-methodology>

³¹ <https://www.gov.uk/government/publications/work-and-health-programme-statistics-background-information-and-methodology/work-and-health-programme-statistics-background-information-and-methodology#definitions-and-terminology> ; <https://www.gov.uk/government/collections/work-and-health-programme-statistics>



with disabilities. The first referrals from the long-term unemployed group were made in April 2018 and in the latest month (May 2019), 63% of starts were from the Disability group, 8% from the Early Access group, and 29% from the long-term unemployed group.

Current governance structure of policies

Key actors in the design and delivery of services

The Department for Work and Pensions (DWP) funds labour market policies for the long-term unemployed. They provide basic job-matching services via Jobcentre Plus, and manage services contracted out to other organisations, including private, public or third sector providers (Fuertes and McQuaid, 2013). Employment policy is the responsibility of the UK government but the devolved administrations in the UK (the Scottish government, the Welsh government, and the Northern Ireland Executive) have responsibilities for a number of policy areas that are related to employment issues but are financed mainly by the UK Government through a block grant (Fuertes and McQuaid, 2016). Marketisation brings two new aspects into the governance of social policy – competition and tendering. Tasks that are outsourced range from simple job placements to more complex social services (Zimmerman et al., 2015). Effective activation policy requires implementation to be flexible, bottom-up, local and tailored to meet the needs and circumstances of everyone, a structure which is often referred to as multidimensional, multi-stakeholder, and multilevel coordination (Fuertes and McQuaid, 2016).

Tendering for the Work Programme (2011-2017) was announced in 2010 and became active in 2011. Bidding organisations were required to have no less than £20 million annual turnover which meant that many private and public organisations were excluded from the tendering process and particularly affected third sector organisations. This resulted in the concentration of long-term provision by large, multi-national organisations (Fuertes and McQuaid, 2013). The Work Programme's funding structure takes a 'payment by results' approach in which remuneration can be claimed by contractors for aiding clients into employment, if the candidate has a sustained employment for a 12-month period. However, some questions have



been raised about this approach suggesting that it encourages contractors to exclude the most vulnerable and marginalised (Beatty and Fothergill, 2011).

As mentioned above, the Work Programme was split into Contract Package areas across the UK. Following a two-stage tendering process, the DWP awarded 40 contracts to 18 primary provider organisations (referred to as 'Primes'). The majority were private organisations. They hold the contracts with the DWP but may deliver their interventions directly and/or via sub-contracted organisations (Ceolta-Smith et al., 2015) A key feature of this funding structure is that of Black Box commissioning. In this model, providers receive little prescription from the government as to their interventional approach, allowing them greater flexibility to tailor services to individuals' specific circumstances and improve their ability to enter sustainable work (Ingold and Stuart, 2015).

From November 2017, the Work and Health Programme has been delivered by five providers (e.g. Remploy) across six national Contract Package Areas (e.g. Wales). Providers support participants for up to 15 months (456 calendar days). This may be extended for a further six months (182 days) to provide in-work support, to a maximum total of 21 months (639 days) on the WHP.

Once a participant starts work the providers offer personalised in-work support, to meet the needs of the individual. They ensure that appropriate arrangements for continuation of support, including Access to Work, is in place before the provider support ends.

The WHP programme is the main strand of a randomised control designed delivery. A small percentage of claimants who are eligible for the WHP have been randomly allocated to a control group and will be given standard Jobcentre Plus support for 24 months. This group will support the evaluation of WHP. Also, as part of the evaluation of the WHP, some districts will operate a similar service called Public Sector Comparator (PSC), to see if Jobcentres can deliver similar or better performance in terms of outcomes and costs. The PSC rolled out in January 2018 and runs alongside WHP in four English areas.



Structure and responsibilities

Client services are the dominant active labour market instruments in the UK. Vocational training is often not linked to activation policies due perhaps to the fact that it is funded by central devolved governments through skills agencies. There are several welfare-to-work programmes which the DWP contracts out nationally to private, public or third sector organisations. Short-term unemployed and inactive groups are the responsibility of Jobcentre Plus, although in some cases it contracts out other services such as training, placements, or specialist provision (Zimmerman et al., 2015). A DWP evaluation report in 2012 (Newton et al., 2012) found considerable variation in the use of subcontractors. There was a mixture of the level of provision being outsourced, whether that was end-to-end services or spot-purchase services. Outsourcing is largely the result of the Prime not having a physical presence in a geographic area, specific expertise, or being higher cost or lower effectiveness than subcontractors (Fuertes and McQuaid, 2013).

Jobcentre Plus

Jobcentre Plus was responsible for providing benefits, basic job-matching services for the working-age short-term unemployed and helping employers fill their vacancies (Fuertes and McQuaid, 2016). Employability workshops are provided by DWP that assist individuals with job searching, CV writing, IT support and training, interview preparation. However, these have been found to favour those most likely to find employment and do not necessarily meet the needs of those who are over 55, who have been inactive in the labour market for a significant period of time, or who experience other barriers to activation (Brown et al., 2015). Following the implementation of the Work Programme in 2011, Jobcentre Plus ceased to exist and all services are now executed directly through the DWP. Job searching facilities, such as the Universal Jobmatch, have been replaced by the Find a Job service, a government-operated website that aggregates employment opportunities.

Public Sector

The multi-disciplinary approach of the activation paradigm means that other public sector organisations are often involved in policy interventions. For example, the Job Match initiative



in Cardiff was a programme that tackles unemployment by offering training and qualifications, as well as providing a service that links people with suitable job opportunities, delivered by the DWP, Welsh Government, and local education organisations such as the Welsh Baccalaureate (UK Parliament Welsh Affairs Committee, 2014). Similarly, the No One Left Behind strategy in Scotland brings together the Convention of Scottish Local Authorities, with third and private sector service providers to collectively agree to a Partnership Working Agreement in Employability designed to deliver services collaboratively (The Scottish Government, 2018).

