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Bridging social and employment services in European countries

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*Summary*

*European countries efforts to fight social exclusion*

Activation policies and programs are one of the main instruments to promote the transition from welfare to work and to (re)integrate people depending on social insurance benefits or social assistance into the labor market. However, to make labor market integration sustainable, disadvantaged people need to be supported with sufficient resources, such as personalized employment, social services and other services to enhance their employability. Under the term service integration, many countries undertake efforts to combine social and employment services in more or less integrated services. In this paper I study how these new integrated services look like with respect to government structures, e.g. shifts of responsibility upwards or downwards for both groups and how encompassing these new services are both with respect to target group and involved actors.

*Sammanfattning*

*De europeiska ländernas kamp mot social exkludering*

Aktiveringspolitik och aktiveringsåtgärder är de centrala instrument som används för att främja övergången från bidrag till arbete, dvs. för att integrera människor som är beroende av socialförsäkringsersättningar eller socialbidrag på arbetsmarknaden. En varaktig integration på arbetsmarknaden förutsätter att socialt utestängda personer först får tillgång till lämpliga resurser i form av individanpassade arbetsmarknadsåtgärder och sociala tjänster för ökad social delaktighet och anställbarhet. Begreppet *tjänsteintegration* används i flera länder för att beskriva reformer som innebär att man sammanför framförallt arbetsförmedlingens och socialtjänstens tjänster för att bättre kunna tillgodose dessa människors behov, en sammanslagning som kan ta sig många olika former. I den föreliggande studien undersöker jag hur dessa integrerade tjänster ser ut utifrån deras styrningsstrukturer, dvs. på vilken eller vilka administrativa nivåer ansvar har lagts, och hur omfattande dessa tjänster är vad det gäller målgrupper och involverade aktörer.

Renate Minas

## **Activation in integrated services? Bridging social and employment services in European countries**

The fight against poverty and social exclusion is a central concern of the European Union and its member states. With the launch of the Lisbon strategy in March 2000, the explicit goal for the next ten years was to modernize the European social model, invest in people and combat social exclusion but also to work for the eradication of poverty by 2010. Through the EU Social Protection and Social Inclusion Process, the European Union coordinates and encourages Member State actions to combat poverty and social exclusion, and to reform their social protection systems. Activation is a key notion in the European employment strategy and activation policies and programs are one of the main instruments to promote the transition from welfare to work and to (re)integrate people dependent on social insurance benefits or social assistance into the labor market (van Berkel and de Graf 2007). However, already the first Joint Report on Social Inclusion from 2002, aimed at identifying practices and approaches of the Member States in their fight against poverty and social exclusion, demonstrated that developing more effective activation programs required further improvement in delivery mechanisms. Greater decentralization and more integrated localized delivery of employment, social services and supports were pointed out as central improvements (EC 2002). For labor market integration to be sustainable, disadvantaged people need to be supported with sufficient resources, personalized employment, social services and other services to enhance their social participation and employability. Thus, social assistance and social services are important services promoting labor market integration of the unemployed.

What are the reasons for the development towards an integration of social and employment services? We can at least distinguish two arguments. On one hand these attempts have to be seen as a result of the highly specialized structure of modern welfare states that need to be met by integrating services. “Countering the tendencies to fragmentation and disconnectedness requires shifts both in the vertical relationships between centre, region, locality and neighborhood and in the horizontal linkages between organizations at different levels of the governance system” (Steward 2003, p276). Integration efforts are thus a reaction to the more and more specialized welfare state structure and are meant to function as a “one-shop-solution”, e.g. several welfare services are delivered jointly in one place. In our context, service integration means that active labor market policies are combined with social and other services needed at a single point for delivery. The intention is that the unemployed may avoid contacting several agencies that often handle social and labor market related problems in different ways, according to different rationalities. Thus, this argument is based on the intention to create “better government”. Another argument is that integration of social and employment services increases the employability of the unemployed. The general consensus across the European Union is that social policy towards unemployed and others not in work (e.g. social assistance recipients) should shift from passive income support towards active measures to help them into employment. Welfare and work are increasingly linked to measures that support activation and enhance employability (Ditch and Roberts 2002, COM 2006). As a consequence, the entitlement to benefits has in many member states been made conditional on active job search, availability for work or participation in training (Lodemel and Trickey 2000). Linked to that increased emphasis on reintegration of excluded into the labor market is the ambition of national governments in some countries to gain stronger control over activation policies.

