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# Ganging up on interests: A conceptual approach to policy analysis

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**Abstract:** Research on the role of ideas has contributed greatly to understand processes of policy change. However, ideational analyses have tended to neglect an important source for analysing political reform: They have paid too little interest to the concrete manifestation of ideas and concepts, too often analysing ideas as closed entities (like paradigms). This paper will advance the argument that the crossing between independent streams of ideas and their often silent recombination should be studied as a central variable, especially in order to understand the direct relation between ideas and policy. Analysing the case of the Danish jobcentre reform it is demonstrated how ideas may be introduced by actors in order to promote their interest, but once in play, actors are no longer able to fully control their further development. When ideas recombine and create new meaning, they often 'gang up' on interests. Conceptual analysis may thus be helpful in identifying the power of ideas.

## Introduction

The growing acceptance that ideas play a substantial role in politics has contributed greatly to our theoretical and empirical knowledge of policy processes. Interest oriented theories - the research tradition which most theories of how 'ideas matter' are formulated in opposition to - have been challenged on an number of issues: How can we explain how preferences are formed? Where does the substantial content of policy originate? What are the effects of macrosocial and -cultural factors on political process? Interest does matter, but it alone is not succesful in counting for either consensus or the process leading up to it. It is questionable if focusing alone on how actors relate to each other rather than how actors relate to problems could succesfully explain processes of policy formation. Interest oriented theories can (potentially) explain why rational actors' attempt to influence the policy process was succesful or not, but if interests are defined simply from rational and static institutional setting - without the hitorical and ideational context of the policy field - the researcher easily loses sight for the *content* of policy, which should be at the center of social scientific explanations. In other words, the interest oriented approach has countered many problems opening the black box of interest, in turn creating difficulties in explaining the *content* and *forming* of preferences.

The 'ideas matter'-perspective has to a large extent been succesful in compensating for these weaknesses in interest-oriented theories. First, ideational theories have shown greater interest in the process of interest formation. In continuation of one of the key insights of the policy learning-literature - that 'objective' problems must be perceived in order for actors to be able to act (e.g. Sabatier & Jenkins-Smith, 1993) - the ideas matter approach has stressed the cognitive and normative aspects of the policy process. The policy process is dominated by complexity, and hence to create enough clarity to act purposefully, actors need a normative and cognitive filter to identify their interest. In this process actors use the values they are socialised into as well as previous experience, which points to the importance of macrosocial and -cultural phenomenons as well as path-dependent ideas that

structure the specific policy field. It is a reasonable assumption that actors seek to maximize their interest, but these interests are to a large extent defined from historically rooted ideas.

Second, the idea-oriented perspective is useful in understanding the concrete *output* of the policy process. When focusing on e.g. the beliefs about basic cause-effect ideas at play in the creation of policy, ideational analyses take a closer and broader look at the content of policies. Actors' interests cannot stand alone in explaining policy, because it is only able to account for why who got to choose. This leaves the concrete policies unexplained, and we end up still asking why the actors chose what they did. Ideational analyses have proved useful in understanding why some solutions are chosen over others, and how these solutions are related to actors' understanding of a problem. When studying ideas in policy, one studies what should be at the center of policy research, namely the *content* of policy. Broadly speaking, then, ideas have effect on policy "when it exerts a causal influence on policy change by serving to reconceptualise interests, reshape institutions and reframe culture, and when it does not, by serving only to reinforce interests, institutions and culture" (Schmidt & Radaelli, 2004: 201).

In this paper we wish to argue that though ideational analyses of policy processes have often proven successful in explaining the content of political reform, the tradition has not paid sufficient interest to the nature of ideas or how the *relation* between ideas can have important effects on policy. Previous analyses have convincingly argued that ideas can be used as ideological weapons that 'allow agents to challenge the existing institutional arrangements and the pattern of distribution they entail' (Blyth, 2001: 4). In other words, advocates need strategies to overcome the scepticism of others. Welfare states are dominated by collective understandings within which reforms must be legitimized (Cox, 2001), and the framing of problems can be an effective tool in justifying the need for reform (Beland, 2007: 125). We fully acknowledge that actors need framing to make reforms acceptable to both elites and the public at large. But the focus on ideas as a weapon downplays the independent power of ideas in the forming of preferences. Using the Danish jobcentre-reform as case, we seek to demonstrate how the effect of ideas on interest can be understood through conceptual analysis of discourse over time and the development of the relation between the ideas that actors use to form their preferences. We identify an important mechanism in policy that can demonstrate the potential power of ideas over interest: Ideas are composed of several ideational streams that through internal contingency forms the idea. Ideas, however, are not closed entities, thus making it impossible for actors to control their meaning. Ideas may have direct effect on interests and reforms when independent streams of ideas and their often silent recombination changes the meaning of ideas originally introduced by power seeking actors. Actors may even end up supporting an idea that they originally opposed because of the recombination of ideas.