The Work Programme was generated by the DWP but without any formal involvement from the Department of Health, meaning that any partnerships between the NHS, providers, and their sub-contractors would be on a case-by-case basis (Ceolta-Smith et al., 2015). The role of healthcare professionals is therefore limited. Only four out of the eighteen primes documented in-house healthcare professionals as part of their deliver model, all the rest were subcontracted. However, all Primes referred to some version of health-management interventional support.

For example, the Department of Health and Macmillan Cancer Support conducted interviews, focus groups, and statistical analysis on data from seven sites across the UK that had direct contact with patients diagnosed with cancer. The project, which had 330 participants, provided an outline of the levels of support available to those in need of vocational rehabilitation (VR), which includes:

Level 1: Information and support provided electronically or through printed media

Level 2: One to one support through telephone hotlines and digital media

Level 3: Self-management programmes access during or after treatment

Level 4: Specialist VR service

(Eva et al., 2012).

The devolved nature of the UK structure means that there is an additional administrative level to the provision of services. The effect of this is that Work Programme participants may have



been unable to access provisions that are funded by the devolved and local administrations. Case studies demonstrate that there was little coordination between local actors and Work Programme providers beyond limited sub-contracting arrangements that mean local actors provide services but have little influence on the implementation of the Work Programme. Some notable exceptions highlighted by Fuertes and McQuaid (2016) include:

- The Youth Engagement Board in Cardiff that brings together different council departments and other stakeholders to plan a strategy for integrated service delivery.
- The 'cross-partners panel' of the Economic Development Department of the City of Edinburgh also does this.
- Families First in Cardiff brings together the departments of Education, and Children and Families
- Scottish Community Planning Partnerships bring together public officials from health, housing, employability.
- Cardiff Partnership Board includes key public and voluntary services
- Economy, Work, Skills and Learning Partnership in Newcastle brings together private, public and third sector stakeholders.

Through the Government's Devolution Deal and City Deal process, the DWP agreed to work with several combined authorities/city regions to ensure local priorities influence the design and delivery of Work and Health Programme by co-designing the programme with those areas.

Third Sector / Charity

Services that are not provided directly for the long-term unemployed or other specific claimant groups, are contracted out by the DWP to private or third-sector organisations mostly through 'market' governance (Fuertes and McQuaid, 2016). The third sector plays a strong role in the delivery of public services in general, but the efficacy of these services is debateable, due to weak evidence either for or against their role in service delivery, and lack of cohesive data allowing in-depth insight into the extent of their role (Fuertes and McQuaid, 2013). However, the charity sector plays a significant role in providing rehabilitative services such as exercise or hydrotherapy, condition-specific rehabilitation services, information, guidelines, support groups, and advocacy (Frank, 2016).



The charity sector is also vital for offering work experience, residential training and support for those with specific physical or mental health needs, providing support in employment skills, such as CV writing, interview techniques, communication skills, and confidence building exercises (Frank, 2016). Indeed, the role of NGO's is much more extensive in British policy than in most other EU Member States, and partnerships with these organisations in targeting marginalised people are significant to service delivery (Mailand, 2009).

Private Sector

Rehabilitation services that support ill or disabled individuals into work are regulated by the Case Management Society of the UK and the Vocational Rehabilitation Association, both of whom are actively involved in both the public and private sectors. However, services are largely provided by private sector services and funded by the insurance sector (Frank, 2016).

Assistive technology in the workplace is largely provided by private companies. This includes a wide range of in-work apparatus, from supportive enhancements for desks to powered wheelchairs. For example, the charity AbilityNet provide support for individuals in making reasonable adjustments to their information technology systems (Frank, 2016).

Employers

Beatty and Fothergill (2011) describe the 'payment by results' approach taken by the Work Programme, which is an essential factor that differentiates it from previous employment programmes. As an intervention it has been criticised for taking little account of the suitability of employment and providing an extra barrier for those who experience multiple or complex reasons for long-term unemployment (Kellard, 2017). Whilst some employers are incentivised by the advertised benefits of taking part, certain phenomena remain that systematically exclude workless individuals from applying for jobs. These include avoiding inundation with applicants for a role by utilising informal advertisement methods, or conversely utilising overtly formalised recruitment methods that exclude candidates with low literacy or IT skills. Small and Medium Enterprises (SMEs) in the UK are particularly prone to not being able to recruit from workless populations (Ingold and Stuart, 2015).



Accountability

Policy failure can partly result from complex institutional structures, a lack of co-operation across institutions, and insufficient financial incentives for public institutions (OECD, 2008). This section examines some of the structures in place to negate these risks in policy implementation. It also examines other ways in which policy direction is held accountable.

Political accountability

Democratic accountability in the UK is achieved through standard electoral procedures. Legislative activity is largely directed by the central government at Westminster. Legislation is prepared by the civil service, then debated and refined by both the House of Lords and the House of Commons before being passed into law. Accountability is achieved through both the debating process itself and the transparency of the debate in which citizens can keep track of debates through government reports, media, and through their local MP.