Both arguments for integration of services (better government and increasing employability) are, in recent changes combined and can be summarized in the general intention to modernize social protection schemes. Whereas the first wave of reforms has concentrated on rationalization, activation and clarifications of rights and obligations of jobseekers, focuses the second wave of reforms mainly on addressing structural unemployment and long-term unemployment with new service models and reforms of the PES offices (EC 2006). Approaches of these second trend have been called “whole- of-government“ or “joint-up government” initiatives as they purpose to increase the capacity of public administrations

by working across existing policy areas to achieve a shared goal and get a better grip on complicated issues (Christensen and Lagreid 2007), thus the opposite of “silo” or “tunnel approaches”.

In this paper we will examine what this trend towards integration of activation services for social assistance recipients and insured unemployed persons looks like. The main question is if the observed integration efforts actually result in less fragmented and disconnected institutional arrangements. This will be done by analyzing i) shifts of power between the centre, region and local level, and ii) to analyze how encompassing these new services are both with respect to target group (for all unemployed or specific subgroups) and actors involved (public employment services, social welfare office, social insurance office etc).

The model below illustrates the issue of this paper. The precondition is that in the existing two- tier system of activation services sub-national social welfare offices already cooperate to some extent with (supra-local) PES in activating social assistance recipients, but that public employment services do not cooperate to the same extent with welfare offices when working with insured unemployed. In an ideal integrated activation service model vertical and horizontal borders should be abolished, meaning that all unemployed should get service from all relevant actors irrespective of level of government.

*Model 1: Changes from two- tier activation towards an integrated systems*

	Two- tier systems of activation services		Levels of government	One - tier system of activation services
Actors involved	Social assistance recipients	Insured unemployed		All unemployed
PES Others	X	X	Higher	X
Social welfare office Others	X		Lower	

## **Data and frame of analysis**

The data is based on a comparative project coordinated by the European Centre for Social Welfare Policy and Research/Vienna. This project, “Rescaling of social welfare policy - A comparative study of the path towards multi-level governance in Europe”, is collaborative, involving researchers from nine European countries (Finland, France, Italy, Norway, Poland, Spain, Sweden, and Switzerland). The project examines changes in government structure in various policy areas, inter alia local labour market policies and social assistance schemes. Different methodologies were used allowing us to identify the organisation of public institutions, i.e. institutions and actors at vertical and horizontal levels. Thus, according to our distinction, Sweden, Norway, Finland, Denmark, France and Poland belong to the category of countries having central regulated social assistance schemes, whereas Italy, Spain and Switzerland have regional regulated ones.

The development of integrated services is a rather recent phenomenon and consequently this “second wave of European Welfare state reforms” (van Berkel 2008) has been studied less frequently (e.g. Ditch and Roberts 2002, ESS 2006, Genova 2008, Lindsay and McQuaid 2008)<sup>1</sup>. The existing studies have mainly concentrated on countries that introduced institutionally highly developed integration strategies early, such as the UK (Jobcenter Plus), Germany (Hartz reform) and Netherlands (SUWI). In our study we focus on countries where reforms or attempts to reforms were introduced later on. By choosing these countries we want to provide a picture on how far this trend is spread over Europe.

Since we focus on changes in shifts of responsibility between higher and lower level of government and actors involved at respective level, the analysis is structured along different steering traditions of activation policies directed towards social assistance clients. A distinction is made between nationally regulated schemes and regionally regulated ones (regulation in terms of legislative power). The reason for using this analytical framework is that in order to understand directions of changes in activation of social assistance recipients we have to start with the institutional frame that social assistance schemes are embedded in and that any territorial changes are prestructured by. It may for example be more likely to find standardized activation policies for all kinds of unemployed when social assistance schemes and labor market schemes are regulated at the

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<sup>1</sup> The first wave of reforms, focusing on introduction of activation policies, has in contrast received substantial attention (see e.g. Lodemel and Trickey 2001).

same level. In countries where the regulation occurs at different levels one might instead expect various kinds of coordination strategies. The time frame of the analysis is the beginning of the 2000 and later.