### **The jobcentre case**

As part of a major restructuring of the Danish public sector (Strukturreformen – The Danish Structural Reform) jobcentres were established in Denmark in January 2007. The overall reform replaced 14 counties with 5 new regions while the number of municipalities was reduced from 271 to 98. The reform entailed a major shift in the balance of authority between the national, regional and municipal levels in Denmark. A major part of the regional authorities were transferred to both the national and

municipal level, and a lot of policy areas were affected by this grandiose restructuring. One policy area that was markedly affected was the labour market policy. When jobcentres were implemented, the previous two-tier employment service system was united into a one tier system. The Jobcentres were to carry out servicing of all unemployed and all companies. The unification of the employment service had been discussed prior to the Jobcentre reform beginning around the time that the bourgeois government took office.

The Danish bourgeois government took office in late 2001. About 6 months later they presented a plan for reforming the labour market system. *Flere i arbejde* (More People Working) was to continue the active Danish labour market reforms of the 1990's. Focusing even more on work-incentives (especially for immigrants) and downplaying a human development approach (Jørgensen, 2006). 'More people working' also focused on unifying the employment service in Denmark and the reform was agreed upon by most parties in the Danish Parliament – including the Social Democrats who earlier on had criticised a one-tier system.

The actual 2002 reform *More People Working* did not unify the two tiers into one. However it was, as in the debate contribution, made clear that *all unemployed people* should help based on the same rules and principles – regardless of insurance status (Regeringen 2002a: 1). It is quite clear, that similarity between the two target groups was a central part of a shift towards a one-tier unemployment-system (cf. the conceptualisation below).

Before the Jobcentre Reform, employment service was divided between the state and the municipalities. The latter carried out employment service for unemployed people on social assistance – people *without* unemployment insurance, while the former serviced people on unemployment benefits – people *with* unemployment insurance. This system is rooted several centuries back – connected to guilds mediating labour along side the municipal social security and poverty reduction (Damgaard, 2003). However it was not until 1969 with the formation of the state labour mediation (AF), that the two-tier system was made obvious. From this point it was made explicit, that AF were responsible for unemployed with insurance and the municipalities for those without.

The beginning of the 1970's marks a clear division between the two organs. The boundaries between them, however, were increasingly blurred through the economic recessions of the 1970's and 1980's as the municipal efforts became more and more job-oriented (Damgaard, 2003: 71). This tendency was even stronger during the 1990's. Several scholars have argued that the development of the 1990's represented a gradual harmonisation of the two employment service systems – but merely on a programmatic level (Goul Andersen & Albrekt Larsen, 2004; Damgaard, 2003). No institutional harmonisation was initiated until the jobcentre-reform united the two-tier system into one. However, as this paper later argues that ideas and conceptions relating to jobcentres were indeed present during this period of time.

The one-tier employment system was introduced with the catch-phrase “one entrance for everybody”. 91 jobcentres were created, and all unemployed people – no matter insurance status – were now attached to their local Jobcentre. The jobcentres carry out mediation of labour, activation schemes, visitation, job guidance, job plans and they control that the unemployed are at the disposal of the labour market.

A jobcentre can be characterised as a unified centre primarily engaging employment services.

The centres are not, however, totally unified. There is still some jurisdictional division within the unified jobcentres: The state has overall responsibility for the insured unemployed while the municipalities are responsible for the employment service of the uninsured. This has opened a window for interesting studies of the implementation process – initially showing confusion and lack of coordination in the jobcentres. However this paper addresses explanations behind this unification (despite its divisions) into jobcentres, by analysing how the creation of a one-tier system was made possible.

Previous explanations of the Jobcentre reform have focused on the interests and power resources of main actors involved in the policy process. Though these explanations carry some merit (especially in explaining the outcome of the negotiating process) they tend to underestimate continuity and path dependence in the formation of public policy. Christiansen & Klitgaard (2008a) base their explanations on a narrow focus on interests and the struggle of main actors to power through. They describe the policy process as a game – and the reform as a simple outcome of this game.