Devolved administrations (Scotland, Wales, and Northern Ireland) are responsible for a number of policy areas related to employability, such as education, vocational training, skills, and apprenticeships, which are legally defined by the 'reserved power' in Scotland and by legislative competencies in Wales (Fuentes and McQuaid, 2016). Bivand *et al* (2010) note that devolution has not had a substantive overall effect on the delivery or efficacy of services. For example, they compare employment figures in Wales with employment figures in the north of England and found that the trends and patterns in both areas were broadly similar, before and after devolution. Beatty and Fothergill (2011) argue that the prospect for worklessness in Britain are largely related to geographic area, with constituencies in South Wales, the North of England, and areas of Scotland featuring highly in tables of working age benefit claimant rate. They argue that this trend is related to policy proposals from central government in Westminster.

The UK government's strategy for long-term unemployment operates within the wider confines of the European Employment Strategy (EES). Control is implemented through Employment Guidelines, National Action Plans for Employment and the EU's Joint



Employment Report which includes country-specific recommendations. However, evaluation and accountability are implemented through peer review (Mailand, 2009).

The UK employment service is the DWP, located in Westminster. In the provision of employability services, there are also some aspects that affect the Department of Health and Social Care, and the Department for Education. At an operational level, previously separate social security and employment offices were amalgamated to form Jobcentre Plus offices, who are directly governed by the DWP (Green and Orton, 2009). The DWP are answerable to the Work and Pensions Select Committee, who conduct inquiries and issue reports into all matters relating to work, benefits, retirement, and pensions.³²

Activisation was organised on a personal level, with Work Programme participants each being assigned an individual case worker. The quality of intervention was therefore influenced by the size and nature of the case load assigned to each case worker (Ceolta-Smith et al., 2015). Assessments were standardised across the UK, although this led to some criticism that this method impinges upon the 'personalisation' of each case and means that interactions are procedural rather than substantive (Fuertes and Lindsay, 2016). Furthermore, Ceolta-Smith et al. (2015) argue that case workers were not equipped to assess outside of these standardised forms, meaning that some areas such as health-related needs were often unaddressed. Integration with appropriate healthcare professionals were therefore essential but underdeveloped. Green and Orton (2009) argue that whilst there have been some attempts to empower local voices in policy implementation, the centralised nature of the reporting structure limits the extent to which local actors can be empowered in their roles. An example of this was the City Strategy, in which local organisations deliver services that support the Work Programme, such as employability skills and training but submit quarterly reports to the DWP as a way of monitoring progress.

³² Further details of government structure are available from:
<https://www.gov.uk/government/organisations/department-for-work-pensions>



As mentioned above, the DWP is now working with several combined authorities/city regions to ensure local priorities influence the design and delivery of Work and Health Programme by co-designing the programme with those areas. This aspect represents the difference between the previous programme, characterised by an overwhelming national control. Even if the WHP continues to be based on the well-established model of programme delivery by service providers awarded contracts from government and the use of payment by results, some aspects are now devolved to local areas (National Audit Office, 2016).

However, according to Finn (2015), more devolution of the working relationship between Jobcentres and local government is needed, and central accountability and greater local control could be aligned through negotiated agreements, performance reporting systems, and the incentives and sanctions embedded in conditional central funding such as performance-based contracts.

The DWP provide information online for those who wish to complain about services provided by Work and Health Programme providers, offering support and information for citizens to address the organisation directly and, if that fails, offering information about how to complain to the DWP.³³ The extent to which citizens can redress their concerns through the media have been questioned by Taulbut et al. (2018). Their work examining the extent to which benefit sanctions have improved compliance for Job Seeker's Allowance claimants argues that the current use of punitive measures are excessive, leading to extreme financial hardship, debt and reliance on charity or foodbanks, along with the exacerbation of physical or mental health problems with limited ability to address this publicly. Mailand (2009) also argues that, in public discussion, elements such as the European Employment Strategy are not referred to routinely.

Accountability amongst service providers

The DWP's 'black box' approach to delivery where they do not specify the type or level of support providers give to people seeking work, has resulted in a high variance in health-

³³ Full details, including explanation of services and exemptions are available from: <https://www.gov.uk/government/organisations/department-for-work-pensions/about/complaints-procedure>



related support (Ceolta-Smith et al., 2015). This means that claimants with similar health conditions are likely to experience very different levels of service.

Contracted services are subject to a system of tendering. This structure is built on an assumption that contestability increases the efficiency and effectiveness of provision, (Zimmerman et al., 2015). For example, they cite local services in Edinburgh, whose service provision is organised around the Hub Contract. This aims at making services seamless by tailoring them to individuals, on the rationale that contractualised arrangements are the most effective way of producing an integrated service. As previously mentioned, the tendering process itself often leads to a concentration of long-term provision by large, multi-national organisations.

In the Work and Health Programme, contracts are stipulated between the DWP and the contractors. For example, Remploy is one of the five providers that are delivering the WHP across six national Contract Package Areas (e.g. Wales). It is paid on a Payment by Results (PbR) basis in order to drive sustained employment outcomes. To this end the providers must: provide participants with more tailored support than is available in their locality, have strong links to national and local employers, link up with health and social care services and other local services, and take a holistic approach to tackling the barriers to employment faced by participants.

Interagency cooperation as a key component to service delivery is designed around standardised action plans led by a personal adviser, with contracted external providers used for more specialist intervention (Lindsay and McQuaid, 2008). Dialogue with NGOs and third sector service providers is encouraged through processes such as National Action Plans (NAP), and these have been relatively successful in allowing communication between social partners and governing bodies (Mailand, 2009). Transitional employment schemes, such as those operated through Intermediary Labour Markets (ILMs), appear to have some success in stimulating job retention once participants leave ILM programmes for 'mainstream' employment. These are evaluated via monitoring exercises of ex-participants, conducted by Glasgow Works and the Wise Group (Kellard, 2017).