The structure of this paper is the following. We will start with countries with national regulated social assistance schemes and describe the territorial structure with respect to the actual policy area. In a next step recent efforts at integrating activation services for unemployed and social assistance recipients will be studied highlighting especially changes in the division of power between central and local tiers of government, the institutional structure of the integrated services and their comprehensiveness. The same will then be done for the regionally regulated social assistance schemes. Next, changes in vertical and horizontal modes of governance will be analyzed and their implication for different service integration strategies pointed out with respect to their institutional structure and comprehensiveness. A discussion will finally summarize and interpret the findings.

## **Countries with national regulated social assistance schemes**

### *Territorial responsibility for social assistance*

Developments within this cluster will be studied using the Nordic countries Sweden, Norway, Finland and Denmark, as well as Poland and France. All six countries have in common that social assistance is a national responsibility, but give sub-national levels autonomy to varying degree. In the Nordic countries, there are two important tiers of governance with respect to social assistance policies, the national government and local councils/municipalities. The national level is the highest political decision-making body having the legislative power whereas the local level traditionally have a considerable degree of autonomy in implementing social assistance and – to an increasing degree – in planning and administrating activation policies. However, local autonomy in these countries is regulated through national standards, monitoring of local activities by national bodies and the right to appeal municipal decisions, although the extent varies.

Poland is a different story. Poland has a decentralized, four level structure of public authorities, with autonomous, elective legislative and executive bodies on the local (gmina), supra-local (powiat), regional (voivod) and national level. The first reform, in 1990, established basic local government units: the gminas (municipalities). With the constitution from 1997 two subsequent autonomous levels of government administration

were introduced: poviats (counties) and voivodships (regions). Regarding the relation between the three sub-national tiers, it is the gmina, which constitutes the basic element of the system, and its authorities that are responsible for satisfying the basic, universal needs of citizens. The gminas have the autonomy to regulate the level of social assistance benefits (periodic allowances) above the statutory minimum. However, all three sub-national levels have planning powers with respect to social assistance at their respective level.

The French constitution defines four tiers of power: the central state, regions, the Départements and municipalities. Despite some recent reforms the central state remains the key actor in the French system of governance with respect to social assistance. This is also true regarding active labor market policies (except for vocational training that is mainly in hands of the regions). Nevertheless, the regions and the Departments are important tiers of power. A traditional feature of the French local system is the political and administrative fragmentation of local government systems. The huge number of municipalities and the problem of coordination in-between them has for long been one a central problem of the French local government system.

#### *Recent integration efforts*

The most institutionally developed efforts of integrated activation services can be found in this cluster, mainly in Finland, Denmark and Norway. The solutions look quite different but have in common that they are the result of vertical changes implying simultaneously up- and downward shifts of power between higher and lower levels of government. They also have in common that integrated activation services involve agencies located at different territorial tiers (national and local) and new modes of cooperation are used.

As in several other countries, reforms of the public employment services (PES) and social services have been on the agenda in Finland for quiet some time and ambitions to integrate these services have grown steadily. A closer cooperation of activation measures carried out by the national employment authorities and the municipal welfare offices became an obligation in 2001 with the new Act on Rehabilitating Work Experience (KUTU). This act implied territorial changes that can be described as a mixture of simultaneously up-and downwards movements: downwards by shifting responsibility for labor market programs directed towards young people and unemployed “far from the labor market” from central to local government and upwards by conditioning the new local responsibility on cooperation with the PES