Another study by Bredgaard & Larsen (2007) has a similar focus on interests and power. The position of the main actors are here driven by a wish to maximise power and authority. Bredgaard & Larsen for example explain that the Jobcentres were placed under jurisdiction of the municipalities because this was the only way to make the municipalities accept the overall Structural Reform (p. 3). This bribe-explanation does not at all consider the historic and ideational dynamics of policy.

We argue that the previous explanations have put too much focus on strategic action. None takes a wider historic development under consideration. Furthermore they are having some difficulties explaining the actual *content* of the Structural/Jobcentre reform. The previous studies can also be criticised for a static definition of preferences – they are defined rather exogenous at one given point in time. Therefore we focus on the impact of path-dependent ideas. We argue that the content of reforms is to be explained, not by preferences, power and problems, but with historically path dependent ideas, and their possible fusion with other ideas.

### **A conceptual approach to ideational analysis**

In this paper we wish to build on the insights of the 'ideas matter'-tradition, especially how ideas function to justify the interest of actors, as well as the ability to explain more satisfactorily the content of policies more than just who in the end got to decide. Though our analysis lies end to end with the ideational perspective described above, we also stand critical towards certain aspects of the tradition. We believe that policy analyses with focus on ideas have not paid enough interest to the concrete manifestation of ideas and concepts. Rather than viewing ideas as closed units with a core meaning, as often seen in analyses focusing on e.g. paradigms, the paper presents the argument that the internal structure of an idea and its relation to other ideas should be studied as a central variable. Using a conceptual approach to policy analysis the paper takes a closer look at discourse, engaging with its internal structure and the relation between words, ideas and concepts. Our focus on the internal structure of ideas is also part of an effort to show a more direct relation between ideas and policy that we believe previous theories have lacked. Too often ideas are handled like monolithic units, as is often the case, e.g. in analyses inspired by Hall's theory of paradigms (Hall, 1993). By studying more closely

the concrete appearance and behaviour of concepts we hope not just to open up the black box of interests, but also the black box of ideas that is kept closed in too many analyses.

In connection to our analysis we define a concept as a collection of ideas and relations between ideas that altogether constitutes an open unit of meaning. The relations between the ideas in the concept are crucial for understanding the meaning and dynamics of the concept. It is very important to understand that the concept is *not* just the sum of the ideas. When the ideas are fused into a concept, this creates additional meaning. Concepts are open in the sense that they have no core. Concepts are made up through the contingency of ideas, and meaning is added, when new ideas are inflicted on the concept. These two characteristics of concepts, relations and no core, points to the importance of understanding the contingency of ideas, and how the concepts develop over time.

Conceptual analysis puts emphasis on how ideas work dynamically, both over time and in relation to other ideas (Freeden, 1996). First, ideas are always historically constituted, in the sense, that they have a strong relation to other forces in society and change in relation to these. Further, new ideas are often founded on older ideas, creating a high degree of ideational path dependency. Consequentially ideas and concepts should always be studied over time, owing to the great possibility of path dependence. What seems conceptually natural now, may originate from a whole different understanding of the problems and solutions. To analyse these developments can shed light on why change occurred. In our analysis we try to identify the ideas in the Jobcentre-concept in previous Danish labour market policy to determine its relation to previous ideas.

Second, it is necessary to decode the structure of ideas from the relations between them. The meaning of words and thus ideas always originate from the network of other words in which they function: "Political concepts acquire meaning not only through the pluralist disparities of culture...but also through their particular location within a constellation of other political concepts" (Freeden, 1996: 54). That the meaning of an idea is created from its relation to other ideas means that if an idea is removed or added to the concept, or if the shape of an idea is altered, it can have significant effects on the understanding of the concept. This insight from conceptual analysis creates the possibility for dynamic analyses, contributing to our understanding of political change.