Ingold and Stuart (2015) also examine the role of employers as a key private stakeholder delivering services. They argue that employers are largely disregarded as actors in the implementation of the Work Programme, and that their acquiescence is often assumed. However, their research suggests that the Work Programme was not well understood by most employers, and that they had not been active in the development of the policy.

In the UK, trade unions are rarely invited to local partnership meetings, in which all stakeholders involved in the delivery of employability services meet and are not habitually consulted on policy development relating to employability (Etherington and Ingold, 2012). The Trade Union Council (TUC) has, however, been more pro-active at a national level in coordinating disability rights organisations and anti-poverty networks, allowing for more representation for those groups.

Legal Accountability

The Equality Act (2010) ensures that those suffering from long-term, chronic, or recurring conditions, whether they are innate or acquired, are offered reasonable adjustments, accommodations or job modifications to facilitate return to work (Frank, 2016). Employers are legally required to adhere to this, and employees can request adjustments to be made, with support from trade unions where possible or appropriate, under the terms of the Equality Act.

The process of contract-making forms a legally binding agreement between partnership organisations (Lindsay and McQuaid, 2008). However, the process of tendering is one of competitive contractualisation, which Zimmerman et al. (2015) argue promotes unrealistic targets set up by providers in order to win contracts, which sometimes has the long-term effect of providing inadequate support for those with the most complex needs.

Administrative accountability

Policy evaluation in the UK has tended to focus on the immediate or short-term outcomes of programmes, rather than longer-term retention or advancement (Kellard, 2017). Furthermore, there several tensions that exist between competition and coordination, and between



centralised commissioning, localised planning, and alignment of targets and funding (Green and Orton, 2009). There are some developments in UK labour market policies, such as Employment Zones and Supported Employment, which aim to encourage sustained employment and although they look promising, the efficacy of their performance has yet to be determined (Kellard, 2017). These are commonly overcome through inter-agency co-operation, in which government, public, and community sector providers deliver centrally funded provision under both contractual arrangements and partnership-based pilot models (Lindsay and McQuaid, 2008).

Private sector service providers are held to account through the 'black box' method of commissioning previously described. Providers are awarded contracts on the basis that they can provide the services required and are expected to meet targets in order to demonstrate impact and effectiveness. Carson and Kerry (2010) argue that this system is based on the ideology that competitive markets are a means of efficient allocation of resources and delivery of social effective outcomes. However, Considine et al. (2018) argue that this is not necessarily the case. They argue that, whilst the method has produced some small improvements in the ability of frontline staff to be flexible to service users' needs, they found little evidence of any increased efficiency in the reported rates of jobseekers moving into work. Furthermore, they also observed an increase in practices that prioritised clients with less complex needs, slowing the rate by which members of more difficult to reach groups were able to find employment.

Professional accountability

The emphasis shifted during the Coalition Government (2010-2015) from the evidence-based policy making favoured by the New Labour Government to a more practitioner-focused approach that utilised the work of private and charitable organisations, such as the Centre for Economic and Social Inclusion, a research organisation that promoted greater social inclusion into the labour market (Krapp and Pannowitsch, 2017).

The period of consultation surrounding the integration of benefits into Universal Credit was marked by its lack of reference to evidentiary justification, and apart from reference to the Harrington Review about the Work Capability Assessment, almost no expert was mentioned in the parliamentary debate (Krapp and Pannowitsch, 2017).



ICT systems

Lindsay and McQuaid (2008) emphasise the need for information sharing and improved communication for smoother service interactions and the avoidance of duplication of effort. Whilst the delivery of services is based on the interpersonal nature of the client - case worker relationship, it is backed by investment in information and communication technology (Kellard and Stafford, 2007). The availability of up-to-date ICT systems is generally regarded as an essential resource, and as such forms a vital element in the way in which case workers organise their caseloads and divide their time and effort. (Fuentes and Lindsay, 2016). However, some problems are evident. Whilst ICT systems are regarded as a useful tool for collaboration purposes, it does not necessarily follow that the systems that are in place are suitable for the task. For example, Green and Orton (2009) noted that the City Strategy initiative in the area of Birmingham in the West Midlands was hampered by lack of compatibility between the ICT systems of the various actors involved in delivering services, meaning that contracted companies delivering services were not able to access the full range of information about the service users they would be working with. Conversely, employers who rely upon ICT systems, especially for recruitment purposes, run the risk of systematically excluding candidates with low ICT literacy by only offering digital recruitment processes (Ingold and Stuart, 2015). Companies who only offer job applications online are systematically excluding those without either access to the required technology, or the digital literacy to navigate the online terrain.

IT skills have also been identified as a skills gap that may act as a barrier to older people entering the workplace (Brown et al., 2015) and the ability of individuals to enter the workplace is closely related to the ability of services to provide training in this area. As such, IT has been incorporated into the structures that support those who are workless and those who are able to navigate their way into the labour market (Etherington and Ingold, 2012). Furthermore, ICT systems have been identified as a large component of the provision of essential return-to-work support, with many participants requiring either intervention that allow them to interact with information technology comfortably and appropriately or relying upon ICT systems to conduct their working lives (Frank, 2016). The Work and Health Programme provides training that allows participants to improve their digital literacy as part of their employability skills.



Danish employment policy and governance tackling long-term unemployment

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The aim of this report is to map the national and local governance and accountability structures in which collaboration and account-giving around long-term unemployment services are situated in Denmark. As the Danish services provided to the long-term unemployed are mostly part of a general dual system of services for the unemployed and those in social distress, the mapping includes this general system.