(obligation to prepare a joint activation plan together with the unemployed client). With this law, activation measures became a legal responsibility of the municipalities. The action plan is meant to coordinate activation measures and social and health care services in order to promote employment. Thus, long-term unemployed and young people without a job got access not only to activation measures, but also to health and social services. A tailored path to active solutions should be designed for every individual using – when necessary – also other services that would be subcontracted from a broader network. Holistic assessment was the new catchword. A further step in the institutional integration of activation services was to collect the relevant authorities' service packages together in so called joint service centers (JOIS) (employment offices, the municipalities and the social insurance institution) at local level on experimental basis in 2002 and 2003. One year later the joint service centers were divided into two parts: for customers with complex and multiple problems a joint municipal- state agency called the Labor Force Service Centres (LAFOS) was set up whereas more job-ready unemployed are referred to the Job Search Centres. The LAFOS gather the public employment services, social and health care services, services of the national social insurance agency and additional subcontracted professional expert services. The different partners coordinate these multi-professional centres. Thus, the Finnish government choose to retain a dual activation system with the easy-to-place unemployed in one organization and the hard-to-place ones in another one (The Peer review program 2004).

Also in Norway a similar trend can be observed. Up to 2005 Norway had a traditional division of labor between welfare agencies: a National Employment Directorate, a National Social Security Directorate, and local (municipal) social assistance service. However, between 2006 and 2010 a merged Employment and Social Security Directorate (NAV) is being introduced. This reform was introduced shortly after a new ministry had been established integrating the responsibility for the insurance administration and employment administration. The merger of political responsibility thus, set the way free for the reform. A central component of the reform is the governmental requirement of a mandatory partnership between the NAV and local councils. The municipalities will remain economically responsible for the social assistance costs after the reform, whereas the Employment Directorate, with regional and local sub-branches, has been and still is responsible for administrating activation services to all jobseekers, e.g. also social assistance claimants (Minas and Overby, forthcoming). The reform is aimed at increasing work participation by making

the administration more user-friendly, holistic and efficient (Fimreite and Lagreid 2008). It is an organizational reform where separate officials with different professional background and cultures now are integrated in one organization in order to create a new work organization. The local authorities have autonomy to make agreements with the central authorities on how they will implement the reform locally. However, one welfare office functioning as a joint frontline service shall exist in each municipality, e.g. a co-location of the social services and the new labor and welfare services is introduced. The result so far is a more overall institutionally unified system, but at the same time local institutional variation is larger than before. From a territorial point of view these reforms represent - like in the Finish model - a mix of downward and upward rescaling (centralized decentralization). The cooperation these arrangements are built upon are a kind of network-arrangement through central dictate; a hybrid between a hierarchical and deliberative mode of coordination and control. Yet, contrary to the Finnish example, the one-shop strategy in Norway is open for all types of unemployed.

A third type of coordination strategy can be found in Denmark. Also here a two-tier system of activation existed until recently, the uninsured being the responsibility of the municipalities and the insured unemployed the responsibility of the public employment services. The plan with the "More people into employment" reform (2002) was to integrate national PES and municipal employment services and to abolish the distinction between the 'activation' activities undertaken by the municipal authorities in relation to people receiving social assistance, and the public employment service's activities in relation to people receiving unemployment benefits. The different competencies should be united in one unit and all unemployed should be covered by an individualized tailor-made contact program. Since 2004, so called job-centers are responsible for job-reintegration. In practice, two different types of job-centers exist. In the majority of the municipalities the PES and the municipal social and employment departments work side by side in the same building, the PES being responsible for services for the insured unemployed and the municipalities responsible for social assistance recipients. The cooperation has here the form of an organizational partnership between the state and the municipalities, also the costs are shared between state and municipalities. The remaining job-centers are organized exclusively by local authorities (Bredgaard and Larsen 2008).

These three models have at least one important characteristic in common. Seen from a vertical perspective the development of these integrated activation strategies can be characterized as centralized decen-

tralization, decreasing the autonomy of local governments while at the same time delegating the operational responsibility for activation policies to the new local agencies. Thus, it can be described as compromise between retaining the division of power between local and central level and simultaneously creating new coordinated solutions with respect to the delivery of welfare services. Of course, also differences are obvious. For example is the Norwegian solution the only one that offers a joint service for all kinds of unemployed.