In our effort to demonstrate the usefulness of conceptual analysis to understand how ideas can dominate interests, focus will - in our empirical analysis of the Danish jobcentrereform- be on the diachronic and synchronic aspects of concepts. First, we seek to show how the ideas that are used in reforms are related to previous reforms. Reform initiatives are always forged on previous attempts to solve what is perceived as problems with viable solutions. This is an argument for the path-dependence of ideas. The path-dependence of ideas has the effect that certain solutions are historically favoured. When consensus is created it is difficult for actors to leave this ideational common ground. The analytical point can be stated simply: If we don't know where the ideas came from, we will never understand either why they came about or what has really changed with the reform. It is an important part of this paper to show how the ideas contained in the jobcentreconcept can be identified at least 15 years before they were used in this new setting, with a remarkable policy change as a result.

The diachronic perspective, however, can not stand alone. All ideas or concepts are constituted in relation to other ideas. Thus, the synchronic perspective is important in our empirical analysis. Besides methodologically studying the relation between ideas and how changes in these relations

brings political change, we argue that the fusion of independent streams of ideas is an important dynamic in policy change, and also a powerful way for ideas to dominate interests. Applying the insights of conceptual analysis to policy analysis, it is easier to see the dynamic role of ideas in shaping actors' preferences. It has been argued before that ideas affect the preferences of actors, but not that the relation between ideas in and by themselves can change preferences. It is now commonly accepted that legislators activate a certain world-view or paradigm when trying to identify problems and solutions. They may create an ideational path by choosing one idea over another, but as we noted, ideas are never closed entities. In this way actors never control fully the meaning of the concepts that make up the framework for settling their own interests. On one hand new ideas can be injected into or fused with a concept, creating a new meaning in the concept not intended by the original proponent of the idea. On the other hand, though ideas are always open, they often favour certain interpretations over others. But the original 'creator' of the idea cannot ensure that his understanding of an idea always will stand strong. This leaves ideas potentially open for the fusion with other ideas. Thus, in this way ideas can dominate the interests that first created them by 'ganging up' with other ideas.

In our empirical analysis we demonstrate how a change in relations between ideas also changed the setting for the forming of preferences in the case of the Danish jobcentrereform. When the idea that all unemployed should be helped with a focus on their individuality - an idea that we show goes back at least 15 years in Danish labour market policy - was fused with the notion that the insurance-status of the unemployed was irrelevant for the effort to get people work, this created a new room for the actors to form their preferences. Because of the fusion between two ideas - one long accepted, the other newer - consensus was created that a one-tier structure was the only viable solution to combat unemployment. The Socialdemocratic Party, thus, ended up accepting a policy that they until recently was very sceptical of. In this way ideas reduced the power-resources of actors and dominated interests.

### **Conceptualising Danish jobcentres**

Our analysis is driven by a conceptual approach to policy analysis, and so we analyse the Danish jobcentres as a concept rather than a piece of legislation or a physical unit. The aim of the first part of the empirical analysis, the conceptualisation of jobcentres, is to extract from central documents what actors mean when they speak of jobcentres and a one-tier system - especially what implicit theories of cause-relation and normative beliefs frame this meaning. A concept was defined as a collection of ideas and relations between ideas that altogether constitutes an open unit of meaning. To analyse the concept of jobcentres, we need to establish what ideas and relations the concept is made up by. In the following conceptualisation we argue that the jobcentre-concept contains two organising ideas, 1) namely that the effort to get clients employed should be organised from the perspective of the individual's needs (from hereon 'Individual needs'), and that there is no significant difference between the problems of insured and uninsured clients (from hereon 'Equal status of the unemployed'). In short, the jobcentre-concept argues that unemployed people should receive individualised help regardless of their insurance status. This also naturally implies a one-tier system where both insured and uninsured are treated equally. The jobcentre-concept is condensed from two central policy

papers: the first reform that suggested a united one-tier system, 'Flere i arbejde' (*More people working*), and the government's initial proposal for the negotiation on a jobcentre-reform, 'Det nye Danmark' (*The New Denmark*).

*Idea 1: 'Individual needs'*

At the basis of the idea lies a simple conception of the nature of unemployed people: Clients have individual abilities, strengths and motivation, and the key to getting people employed is to activate these parts of the individual, through economic sanctions, education and an individual action plan. Measures to combat unemployment should thus be attuned to individual needs. In a simple and catchy phrase the bourgeois government wants to *help the individual help itself* (Regeringen, 2002a: 11). In the effort to get people work, the needs of the individual are central:

"The effort [to help people get employment] should be determined by the needs that the unemployed has, rather than whether the unemployed is insured or not. The system must be adjusted to the individual, not the other way around" (Regeringen, 2002a: 1; authors' translation).