Historical policy development

Even if the Danish economy was growing quite satisfactory in the mid-1980s, unemployment was around 8% in 1987, when the economy abruptly returned to recession lasting into the mid-1990s with unemployment peaking at around 12%. Leading economists were interpreting the events as a 'problem of structural unemployment' (Larsen and Andersen, 2009). In 1991, two influential government commissions were set up to look into how to address the problem of structural unemployment. Two groups of unemployed received particular attention in subsequent reforms: the long-term unemployed in the unemployment insurance system and the young unemployed entering the system of social assistance.

Up until the major reform of the unemployment insurance system in 1994, the period of benefit entitlement was nine years (and in practice even longer). The rise of long-term unemployment was, thus, mainly putting pressure in the unemployment insurance system. The 1994 reform reduced the period to seven years but also strengthened requirements on the unemployed person to engage in 'activation' schemes, such as job offers as well as up-skilling. Subsequent reforms have continued along this path resulting in a period of entitlement to only two years since 2010, although few possibilities for extending the period were introduced in the aftermath of the sovereign debt crisis. As a consequence, long-term unemployment is today first and foremost addressed in the system of social assistance. Most of the employment policy reforms since the 1990s have been supported by all parties in



government, except the leftist Red Green alliance (*Enhedslisten*). This consensus is crucial because Danish governments are generally minority ones forced to seek compromises.

In parallel with reforms of the unemployment insurance system, a number of criticisms arose that continue to shape policy adjustments. The system was criticised for relying too much on 'professional judgement', leading to illegality and no guaranteed minimum income (Kolstrup, 2014, p. 142–145). Second, the gradual reduction of the benefit levels were criticised for discouraging people from enrolling in the unemployment insurance system. Third, the Act was criticised for disincentivising the recipient to work, because some saw the benefit levels as too high. These somewhat contradictory criticisms gained serious impetus in the late 1980s and 1990s, in particular turning the spotlight on young people. In emphasising 'no work, no money', the centre-right government in 1989 introduced special instruments targeting young people. Young unemployed people (18- to 19-year-olds) were entitled to a lower benefit than the rest of the unemployed in order to increase their incentive to work or to educate themselves, and were required to participate in 'activation' projects that combined work and training after 14 days of unemployment (Torfing, 2004, p. 174). During the 1990s, the low 'youth benefit' was gradually extended to everyone under 25 (Kolstrup, 2013). Under the social democrat-led government in the 1990s, reduced benefits were increasingly arranged to push young unemployed people towards education (Kolstrup, 2014, p. 197–199). The Active Social Policy Act of 1997 universalised many of the measures targeting young people. Instruments of 'activation' henceforth applied to everyone and were to be mobilised as soon as possible, with non-compliance to be met with sanctions (Kolstrup, 2014, p. 205-206). The Act emphasised recipients' 'rights and duties' as well as their 'responsibility' in which the goal of making the recipient return to the labour market overshadowed all other aspects (Kolstrup, 2014, p. 200-201).

In the 2000s, the entrance of a centre-right government led to certain displacements, but also a general intensification in the sense of increasing sanctions and control over the behaviour of uninsured unemployed people. The incentives to work, especially for families, and especially immigrant and ethnic minority families, were consistently scrutinized (Kvist and Harsløf, 2014). Families had access to additional support that lowered the financial 'carrot' for



working and thus constituted 'problems of interaction'. A number of instruments were introduced and intensified. This includes a general 'cash benefits ceiling'; the 'integration benefit', a targeted low benefit for people living in Denmark for less than seven out of the previous eight years (labelled 'start help'); and the so-called '225 hours rule' requiring married recipients to work a number of hours in a given period in order to prove their availability to the labour market (Kolstrup, 2014). Concurrently, the upskilling (human resource development) dimension of activation was toned down; rather, it should be 'job-orientated' (p. 264).

Another important and contested policy instrument was the categorisation of recipients of cash benefits. In 2000, the first standardised national system of profiling, or 'preadmission assessment', divided unemployed people into five categories corresponding to specific targeted instruments. This, and subsequent systems, responded to both a need for a more precise system of governance and a critique of the discretion of frontline workers (Nielsen, 2015). The standardised methods thus gave priority to determining the fastest route to work focusing primarily on assessing an individual's ability to work, not on discerning social problems (Larsen, 2013, p. 114). In 2004, these categories were replaced by five new 'match categories' that estimated the proximity of the unemployed to the labour market, and insisted on focusing on 'the resources and opportunities of the unemployed' rather than their problems (Nielsen, 2015). In 2010, the five categories were merged into three categories: the 'job-ready', the 'action-ready' and the 'temporarily passive'.

This emphasis on 'opportunities' and 'resources' also informed a number of reforms by the new centre-left government. In 2013 the early retirement scheme and supported labour schemes were changed. Politically, this reform was introduced as a policy aimed at improving the precarious social situation faced by chronically ill and disabled persons due to their health-related limitations. The reform strongly limited the access to disability allowance, especially for people under the age of 40 years old, and expanded the definition of flex-jobs so that the arrangement could be used for people with extremely limited ability to work. Instead of qualifying for disability allowance, young adults with extensive health problems are part of the system of social assistance, in a special activation scheme, so-called 'resource activation' (*Ressourceforløb*). In this compulsory programme, the individual's resources are to be activated



in order to facilitate return to work for a period of two to five years at a time but without a limit to the number of periods a person can be granted. (Hultqvist and Nørup, 2017).