*Examples of integrated activation policies*

Country	Institution	Target group
Finland	<ul style="list-style-type: none"> <li>• LAFOS (PES; social /health services, social insurance agency, other)</li> <li>• Job Search Center</li> </ul>	<p>Unemployed far from labor market</p> <p>Job-ready</p>
Norway	<ul style="list-style-type: none"> <li>• NAV (PES, social insurance, social service)</li> </ul>	All unemployed
Denmark	<ul style="list-style-type: none"> <li>• Divided jobcentres</li> <li>• Unified jobcentres</li> </ul>	<p>Insured unemployed resp social assistance recipients</p> <p>All unemployed</p>

In Sweden, France and Poland coordination with respect to activating social assistance recipients looks quite different. Most Swedish municipalities developed local activation programs, either through municipal activation agencies or through units within the social services, and cooperation with the local PES is rather common. However, the degree of institutionalization as well as the content of these programs varies a lot (Salonen and Ulmestig 2004, Minas 2008). In Poland, we can instead observe attempts to coordination that varies according to local and regional circumstances and with the actors involved. Coordination between local social assistance providers and local or regional employment services is often complicated and fragmented, and the process of social integration is in practice separated from the process of re-entering the labor market (Bergmark and Minas, forthcoming, Minas 2008).

With respect to cooperation, institutional fragmentation is a main characteristic of the French social and employment system. Often several different authorities (belonging to different territorial levels) fund and provide services for the same territory and/or client type. To overcome the obstacles of cooperation, “intermunicipal government” was introduced in particular in main cities. Through “multi-purpose agencies” voluntary intergovernmental cooperation amongst the communes and municipalities is promoted. On a vertical level public-private partnerships that coordinate the work of a large variety of actors are widespread in France. Thus, the basically single purpose administrative and intergovernmental setting of the French state is complemented more and more by multi purpose forms of territorial government (Thoenig 2005). The Social Cohesion Plan from 2004 can be interpreted as a step in the direction of integrated activation services. The aim with that plan is to take an integrated approach in the fight against social exclusion, e.g. to tackle the hard core of the unemployed. Around 300 employment house or “Maisons de l’emploi” under the umbrella of the Ministry of Employment were established gathering various agencies such as the local services of the Ministry of Labor, national employment service agencies (ANPE), national unemployment insurance fund (UNEDIC), municipalities, etc. These houses are open for everybody. Thus, France is also engaged in a process of integrating services with the aim to simplify administrative structures and to provide better assistance to unemployed, even if the attempts are not as comprehensive as for example in the Norwegian case. Coordination between actors remains difficult.

In summarizing the trends and changes, we can distinguish a tendency towards an increased institutional coordination or sometimes integration of activations policies on various tiers of government that can be interpreted as an ambition to overcome the diversification of local and national activation programs. Coordination or even integration of social and employment services is most developed in Norway, Finland and Denmark.

### **Changes in territorial responsibility within regionally framed social assistance schemes**

#### *Territorial responsibility for social assistance*

The regulation of social assistance schemes looks quite different in countries without national legislation and one can assume that this has implications for coordination strategies. In federal Switzerland for example, the highest competency for social assistance is located at the regional level, the cantons. In Italy, territorial government is organized around the state,

regions, provinces and municipalities. The municipalities and provinces are administrative bodies, whereas the regions have legislative power regarding social assistance. However, since implementation is not further regulated the management of the benefit is locally strongly fragmented. Spain is an additional example of a country with regional responsibility of social assistance policy, here at the level of the autonomous communities. A common feature of the sub-national responsibility of social assistance in all three countries is deep regional and local variations in the type and arrangement of activation programs. Coordination patterns are accordingly less clear and depending on regional/local politicians, priorities and resources available.

#### *Recent integration efforts*

As a consequence of extremely varying regional and local regulations and number and type of involved actors, coordination arrangements differ widely in its design and content. It is not possible to find the far reaching integrated approaches we could observe in Denmark, Norway or Finland, instead we find more or less institutionalized attempts at coordination. In these countries we can find different forms of vertical coordination (between region, province, and municipality), yet limited to certain areas and not applying to the whole country and horizontal coordination (between actors within the same governmental level). Often it is a complex mixture of both at the same time, especially in Italy and Spain.