In *The New Denmark* emphasis is also put on the individual needs of unemployed people:

"The effort to employ people should be based on the needs and resources of the individual, not which 'box' he belongs to" (Regeringen, 2004: 13, authors' translation).

The existing two-tier structure is criticised for being either too focused on social problems of the unemployed, instead of trying to find work; or too focused on getting the client work without trying to solve social problems. The effort should instead be focused around the needs of the individual by making it possible to combine social- and employment-oriented efforts. In a one-tier structure it is possible to make these different focuses go hand in hand, which is a central goal since "social and economic problems are connected, and must therefore be solved in parallel" (Regeringen, 2004: 32).

*Idea 2: 'Equal status of the unemployed'*

The idea of 'Equal status of the unemployed' can be stated in a simple way: There are equally strong and weak clients among insured and uninsured clients, and the division between them only has historic rather than employment-related reasons. This is an important argument against a two-tier system, because why would you need two systems that deal with the same kind of clients? If the reason for the division was employment-related there should exist a fundamental difference between the problems of the insured and uninsured clients.

"There is to a certain extent a merging between to two target groups. Thus potential benefits can be reaped by uniting the effort to combat unemployment in one system. A system that when it decides what measures and rules that applies to the unemployed, does not take as its starting point the insurance status " (Regeringen, 2002b: 18, authors' translation)



According to the government, the state and the municipalities respectively are not able to deal with the combination of socially oriented and work-related problems that clients encounter. The municipalities cannot handle unemployed people without social problems; and the state is not able to help clients with social problems effectively enough, but focus all their effort on getting people a job (Regeringen, 2002a: 9-10; 2002b: 17-18). This has the effect that

“In both AF [the Danish employment service for insured clients] and the municipalities [that handle uninsured clients] there are people caught in the system. And in both systems there are persons who by their own help find a job. In reality you cannot divide the unemployed into a strong group of insured and a weak group of uninsured” (Regeringen, 2004: 15, authors' translation).

Unemployment has its root in the combination of social and work-related problems that confronts unemployed regardless of their insurance status and so the existing division of unemployed into two systems does not reflect the needs of the unemployed. There are clients in both systems that need a job-related effort that goes hand in hand with social measures (Regeringen, 2004: 16).

#### *The ideas combined*

When the two ideas, 'Individual needs' and 'Equal status of the unemployed' is combined we see a stringent argument for a one one-tier system: When determining how to best help clients, this should be done from the perspective of the individual's resources and motivation, not from his insurance status. The clients within the two systems are more or less experiencing the same problems, so there is no reason to uphold a two-tier system. The idea 'Individual needs' does not in itself support a one-tier system, but when combined with 'Equal status of the unemployed' the conclusion is straight forward: Unemployment is best combated in a one-tier system.

#### **The jobcentre concept through time**

In trying to explain the content of the jobcentre-reform from a conceptual point of view, two combined analyses are necessary. First we seek to establish the diachronic development of the concept, that is, the possible path dependence of the ideas contained in the jobcentre-reform. If we want to understand the content of the jobcentre-reform – or even the preferential outset for the negotiations that lead up to the reform – it is necessary to analyse the ideas over time to determine its origin. The analysis shows that one of the ideas, 'Individual needs', was alive and well in previous labour market reforms, whereas the idea of 'Equal status of the unemployed' was not used in labour market discourse during the 1990s. Second, we analyse the relation between the two ideas. To show how they became intertwined in the jobcentre-concept we analyse the position of the Social Democrats from when they formed the government in the beginning of the 1990s (where they strongly supported a two-tier system) to around 2003, when they came to accept the idea of a one-tier labour market system. The change in the Social Democratic position is remarkable considering their original strong support of a two-tier system. The conceptual change is not so remarkable if the structural openness of the idea of 'Individual needs' is taken into consideration.

*Idea 1: The idea of 'Individual needs'*

One of the first elite actors to present the idea of 'individual needs' was the Social Commission, which published its reports and analyses around 1992-1993. In their reports the commission argued that a one-tier system should substitute the existent two-tier system, and an individualised effort to activate the unemployed should replace the previous focus on the insurance-status of the unemployed. A central part of the commission's proposal is the use of 'action plans' in the activation of unemployed clients (for a discussion of 'action plans', see Jensen & Born, 2001) where the general focus is on a needs-based employment effort. However, in the Social Commission's proposal the individualised effort is placed relatively late in the period of unemployment, and is only directed towards clients without sufficient attachment to the labour market.