The reform process 'Everyone can be useful' adopted by the centre-left government in 2013 transformed the system of social assistance in a highly composite way. It reduced benefits and installed an 'education injunction' for young recipients, required all 'able' recipients to work for their benefit, strengthened sanctions, introduced new instruments aimed at 'vulnerable' recipients and young single parents, and created a complex system of profiling in order to categorise the recipients according to a variety of instruments. The core of Act came in the shape of a new and complex system of preadmission assessment that tested and categorised the uninsured recipient. While the previous system operated with one benefit, cash benefits, the reform instantly divided all recipients into two categories, each with their own benefit. On the one hand, there are 'adults' (aged 30 and over) as well as young recipients who have obtained an 'education providing a formal qualification', all of whom receive cash benefits. On the other hand, there are young recipients without an education who are entitled to 'education help', a lower benefit corresponding to SU.

In 2016, just two years after the reform of 'Everyone can be useful', the new centre-right government launched another major reform of the system of social assistance. Justified by presumed effects of increasing monetary incentives and the slogan of 'make work pay', the reform reintroduced the 'cash benefits ceiling', the 'integration benefit', and the '225-hour rule', resulting in substantial income reductions for around 50,000 recipients.

The end result of 25 years of reforms is a highly complex system in which the long-term unemployed can be placed in several categories and thus be eligible to different allowances and activation instruments and different regimes of sanctions and control (Hansen, 2019).

Governance structures

The Danish (un)employment policies have since the establishment of the unemployment insurance system in 1907 been divided in two parallel systems. On the one hand, the



unemployment insurance system (*dagpengesystemet*) shaped and organised by the trade unions and, increasingly, by the state. This system is financed by a combination of individual contributions to unemployment insurance funds (*a-kasser*) and taxes. On the other hand, the system of social assistance (*kontanthjælpssystemet*) which is legally accountable to the state but delivered by the municipalities. This system is purely tax-funded.

Since the 1990s the division of labour in between the two systems as well as the content of the services delivered have changed gradually but radically, in particular in relation to the long-term unemployed. The common denominator of the multiple reforms as an aim to making policies more 'active', in the sense of attuned to reintegrate the unemployed into the labour market as quickly as possible. Despite this common denominator and overall consensus among most political parties (except the radical left) and most stakeholders (unions, employers' organisations, municipalities), the problems addressed varied significantly from lacking economic incentives and mobility to insufficient skills and responsibility of the unemployed (Hansen, 2019).

The story of the Danish reforms of the governance structure surrounding long-term unemployment largely fits what van Berkel in a Dutch context has described as 'triple activation' (van Berkel, 2013) reforms. The first wave is targeting the benefits for and requirements imposed on the unemployed, the second is targeting the organisation for delivering benefits and imposing requirements, and the third is targeting the frontline workers delivering the services. In Denmark the second wave has resulted in what Larsen terms 'decentralised centralisation' (Larsen, 2013, p. 108). On the one hand the operational responsibility for service delivery have been decentralised to one-stop shops, so-called 'jobcentres', based in the municipalities replacing the old system where the state managed the system for the insured unemployed in regional offices. Further, the possibilities for municipalities to contract out services have been expanded since the early 2000s. On the other hand, in order to address problems of control and accountability the state's oversight with the implementation and service delivery has become strengthened by a regime of benchmarking, performance-measurement, management by objectives, and quality management (p. 108).



As mentioned, contracting out was part of the government's strategy in the 2000s. In the first phases it involved mainly the activation for insured unemployed. In the mid 2000s, the scheme was revised due to criticism from the Court of auditors (*Rigsrevisionen*) pointing to lack of transparency in price competition and that the use of private actors took place in a way that did not increase price competition or innovation (Breidahl and Larsen, 2015). Subsequently, the centralised regulation scheme was tightened making way for more standardisation of the services that were contracted out.³⁴ Since 2010, contracting out has expanded to include services for uninsured leading to private actors to deliver less standardised services (Breidahl and Larsen, 2015). One of the recent tendencies is that social enterprises, so-called WISE (work integration social enterprises) have entered the market of services for long-term unemployed (Juul-Olsen, 2016; Svensson, 2016).

In the 2007, the reorganisation of local government in Denmark meant that the regional PES and local authority-led service centres were amalgamated in 91 one-stop-shop 'jobcentres', one in each municipality. The argument provided by the centre-right government for this reform was to establish independent agencies whose sole focus would be on the quickest possible return of the unemployed to the labour market. Whereas the employment services were unified in jobcentres, benefit administration remained the responsibility of either local governments (for the uninsured unemployed) or unemployment insurance funds (for the insured unemployed) (Knuth and Larsen, 2010). Merging the previous national and municipal systems was intended to reap synergy benefits and enhance cooperation of employment measures with other municipal responsibilities (Froy et al., 2011, p. 23). To the government, the high degree of autonomy of design and implementation of services for social assistance recipients was considered problematic for mainly two reasons. First, from the perspective of central government, the traditional 'soft' social work conducted in municipalities were running counter to its 'work first' strategy (Larsen, 2013, p. 110). Second, the autonomy in implementation had caused significant variation in implementation.

³⁴ A few jobcentres (Gribskov and Helsingør) were completely privatised during that period.



The result was a new governance system of supervision of job centre performance based on a variety of New Public Management tools together with rather minor collaborative elements. The pivot of the system is the performance goals set by the Danish Agency for Labour Market and Recruitment (STAR), a branch of the Ministry of Employment. Local government is then allowed to add a few other local goals. The performance goals are all written down in a local employment plan (*beskæftigelsesplan*) (Knuth and Larsen, 2010). Up until 2015 this process entailed an institutionalised collaborative network called the local employment councils with representatives from various local stakeholders (Damgaard and Torfing, 2010). The local jobcentres are monitored regularly and in annual audits by STAR through its Regional labour market offices as well as by Regional labour market councils (with stakeholder representatives, mainly unions and employers' organisations). Integral to the supervision is new 'naming and shaming' system that measure a wide range of activities and effects of the activities of the jobcentres open to public inspection and designed to benchmark jobcentres in similar circumstances (Knuth and Larsen, 2010).