Planning and delivery of social policies in Italy is based on a multilevel governance system where regions and municipalities interact in a vertical relationship (both bottom-up and top-down), but also in a horizontal relationship with many stakeholders at every level. With Law 328/00 public and private agencies got an equal role in planning and managing social measures. Thus, the role of non-profit organizations increased, strongly favored by the law that conditions the provision of funds to the existence of partnerships. Regional social plans are adopted by the regions and local priorities are set after negotiations with local authorities and main stakeholders. Planning of local measures (e.g. social assistance policies) is up to the municipalities, using local area plans that of course should be adapted to regional planning. Inter- institutional coordination committees in Italian regions with representatives of the region, provinces and municipalities have the task of promoting the integration of employment agencies, active labor policies market and training policies. However, even if the provincial employment offices theoretically have to provide services to all citizens; in practice this depends on implementation practices, regional and/or provincial guidelines and not the least on the resources available.

In general, activation measures within the Swiss unemployment and social assistance scheme are not coordinated with each other instead an institutional division exist between the systems. Yet, there are some recent efforts on the cantonal level to increase the cooperation between the unemployment insurance and social assistance system (inter-institutional coordination). Binding co-operation has for example been installed between the regional social service and the regional unemployment centre in some cantons in order to improve the implementation of social and professional integration. In Spain, the provinces have a central role, not only for the overall establishment of social assistance policies, but also a formal responsibility for coordination of social assistance delivery at the (subordinate) municipal level. Beside this vertical coordination, agreements between various public, private and corporate institutions establish networks at the horizontal level. In 2005 a new law introduced the Social Integration Project, a project obligatory for each municipality with the aim to provide activation and inclusion measures for people at risk of being excluded. It is the municipalities' responsibility to provide and organize activities, thus these can look quite different within each region.

*Examples of coordination with respect to activation policies*

Country	Cooperation	Actors involved
Switzerland	- Binding co-operation - Inter-institutional coordination	Cantons and municipalities PES and social services
Italy	- Area plans (national, regional, local) - Inter- institutional coordination committees	Public, private, third sector Region, provinces and municipalities
Spain	- Territorial action plans - Social Integration Project	Provinces and municipalities Municipalities and other actors

Summarizing coordination efforts in countries with regional regulation of social assistance policies gives a rather patchy picture. In all three countries the regulative responsibility for social assistance policies and activation of social assistance recipients (only partly in Switzerland) lies at the regional level; an institutional construction that sets for local variation. An impor-

tant difference is however, that the Italian social assistance scheme has a rather rudimental and fragmented structure that is dependent on the political will of local politicians. A similarly fragmented and rudimentary situation can be found with respect to activation policies. In contrast, encompassing social assistance laws exist in each Swiss canton. Here a situation exists, that resembles the Nordic problem of a dual system of activation governance. Different activation systems exist side by side, one for unemployed within the national labor market system and another one for unemployed social assistance recipients. Spain can be placed somewhere in between these two cases.

### **Integrated activation policies?**

Our initial question was to analyze what trends towards integration of activation services for social assistance recipients and insured unemployed look like and if they result in less fragmented institutional solutions. When analyzing the integration strategies, we focused on the institutional design of these strategies and their comprehensiveness. Thinking about integration system as ideal- types, the most far-reaching approach would be the creation of a totally new institution with the aim to fully unite until now distinct separate agencies. The consequence of that kind of solution would be a coherent structure of welfare policy. Another possible institutional structure is co-operation between neighboring policy areas (cross-sectional) that can, however, be more or less institutionalized. Here the arrangements can include different actors, in our case mainly the social service offices and the PES but also others such as the social insurance agencies or various NGO's. Depending on the degree of institutionalization, the arrangements would be coherent in varying extent. The least integrative arrangement would be an institutionally totally divided responsibility for activation with respect to insured unemployed and social assistance recipients. Another important dimension is the comprehensiveness of the arrangements; are they so-called one-stop shops that are open for all unemployed or targeted to certain groups.

However, institutional structure and comprehensiveness of services are of course correlated to the existence of these services. As activation measures are less frequent, less institutionalized and highly depending on local settings in the South European countries and also Poland, reforms are less far reaching and regionally different compared the Nordic countries and France.