The idea of an effort based on 'Individual needs' is more completely developed in the Zeuthen-commission. Actually one could argue that the individualisation of unemployment forms the basis of the reform. Once again individualised action plans play a key role in the process of activation. The argument for action plans is based on the perception that unemployed clients are different: Some need more support than others, and thus an individualised process is necessary to help the unemployed. The idea of 'individual needs' structures a large part of the Zeuthen-commission's work.

The central idea of 'Individual needs' – that makes up a basic idea in the jobcentre-concept - is also identifiable in the labour market reforms that followed the Zeuthen-commission. The idea of individualising the effort to get the unemployed working was fully accepted by the Social Democratic government and it plays a central part in the reforms of the 1990s. The activation effort was made more flexible to the needs of the individual, and action plans were instituted to identify the problems and resources of the individual. Basically, unemployment was conceptualised as a matter of individual motivation and ability, an idea that, as shown above, also frames the jobcentre-concept.

It is possible to find the basis for the idea of 'Individual needs' at least 15 years back in time. The continuity of the idea is remarkably strong: the idea was originally created by a Social Democratic government, and later served as an organising idea in a bourgeois-government labour market policy. There obviously exists differences between the policies of the two governments, but the two governments do share the central organising idea that unemployment can best be combated through activating the resources of the unemployed through an individualised and needs based effort. The analysis so far serves to support the claim that the jobcentre-reform cannot be explained simply from the interests of central actors, as previous analyses have tried. If we want to understand how the content of the reform was created, it is necessary to analyse the ideational development of the policy field up until the decision-making process was initiated. The negotiations during the reform-process is guided by a perception of important problems and viable solutions, and without understanding the paradigmatic mindset of the actors, we cannot explain the content of the reform. Our analysis renders it probable that the path-dependence of ideas played a major role in the creation of consensus around a one-tier system.

### *Idea 2: 'Equal status of the unemployed'*

It is relatively easy to establish that the idea 'Equal status of the unemployed' was not yet actively used in the political system at the beginning of the 1990s. The only important venue - where the issue of insurance-status was pressed - was in the Social Commission. The commission argued the system should not distinguish between insured and uninsured unemployment in relation to activation and visitation. Rather, focus should be on the individual's degree of labour market attachment:

"The proposal implies that the rules apply to all unemployed with attachment to the labour market, both insured and uninsured" (Socialkommissionen, 1993a, authors' translation, cf. Socialkommissionen 1993b: 98; authors' translation).

The Zeuthen-commission – which more or less provided a blue print for subsequent labour market reforms – on the other hand suggested that the insured and uninsured should be kept separated in two different systems. Besides arguing that this separation was necessary to create clarity in the activation of the unemployed, the commission notes that it has limited its deliberation to the question of the insured unemployed (Udredningsudvalget, 1992: 56). In other words, the question of insurance-status was not even a subject of discussion in the most important labour market commission of the 1990s. It seems safe to conclude that the commission did not support the idea of 'Equal status of the unemployed'.

Not surprisingly, the idea of 'Equal status of the unemployed' cannot either be identified in the subsequent Social Democratic labour market reforms. On the one hand the idea is rejected in the reforms. On the other, however, it could be argued that the growing harmonisation between the *means* used towards insured and uninsured clients (Damgaard, 2003) supports the argument that the idea that uninsured and insured clients should be treated equally is lurking in the dark. But the idea is not expressed directly and cannot be identified in the reforms since the reforms do not apply to both groups.

The analysis of how the two ideas that constitute the jobcentre-concept have developed over time has shown that only one of the ideas was new to Danish labour market policy, namely 'Equal status of the unemployed'. From a conceptual standpoint it becomes interesting to further analyse how and when the two ideas met to form the jobcentre-concept. In the fusing of the two ideas lies an analytical option to understand change in Danish labour market policy. What changed the position of the Social Democrats from supporting a two-tier system to supporting a one-tier system? These questions are sought answered in the following analysis of how consensus around the creation of a one-tier system emerged.

### **The relation between the ideas in the jobcentre-concept**

The above analysis showed that only one of the two ideas in the jobcentre concept was present in previous Danish labour market reforms. To isolate the ideational cause of the jobcentre-reform it is necessary to identify the conceptual changes in the period between the two reforms. In short, what happened between the labour market reforms in the 1990s and the jobcentre-reform that made a new consensus on a one-tier system possible? The focus on the diachronic development of the ideas is thus

complimented by an analysis of the relation between the two ideas.