Finally but importantly, the state has strengthened the governance of job centres by attaching economic incentives attached to the use of different kinds of activation measures. In order to promote activation, municipalities are given a higher reimbursement from the state when unemployed are enrolled in 'active' schemes than merely 'passively' receiving benefits thus putting frontline workers under pressure to start up activation measures as early as possible (Larsen, 2013, p. 118). The scheme was criticised for incentivising municipalities to 'box' people into the most profitable schemes. In order to promote 'investment-thinking' the 2015 'reimbursement act' changed the reimbursement scheme from being dependent on type of scheme (targeted companies 50 %, up-skilling 30 %, passive 20 %) to a 'results-based' scheme that gradually decreases by amount of weeks of unemployment. However, the supervision of job centres on a number of performance indicators continues within the benchmarking scheme.

The results-based reimbursement is part of a rather new aim of giving more freedom to municipalities in service delivery. Since 2010, various networks of municipalities (*frikommunenetværk*) have been granted permission to temporarily experiment with exempting unemployed from some of the many legally defined 'process requirements' related



to job search, meetings, etc. The latest example is the large-scale ‘simplification act’ from 2018, that is currently implemented.³⁵ The act aims to reduce red tape by reducing and simplifying the process requirements. However, by moving towards a more results-based measurement of performance the act explicitly states that increased freedom comes with strengthened surveillance and follow-up. When job centers previously did not live up to performance goals, STAR was authorised to contract out services in case the jobcentre failed to perform. The 2018 act strengthens the scope for intervention through a so-called ‘intensified follow-up’.³⁶ In the ‘restoration period’ of 9 months a ‘taskforce’ from STAR is placed in the municipality that is providing accounts of progress to the parliamentary Employment committee. If the municipality fail to restore it is put under administration of STAR and is required to scrutinise all cases with passive recipients of benefits.

Alongside reforms within NPM style reforms, we find an emerging collaborative agenda driven mainly by the municipalities as well as the Ministry of finance. Under the heading of a ‘holistic effort’ (*helhedsorienteret indsats*), attempts are made to integrate interventions involving multiple caseworkers and action plans across different administrative sectors (employment, social, health, education). The 2013 reform of the early retirement scheme and supported labour schemes introduced ‘cross-disciplinary rehabilitation teams’ that were supposed to coordinate the effort towards people enrolled in ‘resource activation’. The holistic agenda entails bringing the needs of the citizen in the centre and thus a potential re-professionalization of the effort (Caswell and Larsen, 2015, p. 25). Partly based on the experiences of one of the experimental municipal networks, the Ministry of Finance initiated, in 2018, a new so-called ‘main law’ supported by all parties in Parliament. The main law addresses the problems of legal accountability in between the legislation bodies of different sectors. The law grants the individual citizen the right to be offered one assessment, one adjudication and one access to justice. The reform thus forces the various sectors within and

³⁵ https://bm.dk/media/7787/aftaletekst_lab.pdf

³⁶ <https://bm.dk/media/7781/skaerpet-opfoelgning-paa-kommunernes-indsats.pdf>



outside of the municipality to collaborate together with the citizen.³⁷ Accepting the offer entails giving consent to sharing of personal data across involved sectors.

Public accountability structures

The public accountability structure of the employment policies and services is closely linked to the governance structure outlined above. In simple terms, it can be divided into policy-making and design, service delivery and implementation oversight. Basically, central government is trusting municipalities with the responsibility of providing unemployment services. In return, municipalities are monitored and must provide (administrative/performance) accounts of how they are meeting this responsibility.

Policy-making

The national parliament is the main decision-making body when it comes to employment policy in Denmark. Much of the legislative preparation and deliberation in between parties take place in the Employment committee and Social committee. However, most bills are initiated by the government in close collaboration with the central administration. Due to its analytical capacity and implementation responsibility STAR, a sub-unit of the Ministry of employment, has played a central role in the policy-making phase of most reforms. Traditionally commissions appointed by the parliament has played an equally important role in developing new policy proposals. In addition to the Ministry of Employment, the Ministry of Finance, the Ministry of Social affairs and the Digitalisation agency is involved.

The interest organisation of the municipalities, KL, is an important player, for instance, in initiating the recent simplification act. Municipalities have also become key players in designing policies through the experimental networks (*frikommunenetværk*) in which networks of around 6 municipalities collaborate on reducing red tape and new collaborative service delivery. Both unions and employers' organisations, although to a much lesser extent

³⁷ <https://www.regeringen.dk/media/6039/aftale-om-rammerne-for-en-helhedsorienteret-indsats-for-borgere-med-komplekse-problemer.pdf>



when it comes to uninsured unemployed, are included in the policy-making phase. Nationally they are members of the National employment council and they partake in aforementioned commissions together with appointed experts (usually economists). The social workers' union has been one of the loudest critics of activation reforms although the holistic agenda seems to grant their profession a more prominent role.

Service delivery

Municipalities (with around 40,000 inhabitants in average) have the operational responsibility for the service delivery. Employment policies, that is all activation schemes, are handled in the job centres. Job centres are thus legally accountable to the Active employment policy act (*Lov om aktiv beskæftigelsesindsats*). The central government agency STAR is responsible for the implementation of employment laws. Eight Regional labour market councils (with representatives from unions, employers, municipalities, disability, education sector) are assigned the role of linking employment policy, vocational training, industrial policy of the region (although with limited decision-making power).