### *Institutional structure of activation arrangements*

The institutional structure of activation arrangements differs markedly between countries, something which is hardly astonishing. Still, similarities can be observed. In almost all countries we can find cross-sectional arrangements including mostly employment offices and social welfare offices but also other welfare agencies. The more modest reforms consist of more or less institutionalized cross-sectional cooperation mostly however, without changing organizational and professional boundaries. Reforms are less developed and less uniform in countries with regional social assistance regulation. Taking into consideration the patchy structure of social assistance schemes in these countries, in particular in Italy and Spain, this is not surprising. The role of other supporting factors for crossing sectional boundaries and building integrated services such as political will, support of relevant stakeholders at the various territorial levels and resources seem absent in these countries. Also in France and Poland no uniform integration strategies exist, however, in France recent attempts to integrate services for unemployed can be observed. The highly fragmented structure of the social assistance schemes in both countries combined with several territorial levels of government that all have competencies in delivery of employment and/or social welfare services can to be assumed to make national-wide integration efforts really difficult. On the other hand we have the Nordic countries with nationally regulated social assistance schemes combined with a less complex territorial division of authority. Here we find the most radical integration approaches. Most far-reaching is Norway with the merger of two separate agencies into a new one, however, new agencies were also introduced in Finland (LAFOS) and Denmark (jobcentres). All three solutions of integrated activation services are to a high degree based on so called new modes of governance. They are built on quasi none-hierarchical partnerships between actors of both national and local level of government.

### *Comprehensiveness*

In our examples, only the new organizational arrangement in Norway encompasses all unemployed, irrespective of if they are eligible for unemployment insurance or not. That means that only in Norway we can really talk about a one-stop shop for all with respect to activation policies. This implies that integrated activation arrangements not always abolish divided activation strategies. The reforms in Denmark and Finland did not really end the two tiered system of activation. In fact, reforms can cement these. In Finland, the LAFOS serve only unemployed far from the labor market

whereas all other unemployed get served by the PES. The Danish jobcentres give the illusion of a one-stop shop by creating a joint entrance but behind that the social services and employment offices work separately with their traditional clientele. Thus, we find integrated arrangements within dual activation systems; in fact, divided responsibility for insured and uninsured unemployed is still the most common activation arrangement. Inter-sectional cooperation with respect to number and type of actors is, however, most far-reaching in the Finnish case. The labor force service centers offer an encompassing variety of services that include PES, social services, social insurance agency, health care and educational services.

### **Conclusion**

The fact that unemployment is one of the main causes for social assistance reciprocity has without doubts resulted in an increased responsibility of sub-national levels for organizing and implementing activation measures. In that sense, the last safety net has shouldered a new role and broadens its area of competence fully in line with the policy shift at EU level that proposes activating income support schemes. So in most cases studied in this paper, a transformation of power to lower levels of governance is observable. Yet, there are also some indications for an increased national control over activation policies, mainly in the Nordic countries. But this intention can be implemented in different ways. Increased national control over municipal activation programs was the intention behind the Danish reform. However, in the majority of the jobcenters the PES and municipality worked separately with their traditional clientele. Critique of local activation policies was also the reason for the close down of the Swedish municipal youth programs, but without creating new institutional solutions.

Local activation programs are often of varying quality and quantity, depending on local circumstances and local politicians ambitions and can not offer the same comprehensive programs the PES normally can. A somewhat optimistic interpretation would be that an increased national control over activation policies signifies a political ambition to ensure equal treatment of unemployed with respect to access to activation measures. However, since most of the integrated approaches are limited to certain groups of unemployed this assumption seems not to hold yet. An increased national control over activation policies is however, not observable in the South European countries and Poland. Here, more or less institutionalized attempts of coordinating services around unemployed are performed.

Thus, when putting together all pieces, we can identify a trend towards integrated activation policies, but in very different forms. It is only in some

cases that we can talk about a loosening of boundaries between various welfare agencies, in most cases the reforms are rather modest. Reforms often focus on specific groups of social assistance recipients and do not lead to a streamlining of the system for all unemployed. A separate responsibility for activation measures directed towards insured and uninsured unemployed is still the most common situation. So far, there are not many signs that really would imply a less fragmented structure of activation policies. Yet, the observed changes might mark a turning point in several respects.