The consensus that the Danish labour market should be organised as a one-tier system was crucial for the jobcentre-reform. Perhaps the bourgeois government would have created a one-tier system even if the Social Democrats did not end up accepting this idea. The process of arriving at consensus around a new structure, however, gives us insight into the process of how the two central ideas of the jobcentre-concept, 'Individual needs' and 'Equal status of the unemployed', was combined. In this section we analyse, first, how the Social Democrats came to accept a one-tier system, and second, the development in the position of the central bourgeois government party, Venstre is analysed.

#### *How the Social Democrats came to accept a one-tier system*

The Social Democrat's position on whether insured and uninsured clients should be included in a one-tier system changes fundamentally from 1994 where the first major labour market reform is initiated, to 2003 where the chairman of the party at that time, Mogens Lykketoft, acknowledges the necessity of a one-tier system. The idea of 'Equal status of the unemployed' is placed centrally in this development. It is the idea that there only exist historic reasons for the systemic division between insured and uninsured clients that opens up for a consensus on a one-tier system.

As mentioned above, the Social Democrats rejected the idea of equality between insured and uninsured clients in the 1994 labour market reform. Insured clients only needed help getting a job, whereas uninsured clients needed more social oriented help. The minister for social affairs, Karen Jespersen, upheld the support for a two-tier system in 1996, where she rejected any idea of uniting insured and uninsured clients in one system (Jespersen, 1996: 7). This position was confirmed by the Social Democrats in 2000. In response to a proposal from the Danish Economic Council (an independent council of leading Danish economists) that a one-tier system would be most effective in combating unemployment (Det Økonomiske Råd, 2000), the then Minister of Social Affairs, the Social Democrat Henrik Dam Kristensen, once again stressed that there exists a basic difference between insured and uninsured clients. In 2001 the Social Democrats still supported a two-tier system. In the reform program '*Brug for alle*' (Arbejdsministeriet et al., 2001) - which constituted an effort to open up the labour market for unemployed with social problems - a clear demarcation between insured and uninsured clients was kept intact:

"People in long-term unemployment can be divided in two main groups. One group is made up by persons, who through a longer period only have had employment-related problems. The main part of these are insured...The other group consists of persons who's lacking employment is also due to other problems than unemployment...The group consists mostly of uninsured persons...*Insured clients is in relation to the labour market a stronger group than the uninsured*" (Arbejdsministeriet et al., 2001: 33; authors' translation and emphasis)

Thought there might be some insured clients with other problems than unemployment, they are few and far between and their problems can be handled within the existing two-tier structure (Arbejdsministeriet et al., 2001: 34).

Though the idea of uniting the two-tier system into one is not yet supported by the Social Democrats, interviews with leading officials at the time, conducted by Christiansen and Klitgaard (2008a), seems to show that the idea of a one-tier system was developed in the latest part of the Social Democratic government period. Discussion seminars regarding a merging of the two systems was held between politicians and officials at top level during 2001 and continued with the new government in place around the end of the year. In opposition the Social Democrats upheld their scepticism towards a one-tier system. Even though they were part of the labour market agreement, *More people working* (2002), which laid the ground for the jobcentre-reform, the scepticism is intact. Interview material from Christiansen and Klitgaard (2008a) as well as a letter to the editor from the Social Democrat's spokesman on labour market policy, Jan Petersen (2003), suggests that the Social Democrats wanted to be part of the agreement but did not support the one-tier system that was in the melting pot.

In 2003 the position of the Social Democrats changes substantially. In a speech held in 2003, the party's chairman, Mogens Lykketoft, expresses his full support for a one-tier system. He argued that

"We need to unite the measures to combat unemployment for all unemployed so they are treated uniformly and get the same offers for employment and education, regardless of whether you are insured or not" (*Morgenavisen Jyllands-Posten*, 10/27, 2003; authors' translation)

Here Mogens Lykketoft clearly argues for a one-tier system. But what is the argument based on? The phrasing that clients should be treated uniformly regardless of their insurance status lies end to end with the notion that the problems of uninsured and insured clients are identical, in the sense that there is no systematic difference between the two groups. The position that the two-tier system should be united into a one-tier system presupposes the belief that the problems the two groups are experiencing are homogenous. Otherwise it would not make sense to unite the measures used to combat the unemployment of the two groups. With the chairman's formulation we see the injection of the idea 'Equal status of the unemployed' into the Social Democrat's position.