The handling of paying benefits and to apply sanctions takes in a separate 'allowance office' in the municipality (*ydelseskontoret*). Thus in these cases the job centre provides accounts to the 'allowance office' which again provides financial accounts to the local council. Next to the jobcentre, the municipality has a 'social administration' that for instance handles family related matters as well as disabilities. The social department is legally accountable to Active social policy act (*lov om aktiv socialpolitik*) as well as the Service act (*serviceloven*). The municipalities have the option of contracting out various activation services to private providers. The private providers, so-called *Other Actors*, are thus accountable to the jobcentres through contractual agreements. In addition, if the long-term unemployed has health problems the health department (accountable to the Health act (*Sundhedsloven*) is involved together with a number of potential actors outside of the municipality, such as general practitioners, physiotherapists, psychologists, and psychiatric institutions. Finally, upskilling may involve the education department and various educational actors, such as schools for vocational training.



Further, local businesses as well as the municipalities themselves are involved as employers hosting 'job testing' (*arbejdsprøvning*), internships, and subsidised job offers (*løntilskud*). Finally, civil society actors are often involved as mentors or as in the case of social enterprises as both employers, rehabilitation and up-skilling. If the long-term unemployed engages in the 'holistic effort' mentioned above, it thus entails that actors involved are partaking in extensive deliberative account-giving to coordinate their efforts as well as with the unemployed person to ensure acceptance of the joint plan.

Implementation oversight (performance and legal accountability)

As already mentioned the relation between STAR and job centres is substantially based on performance accountability. Most of the surveillance and reporting is carried out in three Regional labour market offices (subunits under STAR). In case of non-compliance, STAR has recently been given extensive powers to sanction municipalities (see above). STAR is accountable to the Minister of Employment and to Parliament, notably the Employment committee, as well as the National Audit Office (*Rigsrevisionen*) that for instance produces annual reports of the efficiency of employment policies. Moreover, the Danish center for social science research (VIVE) together with a number of consultancies play an important role in evaluating implementation and ongoing experiments.

The local city councils surveys the activities of the jobcentres through the Municipal employment committees. Here, the annual strategy of the job centre (*beskæftigelseplanen*) is debated and adopted. Thus, municipal politicians are holding the Job centre to account for its performance – mostly by referring to historical developments and by benchmarking itself with comparable municipalities. While municipal constituencies may hold their local politicians to account for the ability to create jobs, there seems to be a widespread recognition that there is only so much that local politicians (and the jobcentres) can do to influence the availability of workplaces.

Finally, whereas STAR, VIVE and municipal politicians focus on the effectiveness of the municipalities' measures, the legal compliance is handled by the Agency for appeal



(*Ankestyrelsen*), an agency under the Ministry of Interior Affairs. Here, citizens can file complaints on decisions on service delivery by local governments. Further, the agency conducts its own audits of municipalities. In brief, administrative/performance accountability seems to constitute the main form of accountability in the area of municipal job service delivery. While legal and political accountability at times plays an important role at the level of central government policy design, they rarely play any significant role with regard to municipal delivery of employment services.

ICT

ICT plays an increasingly central role for administering the unemployment services and for monitoring the performance of the municipalities. It thereby is crucial to administrative (performance) accountability. Until recently, ICT did not play any substantial role in promoting collaboration. However, this may be about to change with the advent of the so-called 'holistic effort'.

Beginning from the relation between (long-term) unemployed and the job centre, the unemployed most provide accounts of her activation efforts, including job centre meetings, job search, CV writing. All this documentation is organised through the digital platform called jobnet.dk. Jobnet is run by the Ministry of Employment. The platform's 'CV bank' is supposed to function as entry gate for employers looking for labour. On jobnet.dk each unemployed can access 'my plan'. 'My plan' provides information about current course of activities as well as his or her legal rights and obligations.

In conjunction with the reforms of simplification and holistic effort, a number of ICT instruments are in the making. In order to enable sharing of data across sectors and municipalities STAR is developing a new digital gateway, the 'virtual job center'. The aim is to develop a platform in which various actors involved (such unemployment insurance funds, unions, and private providers of activation) can develop targeted IT-tools to underpin a more efficient employment policy such as self-service solutions, digital communication and data



sharing. Data sharing is part of the ambition to strengthen 'data-driven decision support', such as preemptive profiling tools, to caseworkers, citizens and employers.

To support the holistic effort the National digitalisation agency is collaborating with municipalities on new digital tools to coordinate financial management as well as the documentation of casework among the different administrative sectors involved in joint effort. Regards financial management, the gathering of all activities and inter-departmental collaboration, challenges the separation of the departmental budgets in the municipality. The separation of budgets is thus one of the major obstacles to promoting an investment thinking in the municipality as a whole.³⁸ A working group (with participant from KL and The Ministry for Economic Affairs and the Interior in the Modernisation Agency (under the Ministry of Finance) is currently working on new ways of ways of managing the municipal budget in cross-departmental activities such as the one targeting long-term unemployed.³⁹

Regards documentation the National digitalisation agency is currently developing, in collaboration with KL, Ministries of Employment, Children and social affairs, Integration and Education, a digital platform to give the rehabilitation teams an overview of the various cases of the citizen in order to make only one action plan. One major problem is that many of the case handling systems are unable to communicate with each other.⁴⁰

³⁸ <https://star.dk/media/4962/analyse-barrierer-for-tvrgende-indsats-deloitte.pdf>

³⁹ <https://modst.dk/oekonomi/oekonomistyring-i-kommuner/>

⁴⁰ <https://digst.dk/afbureaukratisering/samtaenkning-af-handleplaner/>