- The trend towards a transfer of power and responsibility to sub-national level that was the dominant one for some time might be broken. Recent reforms (here only in the Nordic countries) clearly mark that local autonomy is defined by national legislation and that national government has the ultimate power to decide how far decentralization should be carried through (Bergmark and Minas 2007).
- The mix of up –and downwards-scaling does not simply imply that power is taken back to the supra-local level and that local power is reduced. Recent reforms and coordination patterns are not built upon traditional top-down hierarchical modes of government; they rather imply a turning point in the way social assistance policy is carried out. In many cases, the arrangements are based upon agreements between the partners involved. In the case of Norway, NAV and local authorities have been obliged by parliament to sign formal agreements as to their division of labor in the local setting, yet, locally they have the autonomy to decide exactly how to divide their responsibilities. The consequences are several different ways of service coordination. The overall institutional system is now unified, but at the same time local institutional variation is larger than before. A multi-level governance system is also existent in Italy, where the delivery of social services is performed by actors on several levels of governance interacting with each other.

Our earlier assumptions that countries with nationally regulated social assistance systems would be more likely to develop integrated activation arrangements was too simple and some additional factors appear to be important. It is true that the most far-reaching reforms exist in countries with national social assistance legislation, but not in all of these (e.g.

Sweden, Poland, France). Reasons for this are the countries uniqueness, but also some features they have in common. First, as Ditch and Roberts (2002) stated France is “an example of the continuing tensions within national structures between employment policy on the one hand, and social assistance/social integration on the other. There is a clear need for coordination between the two areas at national level, but a continuing tension between the tradition of centralized, state control of the labor market and the more devolved provision of social services and assistance. There is reluctance on the part of the Employment Department to give special attention to RMI recipients” (p. 34). But that is not the only point. It is also a fact that the French social assistance system consist of a variety of different benefits, each administered and delivered by a variety of different actors. The complexity of the system is also a result of the territorial diversification, with at least four administrative tiers of government that are important for activation policies (state, regions, provinces and municipalities). Cooperation between a variety of actors that represent several administrative and political tiers of government is in this context a challenge. An additional obstacle is the large discretion many of the local actors have with respect to activation policies. They define a recipient’s position on the labor market and what kind of activation programs would be the most appropriate one.

A similar picture regarding a complex territorial structure can be drawn for Poland, Italy and Spain. All these countries have many and small municipalities: in Italy and Spain (roughly 8000), Poland (2400) and France (over 36.000); too small for effective policy implementation. Therefore a supra-municipal body often exists which implement policies. Lack of resources and problems with the institutional structure of activation policies is at least in Poland and Italy an additional obstacle. In the countries with regional social assistance legislation, integrated activation services can mainly be found on regional, provincial and municipal level. But only in limited extent. Thus, it seems that the existence of national social assistance legislation, few tiers of government and few actors involved in planning and delivery of activation programs promotes integration of activation services. In other words, a strong state and few veto points make changes possible.

The fight against poverty and social exclusion within the European Union relies heavily on the integration of people far from the labor market. To promote the integration of these people a comprehensive *active inclusion* strategy is promoted. A holistic approach of active inclusion underpins the necessity of interlinking employment, income support and other necessary social support (COM 2006). The diverse social assistance and

minimum income schemes are seen as critical instruments in the achievement of social inclusion. Particular attention is given to disadvantaged peoples need to be supported with sufficient resources and personalized employment and social services to enhance their social participation and employability (COM 2007). It is stressed by the Commission that the success of active inclusion policies depends upon the involvement and cooperation of several actors. Local and national governments have a fundamental responsibility for designing, funding and administering policies to secure the integration of people far from the labor market. It is stated that too frequently; these actors operate in disconnected fields of social and employment policies. To be successful, the active inclusion approach must promote an integrated implementation process, among the local, regional, national and EU policy levels and across the three provision strands: minimum income, active labor market measures and social services. Yet, as the results of this study show, there is still a long way to go for the individual countries to reach the goal of an active inclusion strategy.

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