With this change in the Social Democratic position a consensus emerges that the Danish labour market should be organised in one tier for both insured and uninsured clients. The opposition and the government still disagree on who should have the administrative responsibility for the jobcentres - the state or the municipalities - and the Social Democrats ended up not supporting the final jobcentre-reform. But the Social Democratic opposition did support the locus of the reform, namely a one-tier structure.

#### *The development in the position of Venstre*

It is relatively easy to identify the position of Venstre on the issue of one-tier vs. a two-tier system. The leading government party, Venstre, has for long supported establishing of a one-tier labour policy. There are many examples of this support. In 1995 an MP for Venstre, Lars Løkke Rasmussen (who would later become Minister of the Interior), expresses his frustration with the existing two-tier system, where the municipalities spend more time trying to avoid paying social benefits than getting people work, and claims that often it is accidental who are insured and who are not (Rasmussen,

1995). In other words - in Venstre the idea 'Equal status of the unemployed' has already been somewhat fused in 1995, and naturally the argument supports a one-tier system.

In 1996 Venstre presents a proposal to unite the two-tier system into one. In many ways the proposal resembles the ideas that the Social Commission had presented about three years before. The main architects of the proposal is then chairman of Venstre, Uffe Ellemann-Jensen, and Anders Fogh Rasmussen who later was appointed chairman of the party and who was prime minister, when the jobcentre-reform was decided. It is thus possible to demonstrate how the idea of 'Equal status for the unemployed' was already in place in Venstre.

Obviously this position was once again confirmed when Venstre - together with the Conservative Party - took government in 2001 and, as mentioned above, continued the discussions on the possibility of a one-tier system with top officials in the Ministry of Employment.

### **The crossing between independent streams of ideas and its power over interest**

The analysis of the ideational background for the jobcentre-reform was conducted with a conceptual approach. First the diachronic analysis showed that one of the two main ideas in the jobcentre-concept, 'Individual needs', was clearly identifiable in previous labour market policy and commissions. Second, the synchronic analysis showed how the second idea, 'Equal status of the unemployed' came later. It was first established around 2001 and came through strongly in 2003, when the Social Democrats accepted its basis.

How, then, are we to understand the development of the jobcentre-concept? What happened between 1994 and 2003 that created consensus around a one-tier system? Venstre had long supported a one-tier system, so the main question is how the Social Democrats accepted the idea of a one-tier system. We believe the data shows two interesting aspects of this conceptual development.

One, even though the new bourgeois government that came to power in 2001, wanted to pursue an aggressive unemployment policy, it still based one of its most central labour market reforms on the basis of Social Democratic policies. It is not only the interests of the bourgeois government that determined the content of the jobcentre-reform. In explaining the content of the reform it is necessary to refer back to the central ideas that have influenced reform work through at least 15 years. In trying to understand what the setting was for the forming of the actors' preferences, we need first to establish the ideational consensus that forms the frame for rational actors' purposeful actions. As noted in the theoretical section of the paper, when consensus is created it is difficult for actors to leave this ideational common ground. In this way ideas create overall frame for establishing the content of reforms through a process of negotiation. Actors cannot completely set aside the ideas that have previously dominated the policy field, when initiating a reform. Instead solutions that can be related to previous efforts, in this case to combat unemployment are favoured.

Second, the idea of 'Individual needs' has shown its structural openness towards other ideas and interpretations. When the idea of individualised effort to help the unemployed was first introduced this was in support of a two-tier system. But the idea was later fused with the notion of 'Equal status of the unemployed' leading to the direct opposite conclusion, namely that a one-tier system was preferable. This shows the importance of understanding how actors are not able to control the concepts they employ in pursuit of their interest. With the conceptual approach to policy analysis

it is easier to understand how the interpretation of 'Individual need' changed so drastically. Concepts are open in the sense that they have no core, and the meaning of ideas always work in relation to other ideas. However, though ideas are always open, they often favour certain interpretations over others. As noted above the original 'creator' of the idea cannot ensure that his understanding of an idea always will stand strong. This creates a background for understanding ideational change and how it relates to policy change.

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